

FY 2027

CONGRESSIONAL BUDGET JUSTIFICATION

WAGE AND HOUR DIVISION

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WAGE AND HOUR DIVISION

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WAGE AND HOUR DIVISION

APPROPRIATION LANGUAGE

SALARIES AND EXPENSES

For necessary expenses for the Wage and Hour Division, including reimbursement to State, Federal, and local agencies and their employees for inspection services rendered, \$235,000,000.

WAGE AND HOUR DIVISION

AMOUNTS AVAILABLE FOR OBLIGATION

(Dollars in Thousands)

	FY 2025 Enacted		FY 2026 Enacted		FY 2027 Request	
	FTE	Amount	FTE	Amount	FTE	Amount
Budget Authority Before Committee	1,128	\$260,000	1,053	\$260,000	1,016	\$235,000
Spending Authority from Offsetting Collections: Civil Monetary Penalties (CMP)	0	\$3,000	0	\$2,800	0	\$2,800
H-1B Fees	242	\$60,000	159	\$60,000	159	\$60,000
Total Budgetary Resources	1,370	\$323,000	1,212	\$322,800	1,175	\$297,800

WAGE AND HOUR DIVISION

SUMMARY OF CHANGES

(Dollars in Thousands)

	FY 2026 Enacted	FY 2027 Request	Net Change
Budget Authority			
General Funds	\$260,000	\$235,000	-\$25,000
Special Funds	\$60,000	\$60,000	\$0
Total	\$320,000	\$295,000	-\$25,000
 Full Time Equivalents			
General Funds	1,053	1,016	-37
Special Funds	159	159	0
Total	1,212	1,175	-37

Explanation of Change

	FY 2026 Enacted		Trust Funds		Federal Funds		FY 2027 Total	
	FTE	Amount	FTE	Amount	FTE	Amount	FTE	Amount
Increases:								
A. Built-Ins:								
Total personnel compensation	1,212	\$156,958	0	\$0	0	\$0	0	\$0
Personnel benefits	0	\$63,136	0	\$0	0	\$0	0	\$0
Benefits for former personnel	0	\$12	0	\$0	0	\$0	0	\$0
Travel and transportation of persons	0	\$2,970	0	\$0	0	\$0	0	\$0
Rental payments to GSA	0	\$11,200	0	\$0	0	\$0	0	\$0
Communications, utilities, and misc.	0	\$256	0	\$0	0	\$0	0	\$0
Printing and reproduction	0	\$492	0	\$0	0	\$0	0	\$0
Advisory and assistance services	0	\$981	0	\$0	0	\$0	0	\$0
Other services from non-Federal sources	0	\$620	0	\$0	0	\$0	0	\$0
Other goods and svcs. from Fed. sources	0	\$7,000	0	\$0	0	\$0	0	\$0
Operation and maint. of equipment	0	\$20	0	\$0	0	\$0	0	\$0

WAGE AND HOUR DIVISION

Supplies and materials	0	\$212	0	\$0	0	\$0	0	\$0
Equipment	0	\$384	0	\$0	0	\$0	0	\$0
Insurance claims and indemnities	0	\$168	0	\$0	0	\$0	0	\$0
Working Capital Fund	0	\$75,591	0	\$0	0	\$0	0	\$0
Built-Ins Subtotal	+1,212	+\$320,000	0	\$0	0	\$0	0	\$0
B. Programs:								
Programs Subtotal			0	\$0	0	\$0	0	\$0
Total Increase	+1,212	+\$320,000	0	\$0	0	\$0	0	\$0
Decreases:								
A. Built-Ins:								
Federal Employees' Compensation Act	0	\$0	0	\$0	0	-\$93	0	-\$93
Working Capital Fund	0	\$0	0	\$0	0	-\$5,074	0	-\$5,074
Built-Ins Subtotal	0	\$0	0	\$0	0	-\$5,167	0	-\$5,167
B. Programs:								
Staff Attrition			0	\$0	-37	-\$19,833	-37	-\$19,833
Programs Subtotal			0	\$0	-37	-\$19,833	-37	-\$19,833
Total Decrease	0	\$0	0	\$0	-37	-\$25,000	-37	-\$25,000
Total Change	+1,212	+\$320,000	0	\$0	-37	-\$25,000	-37	-\$25,000

