

FY 2027

CONGRESSIONAL BUDGET JUSTIFICATION

DEPARTMENTAL MANAGEMENT

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DEPARTMENTAL MANAGEMENT

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APPROPRIATION LANGUAGE SALARIES AND EXPENSES (INCLUDING TRANSFER OF FUNDS)

For necessary expenses for Departmental Management, including the hire of passenger motor vehicles, \$329,008,000, together with not to exceed \$87,118,000, which may be expended from the Employment Security Administration account in the Unemployment Trust Fund ("the Trust Fund"): Provided, That \$86,810,000 to be derived from the Trust Fund shall be for the Office of Foreign Labor Certification to administer foreign labor certifications and related immigration activities under the Immigration and Nationality Act and related laws, of which \$63,528,000 shall be available for the Federal administration of such activities, and of which \$23,282,000 shall be available for grants to States for the administration of such activities: Provided further, That \$38,350,000, for the Bureau of International Labor Affairs shall be available for obligation through December 31, 2027: Provided further, That funds available to the Bureau of International Labor Affairs may be used to administer or operate international labor activities, bilateral and multilateral technical assistance, and microfinance programs; for programs to combat exploitative child labor internationally; and to implement model programs that address worker rights issues through technical assistance in countries with which the United States has free trade agreements or trade preference programs: Provided further, That such activities may be carried out by or through contracts, grants, subgrants and other arrangements: Provided further, That \$4,281,000 shall be used for program evaluation and shall be available for obligation through September 30, 2028: Provided further, That funds available for program evaluation may be used to administer grants for the purpose of evaluation: Provided further, That grants made for the purpose of evaluation shall be awarded through fair and open competition: Provided further, That funds available for program evaluation may be transferred to any other appropriate account in the Department for such purpose: Provided further, That the Committees on Appropriations of the House of Representatives and the Senate are notified at least 15 days in advance of any transfer.

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ANALYSIS OF APPROPRIATION LANGUAGE

The updates to the language reflect the revised grants funding level and authority provided to the Bureau of International Labor Affairs and the elimination of the Women's Bureau. The language also includes the funding level to reflect the addition of a new activity within the Departmental Management appropriation, the Office of Foreign Labor Certification.

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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	1,160	\$429,767	967	\$402,271	1,254	\$455,212
Unobligated Balances Brought Forward	45	\$58,378	42	\$0	0	\$0
Spending Authority from Offsetting Collections: Reimbursements	59	\$26,000	52	\$15,350	52	\$15,350
H-1B Fees	0	\$0	0	\$0	46	\$18,817
Transfer	0	\$5,000	0	\$0	0	\$0
Transfer: Program Evaluation	0	\$18,890	0	\$0	0	\$0
Total Budgetary Resources	1,264	\$538,035	1,061	\$417,621	1,352	\$489,379

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SUMMARY OF CHANGES

(Dollars in Thousands)

	FY 2026 Enacted	FY 2027 Request	Net Change
Budget Authority			
General Funds	\$362,877	\$329,008	-\$33,869
Unemployment Trust Funds	\$308	\$87,118	\$86,810
Black Lung Disability Trust Funds	\$39,086	\$39,086	\$0
Total	\$402,271	\$455,212	\$52,941
Full Time Equivalents			
General Funds	851	918	67
Unemployment Trust Funds	2	222	220
Black Lung Disability Trust Funds	114	114	0
Total	967	1,254	287

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	967	\$155,994	0	\$0	0	\$0	0	\$0
Personnel benefits	0	\$53,486	0	\$0	0	\$0	0	\$0
Benefits for former personnel	0	\$100	0	\$0	0	\$0	0	\$0
Travel and transportation of persons	0	\$3,680	0	\$0	0	\$0	0	\$0
Rental payments to GSA	0	\$12,613	0	\$0	0	\$0	0	\$0
Rental payments to others	0	\$465	0	\$0	0	\$0	0	\$0
Communications, utilities, and misc.	0	\$150	0	\$0	0	\$0	0	\$0
Printing and reproduction	0	\$79	0	\$0	0	\$0	0	\$0

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Advisory and assistance services	0	\$16,081	0	\$0	0	\$0	0	\$0
Other services from non-Federal sources	0	\$8,926	0	\$0	0	\$0	0	\$0
Other goods and svcs. from Fed. sources	0	\$30,196	0	\$0	0	\$0	0	\$0
Operation and maintenance of facilities	0	\$1,234	0	\$0	0	\$0	0	\$0
Operation and maint. of equipment	0	\$101	0	\$0	0	\$0	0	\$0
Supplies and materials	0	\$862	0	\$0	0	\$0	0	\$0
Equipment	0	\$104	0	\$0	0	\$0	0	\$0
Grants, subsidies, and contributions	0	\$69,249	0	\$0	0	\$0	0	\$0
Insurance claims and indemnities	0	\$12	0	\$0	0	\$0	0	\$0
Federal Employees' Compensation Act	0	\$141	0	\$0	0	\$0	0	\$0
Working Capital Fund	0	\$48,798	0	\$0	0	\$0	0	\$0
Built-Ins Subtotal	+967	+\$402,271	0	\$0	0	\$0	0	\$0
B. Programs:								
OFLC: Improve Foreign Labor Certification Application Processing Times			10	\$2,000	0	\$0	10	\$2,000
Office of Civil Rights: Establish Office of Civil Rights			0	\$0	110	\$35,366	110	\$35,366
PDS: Program Increase for Restoration of Staff			0	\$0	0	\$8,798	0	\$8,798
Programs Subtotal			+10	+\$2,000	+110	+\$44,164	+120	+\$46,164
Total Increase	+967	+\$402,271	+10	+\$2,000	+110	+\$44,164	+120	+\$46,164
Decreases:								
A. Built-Ins:								
Federal Employees' Compensation Act	0	\$0	0	\$0	0	-\$3	0	-\$3
Working Capital Fund	0	\$0	0	\$0	0	-\$1,971	0	-\$1,971
Built-Ins Subtotal	0	\$0	0	\$0	0	-\$1,974	0	-\$1,974
B. Programs:								
CRC: Shift to Office of Civil Rights			0	\$0	-23	-\$7,586	-23	-\$7,586
Women's Bureau: Program Elimination			0	\$0	-20	-\$23,000	-20	-\$23,000
Program Reduction			0	\$0	0	-\$96	0	-\$96
Program Reduction			0	\$0	0	-\$45,377	0	-\$45,377
Programs Subtotal			0	\$0	-43	-\$76,059	-43	-\$76,059
Total Decrease	0	\$0	0	\$0	-43	-\$78,033	-43	-\$78,033
Total Other			+210	+\$84,810	0	\$0	+210	+\$84,810
Total Change	+967	+\$402,271	+220	+\$86,810	+67	-\$33,869	+287	+\$52,941

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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
Program Direction and Support	105	\$34,358	106	\$22,000	106	\$30,250	0	\$8,250
General Funds	105	\$34,358	106	\$22,000	106	\$30,250	0	\$8,250
Legal Services	492	\$144,926	412	\$129,396	412	\$128,577	0	-\$819
General Funds	463	\$135,754	389	\$120,754	389	\$119,935	0	-\$819
Unemployment Trust Funds	2	\$308	2	\$308	2	\$308	0	\$0
Black Lung Disability Trust Funds	27	\$8,864	21	\$8,334	21	\$8,334	0	\$0
International Labor Affairs	139	\$113,125	101	\$116,125	101	\$70,210	0	-\$45,915
General Funds	139	\$113,125	101	\$116,125	101	\$70,210	0	-\$45,915
Administration and Management	90	\$30,804	72	\$28,450	72	\$28,450	0	\$0
General Funds	90	\$30,804	72	\$28,450	72	\$28,450	0	\$0
Adjudication	228	\$69,706	196	\$65,752	196	\$65,752	0	\$0
General Funds	128	\$37,000	103	\$35,000	103	\$35,000	0	\$0
Black Lung Disability Trust Funds	100	\$32,706	93	\$30,752	93	\$30,752	0	\$0
Women's Bureau	48	\$19,300	20	\$23,000	0	\$0	-20	-\$23,000
General Funds	48	\$19,300	20	\$23,000	0	\$0	-20	-\$23,000
Civil Rights Activities	25	\$7,586	23	\$7,586	0	\$0	-23	-\$7,586
General Funds	25	\$7,586	23	\$7,586	0	\$0	-23	-\$7,586
Office of Civil Rights	0	\$0	0	\$0	110	\$35,366	110	\$35,366
General Funds	0	\$0	0	\$0	110	\$35,366	110	\$35,366