WAGE AND HOUR DIVISION

SUMMARY BUDGET AUTHORITY AND FTE BY ACTIVITY

(Dollars in Thousands)

	FY 2025 Enacted		FY 2026 Enacted		FY 2027 Request		Diff. FY 2027 Request / FY 2026 Enacted	
	FTE	Amount	FTE	Amount	FTE	Amount	FTE	Amount
Salaries and Expenses	1,128	\$260,000	1,053	\$260,000	1,016	\$235,000	-37	-\$25,000
General Funds	1,128	\$260,000	1,053	\$260,000	1,016	\$235,000	-37	-\$25,000
H-1B Fees	242	\$60,000	159	\$60,000	159	\$60,000	0	\$0
General Funds	0	\$0	0	\$0	0	\$0	0	\$0
Special Funds	242	\$60,000	159	\$60,000	159	\$60,000	0	\$0
Total	1,370	\$320,000	1,212	\$320,000	1,175	\$295,000	-37	-\$25,000
General Funds	1,128	\$260,000	1,053	\$260,000	1,016	\$235,000	-37	-\$25,000
Special Funds	242	\$60,000	159	\$60,000	159	\$60,000	0	\$0

NOTE: FY 2025 reflects actual FTE.

WAGE AND HOUR DIVISION

BUDGET AUTHORITY BY OBJECT CLASS

(Dollars in Thousands)

	FY 2025 Enacted	FY 2026 Enacted	FY 2027 Request	Diff. FY 2027 Request / FY 2026 Enacted
11.1 Full-time permanent	158,796	151,508	139,410	-12,098
11.3 Other than full-time permanent	800	1,088	1,088	0
11.5 Other personnel compensation	4,147	4,362	4,362	0
12.1 Personnel Benefits	62,140	63,136	55,401	-7,735
12.1 FECA	0	0	-93	-93
13.0 Benefits for former personnel	8	12	12	0
21.0 Travel and transportation of persons	2,750	2,970	2,970	0
22.0 Transportation of things	16	0	0	0
23.1 Rental payments to GSA	11,500	11,200	11,200	0
23.2 Rental payments to others	2	0	0	0
23.3 Communications, utilities, and misc.	400	256	256	0
24.0 Printing and reproduction	600	492	492	0
25.1 Advisory and assistance services	2,950	981	981	0
25.2 Other services from non-Federal sources	1,500	620	620	0
25.3 Other goods and svcs. from Fed. sources	21,611	7,000	7,000	0
25.3 WCF (Non-Add)	51,896	75,591	70,517	-5,074
25.4 Operation and maintenance of facilities	19	0	0	0
25.7 Operation and maint. of equipment	15	20	20	0
26.0 Supplies and materials	350	212	212	0
31.0 Equipment	200	384	384	0
42.0 Insurance claims and indemnities	300	168	168	0
Total	320,000	320,000	295,000	-25,000