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Office of Foreign Labor Certification	0	\$0	0	\$0	220	\$86,810	220	\$86,810
Unemployment Trust Funds	0	\$0	0	\$0	220	\$86,810	220	\$86,810
Chief Financial Officer	17	\$5,681	20	\$5,681	20	\$5,516	0	-\$165
General Funds	17	\$5,681	20	\$5,681	20	\$5,516	0	-\$165
Departmental Program Evaluation	16	\$4,281	17	\$4,281	17	\$4,281	0	\$0
General Funds	16	\$4,281	17	\$4,281	17	\$4,281	0	\$0
Total	1,160	\$429,767	967	\$402,271	1,254	\$455,212	287	\$52,941
General Funds	1,031	\$387,889	851	\$362,877	918	\$329,008	67	-\$33,869
Unemployment Trust Funds	2	\$308	2	\$308	222	\$87,118	220	\$86,810
Black Lung Disability Trust Funds	127	\$41,570	114	\$39,086	114	\$39,086	0	\$0

NOTE: FY 2025 reflects actual FTE.

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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	183,788	151,875	202,009	50,134
11.3 Other than full-time permanent	593	930	858	-72
11.5 Other personnel compensation	2,689	3,039	3,620	581
11.8 Special personal services payments	63	150	150	0
12.1 Personnel Benefits	63,602	53,486	77,638	24,152
12.1 FECA	1,930	141	241	100
13.0 Benefits for former personnel	837	100	100	0
21.0 Travel and transportation of persons	3,157	3,680	3,009	-671
23.1 Rental payments to GSA	18,951	12,613	11,730	-883
23.2 Rental payments to others	7	465	465	0
23.3 Communications, utilities, and misc.	295	150	133	-17
24.0 Printing and reproduction	83	79	180	101
25.1 Advisory and assistance services	16,840	16,081	20,284	4,203
25.2 Other services from non-Federal sources	10,288	8,926	8,353	-573
25.3 Other goods and svcs. from Fed. sources	9,306	30,196	20,971	-9,225
25.3 WCF (Non-Add)	49,715	48,798	49,249	451
25.4 Operation and maintenance of facilities	607	1,234	39	-1,195
25.7 Operation and maint. of equipment	836	101	101	0
26.0 Supplies and materials	1,168	862	794	-68
31.0 Equipment	162	104	43	-61
41.0 Grants, subsidies, and contributions	64,848	69,249	55,114	-14,135
42.0 Insurance claims and indemnities	2	12	131	119
Total	429,767	402,271	455,212	52,941

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SIGNIFICANT ITEMS IN APPROPRIATION COMMITTEES’ REPORTS

Senate Report, ASP, page 36:

Foundation for Evidence-Based Policymaking Act.—. The Committee directs the Department to continue to include in the fiscal year 2027 and future CJs updates on the implementation and planned implementation of such act for the current and future budget years.