WAGE AND HOUR DIVISION

AUTHORIZING STATUTES

Public Law / Act	Legislation	Statute No. / US Code	Expiration Date
PUB. L. 75-718	Fair Labor Standards Act of 1938, as amended.	29 U.S.C. 201-219	N/A
PUB. L. 74-846	Walsh-Healy Public Contracts Act, as amended (1936).	41 U.S.C. 6501-6511	N/A
PUB. L. 90-321	Consumer Credit Protection Act (Title III – Restriction on Garnishment) (1968).	15 U.S.C. 1671-1677	N/A
PUB. L. 87-581	Contract Work Hours and Safety Standards Act, as amended (1962).	40 U.S.C. 3701-3708	N/A
PUB. L. 89-286	McNamara-O’Hara Service Contract Act, as amended (1965).	41 U.S.C. 351-357	N/A
PUB. L. 74-403	Davis-Bacon Act, as amended and related acts (1931).	40 U.S.C., Chapter 31, Subpart IV	N/A
PUB. L. 97-470	Migrant and Seasonal Agricultural Worker Protection Act (1983).	29 U.S.C. 1801-1872	N/A
PUB. L. 99-603	Immigration and Nationality Act, as amended by the Immigration Reform and Control Act of 1986.	8 U.S.C. 1324, 8 U.S.C. 1101(a), 1184(c), 1824, 29 U.S.C. 1802, 1813(a)	N/A
PUB. L. 100-347	Employee Polygraph Protection Act of 1988.	29 U.S.C. 2001 et seq	N/A
PUB. L. 103-3	Family and Medical Leave Act of 1993.	29 U.S.C. 2601, et. Seq.	N/A
PUB. L. 105-277	American Competitiveness and Workforce Improvement Act (ACWIA), Title IV of the Omnibus Consolidated and Emergency Supplemental Appropriation Act (1998).	Title IV, sec. 414(b) and (c)	N/A
PUB. L. 108-447	L-1 Visa and H-1B Visa Reform Act, Title IV of the Consolidated Appropriations Act, (2005).	Title IV, sec. 401-430	N/A
PUB. L. 89-209	National Foundation for the Arts and Humanities Act, Sections 5(i) and 7(g) (1965).	20 U.S.C. 954 (i) and 956 (g)	N/A
PUB. L. 116-113	United States-Mexico-Canada Agreement Implementation Act	19 U.S.C. 1508, 19 U.S.C. 4501, 19 U.S.C. 4532(f)	July 1, 2036

WAGE AND HOUR DIVISION

APPROPRIATION HISTORY

(Dollars in Thousands)

	Budget Estimates to Congress	Appropriations	FTE
2017			
Base Appropriation	\$276,599	\$227,500	1,404
2018			
Base Appropriation	\$230,068	\$227,500	1,355
2019			
Base Appropriation	\$230,068	\$229,000	1,297
2020			
Base Appropriation	\$232,568	\$242,000	1,382
2021			
Base Appropriation	\$244,283	\$246,000	1,340
2022			
Base Appropriation	\$276,500	\$251,000	1,260
2023			
Base Appropriation	\$307,678	\$260,000	1,267
2024			
Base Appropriation	\$340,953	\$260,000	1,245
2025			
Base Appropriation	\$294,901	\$260,000	1,151
2026			
Base Appropriation	\$235,000	\$260,000	1,053
2027			
Base Appropriation	\$235,000	\$0	1,016

WAGE AND HOUR DIVISION

OVERVIEW

The mission of the Wage and Hour Division (WHD) is to promote and achieve compliance with labor standards to protect and enhance the welfare of the nation's workforce. WHD enforces federal wage protections, including child labor and other labor standards, and laws under 29 U.S.C. 201, et seq., so that America's workers receive the wages they earn as required by law and enables responsible and compliant businesses to fairly compete in the marketplace. Collectively, the laws WHD enforces include most private, state, and local government employment and protect nearly 155 million of America's workers in more than 12 million workplaces throughout the United States and its territories.

WHD enforces and administers:

- The minimum wage, overtime, child labor, recordkeeping, anti-retaliation, and time and space to pump breast milk at work provisions of the Fair Labor Standards Act (FLSA);
- The prevailing wage requirements and wage determination provisions of the Davis Bacon Act (DBA) and Related Acts (DBRA), the Service Contract Act (SCA), the Contract Work Hours and Safety Standards Act (CWHSSA), the Walsh-Healey Act, and the Copeland Act, an anti-kickback law;
- The wages and working conditions provisions of the Migrant and Seasonal Agricultural Worker Protection Act (MSPA);
- The field sanitation and temporary labor camp standards in agriculture under the Occupational Safety and Health Act (OSH Act);
- The Family and Medical Leave Act (FMLA);
- The Employee Polygraph Protection Act (EPPA);
- The labor standards protections of the Immigration and Nationality Act (INA) for certain temporary nonimmigrant workers admitted to the U.S., including the labor standards of the H-1B, H-2A, and H-2B programs;
- The garnishment provisions of the Consumer Credit Protection Act (CCPA);
- The Labor Value Content (LVC) requirements of the United States-Mexico-Canada Implementation Act (USMCA);
- Executive Order 13658, Establishing a Minimum Wage for Contractors; and
- Executive Order 13706, Establishing Paid Sick Leave for Federal Contractors.