Response: As evidenced by the Department’s FY 2026 President’s Budget, there is ongoing support for implementation of the Foundations for Evidence-Based Policymaking Act at the Department of Labor, further reinforced by EO 14303, *Restoring Gold Standard Science*, and other administration guidance governing the treatment of governmental evidence and evaluation activities. The Department maintains a centralized evaluation function through the Chief Evaluation Office, an approach that ensures uniform, best-in-class evidence development, cross-department and public transparency and functional economies of scale, supported by a dedicated appropriation for conducting evaluations and building evidence. DOL’s Evaluation Policy commits Departmental evidence-building to five key principles – rigor, relevance, transparency, independence and ethics – aligned with OMB’s 2025 A-11 Sec. 290 guidance. In FY 2027, the Department will leverage its proposed evaluation budget to build new evidence about the effectiveness and impact of DOL programs and services; improve internal capacity to produce timely, actionable findings; and explore new avenues for expanding rapid-cycle evaluation capacity.

Senate Report, pg. 35-36: The Committee directs ILAB to use available funds for monitoring, oversight, and technical assistance in support of the United States-Mexico-Canada Agreement Implementation Act. The Committee directs the Department to include information on how all available funds are being used for the purposes of such act, including Mexico’s implementation of nationwide labor reforms and compliance with labor obligations, in the fiscal year 2027 CJ.

Response: USMCA spend plan provided below.

USMCA Salaries & Expenses Funds (\$30 million available until 9/30/2027)
(Dollars in thousands)

Description	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027	Total
Salaries & Benefits	\$133	\$2,094	\$3,720	\$4,505	\$4,278	\$2,252	\$1,691	\$2,050	\$20,723
Travel	\$0	\$15	\$92	\$140	\$67	\$26	\$100	\$115	\$555
Training	\$0	\$6	\$30	\$19	\$7	\$5	\$10	\$30	\$107
Labor Attaché Relocation	\$100	\$128	\$50	\$0	\$0	\$102	\$650	\$650	\$1,680

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Services by Other DOL/ Government Agencies	\$350	\$858	\$1,302	\$536	\$11	\$405	\$5	\$3,461	\$6,928
Supplies & Equipment	\$0	\$0	\$3	\$2	\$0	\$0	\$0	\$2	\$7
Totals =	\$583	\$3,101	\$5,197	\$5,202	\$ 4,363	\$2,790	\$2,456	\$6,308	\$30,000

FY 2020 – FY 2025 data reflect actual obligations. Subsequent years are estimates. Future year estimates will be continuously adjusted as actual costs are incurred and plans are refined.

House Report H.R. pg. 9 :

As part of the congressional justification for fiscal year 2026, each department or agency funded by this Act is directed to include the percentage of the Senior Executive Service for each performance level (5—outstanding, 4—exceeds fully successful, 3—fully successful, 2—minimally satisfactory, or 1—unsatisfactory). In addition, the department or agency shall include in such justification the total amount spent on performance awards for the Senior Executive Service for the most recent fiscal year for which data is available.

Response:

Outstanding - 59%

Exceeds Fully Successful - 34%

Fully Successful- 7%

The Department did not have any executives who were rated 2—minimally satisfactory, or 1—unsatisfactory. The total Senior Executive Service award amount was: \$2,937,105.

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AUTHORIZING STATUTES

DM-funded agencies are authorized by multiple statutes. The Department of Labor is authorized by 29 U.S. Code § 551, which also authorizes the Office of the Secretary. Certain Secretarial authorities are delegated through to DM-funded agencies in addition to the authorizing statutes listed below. The Office of the Assistant Secretary for Policy, the Office of Congressional and Intergovernmental Affairs, and the Office of Public Affairs are authorized in this manner.

Legislation	Statute No. / US Code	Expiration Date
ILAB: Support for East European Democracy (SEED) Act of 1989	22 U.S.C. 5401 et seq.	N/A
ILAB: FREEDOM Support Act	22 U.S.C.A. 5801 et seq.	N/A
ILAB: Trafficking Victims Protection Reauthorization Act	22 USC 7112(b)(2)(C),	N/A
ILAB: Generalized System of Preferences	19 USC 2461 et seq.	N/A
ILAB: African Growth and Opportunity Act	19 U.S.C. 3701 et seq	N/A
ILAB: Participating in the negotiation of and providing information and advice on proposed trade agreements	19 USC 2152, Executive Order 12188	N/A
ILAB: Canada-Mexico-United States: North America Agreement on Labor Cooperation (NAALC)		N/A
ILAB: Consulting and reporting on labor laws of a country seeking a trade agreement and assessing the effect of a proposed agreement on US employment.	19 USC 3802(c)	N/A
ILAB: Trade and Development Act of 2000	19 U.S.C. 2464	N/A
ILAB: DOL appropriation provided for funding to be used for ...Departmental bilateral and multilateral foreign technical assistance...	Stat. 2763	N/A

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ILAB: Providing and administering international technical assistance.		N/A
OASAM, including CRC: See details at About OASAM U.S. Department of Labor.	See link.	N/A
WB: Women’s Bureau Act to establish the Women’s Bureau	29 U.S.C. 11-14	N/A
OALJ – Black Lung Appeals Program Title IV, Federal Mine Safety & Health Act of 1977, as amended.	33 U.S.C. Section 901	N/A
OALJ – Longshore Appeals Program Longshore & Harbor Workers Act	33 U.S.C. Section 901	N/A
Benefits Review Board – Black Lung Appeals Program & Longshore Appeals Program	30 U.S.C. Section 901	N/A
Employees’ Compensation Appeals Board. Review appeals of claims under Federal Employees’ Compensation Act Anti-Drug Act of 1986	5 U.S.C. Section 8101	N/A
SOL-Legal Services See detail at Office of the Solicitor History U.S. Department of Labor	See link. 29 U.S. code § 551 Organic Act of March 4, 1913	N/A
OCFO. See details at About Us U.S. Department of Labor	See link. 104 stat 2838 Chief Financial Officers Act of 1990	N/A

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APPROPRIATION HISTORY

(Dollars in Thousands)

	Budget Estimates to Congress	Appropriations	FTE
2017			
Base Appropriation	\$418,519	\$356,591	1,289
2018			
Base Appropriation	\$290,453	\$373,902	1,240
2019			
Base Appropriation	\$293,029	\$368,072	1,223
2020			
Base Appropriation	\$299,710	\$379,824	1,182
2021			
Base Appropriation	\$304,985	\$352,268	1,192
2022			
Base Appropriation	\$477,568	\$411,849	1,234
2023			
Base Appropriation	\$540,816	\$428,415	1,212
2024			
Base Appropriation	\$557,860	\$430,767	1,246
2025			
Base Appropriation	\$507,171	\$428,067	1,142
2026			
Base Appropriation	\$339,916	\$402,271	967
2027			
Base Appropriation	\$455,212	\$0	1,254

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OVERVIEW

Agencies funded by the Departmental Management (DM) Salaries and Expenses (S&E) appropriation provide policy, regulatory, legal, and administrative services to every agency within the Department. The DM S&E appropriation is composed of the following nine budget activities: Program Direction and Support; Legal Services; International Labor Affairs; Administration and Management; Adjudication; Women's Bureau; Civil Rights Activities Center; Chief Financial Officer; and Departmental Program Evaluation. The FY 2027 budget proposes to add two activities to the DM appropriation: Office of Immigration Services and Office of Civil Rights.

Program Direction and Support

The Program Direction and Support (PDS) activity provides leadership and direction for the various DOL agencies. The PDS activity includes funding for the following organizations: Office of the Secretary; Office of the Deputy Secretary; Office of the Assistant Secretary for Policy; Office of Congressional and Intergovernmental Affairs, which includes the Center for Faith; Office of Public Affairs; and the Office of Public Liaison.