Agency Overview

WHD seeks to improve compliance with federal workplace standards by optimizing all available resources towards the goal of sustained compliance. WHD prioritizes enforcement resources using a two-pronged approach that: 1) ensures timely case resolution and broadens the impact of compliance assistance and 2) dedicates investigative resources towards detecting and deterring egregious violations and delivering on Administration priorities. The Payroll Audit Independent Determination Program (PAID) is helping businesses expeditiously resolve compliance issues, understand the law, and ensure they will remain in compliance. Expanded use of compliance assistance is increasing productive engagement with employers and industry, while investigative resources are focused on finding and resolving egregious, systemic, and willful violations, particularly when children are involved.

WAGE AND HOUR DIVISION

Promote Compliance through Customer Service

Compliance assistance, customer service, and timely complaint case management are essential to ensure WHD is best positioned to promote compliance. By relaunching the PAID Program in FY 2025, WHD has provided an avenue for good faith employers to correct compliance issues under the Fair Labor Standards Act (FLSA) and the Family and Medical Leave Act (FMLA) without additional penalties. More employers proactively resolving compliance issues means more workers will receive the back wages and leave protections they are due. WHD will partner with industry to expand the reach of compliance assistance resources to employers, including information on the PAID Program.

Deter Egregious and Systemic Violations through Enforcement

WHD enforcement efforts prioritize finding and resolving egregious, systemic, and willful violations of federal labor laws. Investigations planned by the agency, combined with complaints prioritized for investigation, ensure enforcement resources reach American workers—especially those at greatest risk. In cases involving egregious violations, the nature and complexity of the investigations require greater resource commitments. The process of detecting and resolving systemic compliance problems and exploitative working conditions, such as those involving children, require extensive planning, training, coordination, and analysis. Stakeholders play a crucial role in strengthening these efforts, and WHD will continue to build partnerships that further optimize resources and broadly deter violations. These combined strategies aim for sustained compliance and deter violations beyond employers under investigation. WHD will aim to increase the proportion of cases with serious findings, a measure of effective resource targeting, and maintain a balance of cases carried out through strategic initiatives.

Protect the American Worker

When employers across certain industries are unable to obtain the workforce they need in the United States, they temporarily employ foreign workers utilizing programs regulated by departments within the federal government. Through focused enforcement efforts, WHD can determine whether American workers were displaced by the illegal use of temporary foreign labor. Consistent with the agency's overall enforcement priorities, WHD will focus on situations involving egregious, systemic, and willful violations of the law. WHD will support Departmental efforts to strategically manage immigration-related workstreams.

Facilitate Lawful Temporary Employment of Foreign Workers

Hiring foreign workers for employment in the U.S. requires approval from several government agencies, starting with DOL. WHD will support the Department's efforts to strategically manage immigration related workstreams through the DOL Office of Immigration Policy. Through compliance assistance, WHD helps educate employers—in many industries, including agriculture—on how to comply with the unique requirements of each employment-based immigration program. By maintaining a balance of outreach and case management strategies that focus investigations and provide timely case closure, WHD will continue progress towards removing unnecessary barriers to employers and farmers.

WAGE AND HOUR DIVISION

BUDGET AUTHORITY BEFORE THE COMMITTEE

(Dollars in Thousands)

	FY 2025 Enacted	FY 2026 Enacted	FY 2027 Request	Diff. FY 2027 Request / FY 2026 Enacted
Activity Appropriation	260,000	260,000	235,000	-25,000
FTE	1,128	1,053	1,016	-37

NOTE: FY 2025 reflects actual FTE.

Introduction

The FY 2027 Budget request of \$235,000,000 and 1,016 FTE reflects a program decrease of \$25,000,000 from the FY 2026 Enacted level through staff attrition and other efficiencies. These funds will sustain ongoing modernization efforts of mission-critical technology, which is essential to delivering on Administration priorities. With these resources, WHD can achieve the greatest effect on compliance through a balance of enforcement and compliance assistance. WHD prioritizes evidence-based, multi-faceted strategies to find and resolve egregious, systemic, and willful violations of the law. WHD provides efficient case resolution and engages with industry to proactively address compliance through the PAID Program and a range of compliance assistance resources.

Five-Year Budget Activity History

<u>Fiscal Year</u>	<u>Funding</u> (Dollars in Thousands)	<u>FTE</u>
2022	\$251,000	1,260
2023	\$260,000	1,267
2024	\$260,000	1,245
2025	\$260,000	1,151
2026	\$260,000	1,053

FY 2027

The FY 2027 Budget request of \$235,000,000 and 1,016 FTE reflects a program decrease of \$25,000,000 from the FY 2026 Enacted level through staff attrition. The request will support efforts focused on finding and resolving egregious and systemic violations and using compliance assistance to allow businesses to proactively come into compliance. By working with partners across government, industry, and labor, WHD will broaden the reach of these combined strategies and strengthen results for workers and businesses.

WAGE AND HOUR DIVISION

FY 2026

The FY 2026 Enacted level provided \$260,000,000 and 1,053 FTE for WHD to continue building on the prior fiscal year accomplishments through a balanced approach to enforcement. WHD is using the two-pronged approach to ensure timely case resolution and broaden the impact of compliance assistance. WHD investigations are detecting and deterring egregious violations while delivering on Administration priorities for American workers.

FY 2025

The FY 2025 Enacted level provided \$260,000,000 and 1,128 FTE for WHD to conduct evidence-based strategic enforcement. In FY 2025, WHD refocused on the American worker, reflected on a legacy of innovation and resilience, and reaffirmed its commitment to strengthening the American workforce. Through efficiency gains, expanded compliance assistance, and enforcement, WHD recovered more than \$259,000,000 in back wages for 176,957 employees nationwide in FY 2025. WHD also launched Project Firewall in FY 2025, protecting America's highly skilled workforce, strengthening labor standards, sharpening H-1B enforcement strategies, and prioritizing opportunities for American workers while keeping the nation competitive. WHD also enhanced and relaunched two programs to help employers stay informed and compliant, including the option to request an opinion letter and the Payroll Audit Independent Determination (PAID) Program. Additionally, WHD advanced modernization efforts to improve overall organizational efficiency and effectiveness.

WAGE AND HOUR DIVISION

WORKLOAD AND PERFORMANCE SUMMARY					
		FY 2025 Enacted		FY 2026 Enacted	FY 2027 Request
		Target	Result	Target	Target
Wage and Hour Division					
WHD-EFF-03	Median days to conclude cases involving the employment of foreign workers on H-visas	--	--	Baseline	TBD
WHD-PAID-03	Number of concluded PAID cases	--	--	Baseline	TBD
WHD-CA-08	Percentage of outreach events engaging the employer community	--	--	50%	50%
WHD-E-07	Percentage of initiative compliance actions	70%	81%	75%	75%
WHD-SEV-01	Percentage of FLSA cases concluded that meet or exceed severity index score of 30	32%	34%	36%	37%
WHD-SEV-03	Percentage of child labor cases concluded that meet or exceed severity index category 3	40%	46%	48%	49%

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

WAGE AND HOUR DIVISION

Workload and Performance Narrative

WHD manages performance using a balance of measures that guide decision-making around where and how to prioritize resources. WHD's performance measures reflect Administration and Departmental goals and priorities and tell stakeholders how the agency intends to achieve its goals.

Pivot Toward More Efficient Enforcement

WHD will prioritize enforcement efforts to find and resolve egregious, systemic, and willful violations of federal labor laws. Planned investigations, combined with complaints prioritized for investigation, ensure enforcement resources reach American workers—especially children—and workers with no private right of action. In cases involving egregious violations, the nature and complexity of the investigations require a greater focus of resources, including extensive planning, training, coordination, and analysis. Stakeholders play a crucial role in strengthening these efforts, and WHD will continue to build partnerships that further optimize resources and broadly deter violations. These combined strategies aim for sustained compliance and deterring violations beyond employers under investigation. WHD will aim to increase the proportion of cases with serious findings, a measure of effective resource targeting, and maintain a balance of cases carried out through strategic initiatives. (WHD-E-07, WHD-SEV-01, WHD-SEV-03, and WHD-CA-08)

Prevent Violations Through Compliance Assistance and Outreach

WHD is focused on promoting compliance assistance, customer service, and timely complaint case management. By relaunching the PAID Program, WHD will provide an avenue for good faith employers to correct compliance issues under the Fair Labor Standards Act (FLSA) and the Family and Medical Leave Act (FMLA) without additional penalties. More employers proactively resolving compliance issues means more workers will receive the back wages and leave protections they are due. WHD will partner with industry to expand the reach of compliance assistance resources to employers, including information on the PAID Program. DOL will track this program as an FY 2026-2027 Agency Priority Goal (APG). (WHD-PAID-03 and WHD-CA-08)

Improve Program Efficiency

Through focused enforcement efforts on situations involving egregious, systemic, or willful violations of the law, WHD can determine whether American workers were displaced by the unlawful use of temporary foreign labor. WHD will help educate employers on how to comply with the unique requirements of each employment-based immigration program and continue progress toward removing unnecessary barriers to employers and farmers by maintaining a balance of outreach and case management strategies that focus on investigations and timely case closure. (WHD-EFF-03 and WHD-CA-08)

WAGE AND HOUR DIVISION

BUDGET ACTIVITY BY OBJECT CLASS

(Dollars in Thousands)

	FY 2025 Enacted	FY 2026 Enacted	FY 2027 Request	Diff. FY 2027 Request / FY 2026 Enacted
11.1 Full-time permanent	158,796	151,508	139,410	-12,098
11.3 Other than full-time permanent	800	1,088	1,088	0
11.5 Other personnel compensation	4,147	4,362	4,362	0
12.1 Personnel Benefits	62,140	63,136	55,401	-7,735
12.1 FECA	0	0	-93	-93
13.0 Benefits for former personnel	8	12	12	0
21.0 Travel and transportation of persons	2,750	2,970	2,970	0
22.0 Transportation of things	16	0	0	0
23.1 Rental payments to GSA	11,500	11,200	11,200	0
23.2 Rental payments to others	2	0	0	0
23.3 Communications, utilities, and misc.	400	256	256	0
24.0 Printing and reproduction	600	492	492	0
25.1 Advisory and assistance services	2,950	981	981	0
25.2 Other services from non-Federal sources	1,500	620	620	0
25.3 Other goods and svcs. from Fed. sources	21,611	7,000	7,000	0
25.3 WCF (Non-Add)	51,896	75,591	70,517	-5,074
25.4 Operation and maintenance of facilities	19	0	0	0
25.7 Operation and maint. of equipment	15	20	20	0
26.0 Supplies and materials	350	212	212	0
31.0 Equipment	200	384	384	0
42.0 Insurance claims and indemnities	300	168	168	0
Total	320,000	320,000	295,000	-25,000

WAGE AND HOUR DIVISION

CHANGES IN FY 2027

(Dollars in Thousands)

Activity Changes

Built-Ins

Total personnel compensation	\$0
Federal Employees' Compensation Act	-\$93
Working Capital Fund	-\$5,074
Built-Ins Subtotal	-\$5,167

Base	\$320,000	1,212
Program Decreases	-\$19,833	-37
Net Program Subtotal	-\$19,833	-37
Total Activity Appropriation	\$295,000	1,175

	Amount	FTE
Base	\$320,000	1,212
Program Increases	\$0	0
Program Decreases	-\$19,833	-37