Office of the Solicitor

The Office of the Solicitor (SOL) provides the Secretary of Labor and DOL client agencies with the legal services required to accomplish the Department's mission, including litigation, enforcement support, general advice and legal services, and rulemaking support to advance the Administration's agenda. Unlike many general counsels' offices in the federal government, SOL has independent litigation authority under multiple federal statutes. Consequently, SOL litigates worker protection enforcement and other cases in federal courts and administrative tribunals throughout the nation. In addition, SOL provides legal opinions and advice to the Secretary and DOL agencies on myriad matters arising from the nearly 200 laws the Department enforces (e.g., related guidance materials, implementation plans, written interpretations, opinions, and legislation). SOL also provides legal advice to the Department's agencies and managers related to appropriations, procurement, data privacy, Freedom of Information Act (FOIA), ethics, administrative law, and internal employment law. SOL advises the Department on implementing the Administration's regulatory and deregulatory agenda as well as defending the Administration's and the Department's regulatory actions in the event of legal challenges to these activities.

Bureau of International Labor Affairs

The Bureau of International Labor Affairs (ILAB) prioritizes the interests of American workers in U.S. trade and international labor and employment policy, strengthening U.S. jobs and wages, by combating foreign labor abuses and unfair trade practices in the global supply chain that undermine U.S. prosperity and security. ILAB focuses on ensuring that American workers and businesses benefit from the Administration's trade agenda by shaping international trade and labor environments, monitoring countries' compliance with labor obligations, counteracting labor practices overseas that undermine American competitiveness, and vigorously enforcing labor provisions in trade agreements.

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Administration and Management

The Office of the Assistant Secretary for Administration and Management (OASAM) supports key aspects of Department-wide administration and management. OASAM provides the infrastructure and support that enables DOL to perform its mission. Through this budget activity, OASAM provides leadership and support for business operations, procurement, information technology, human resources, security, emergency management, budget and strategic planning, among other activities. Civil rights activities are funded in the Civil Rights Activities budget activity, and operational support is funded in the Working Capital Fund.

Adjudication

The Adjudication activity includes the Office of Administrative Law Judges (OALJ), the Benefits Review Board (BRB), the Employees' Compensation Appeals Board (ECAB), and the Administrative Review Board (ARB). OALJ holds hearings and adjudicates approximately 6,000 cases each year. The Boards review and determine several thousand appeals each year, make legal interpretations, and establish legal precedents that set standards for certain DOL-administered statutes.

Women's Bureau

The Women's Bureau (WB) is mandated with safeguarding the interests of working women and their families as well as promoting quality work environments. The agency accomplishes its goals through a combination of research and policy analysis, grantmaking and education and outreach.

Civil Rights Center

The FY 2027 budget proposes to move these resources to the proposed Office of Civil Rights.

Office of Civil Rights.

In 2027, the Department proposes to establish a consolidated, streamlined Office of Civil Rights, which will include current activities funded in the Civil Rights activity, Vietnam Era Veterans Readjustment Assistance Act (VEVRAA) responsibilities, Section 503 of the Rehabilitation Act of 1973 responsibilities, and the administration of whistleblower protection statutes except for Section 11(c) of the Occupational Safety and Health Act.

Office of the Chief Financial Officer

The Office of the Chief Financial Officer (OCFO) was established under the Chief Financial Officer (CFO) Act of 1990. The OCFO provides strategic financial management leadership and guidance to all Department of Labor program agencies. It oversees financial matters stemming from legislative and regulatory requirements, including the CFO Act, Government Management Reform Act (GMRA), Federal Financial Management Integrity Act (FFMIA), Federal Managers' Financial Integrity Act (FMFIA), Clinger-Cohen Act, The Reports Consolidation Act, Improper Payments Information Act (IPIA), Treasury Financial Manual Directives, and Office of Management and Budget (OMB) Circulars. Additionally, OCFO leads the execution of travel-

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related and financial Executive Orders and the Department's Enterprise Risk Management (ERM) program.

Departmental Program Evaluation

OASP's Chief Evaluation Office (CEO) is charged with coordinating and overseeing evaluations of the Department of Labor's programs and leads the implementation of the Department's evidence-building agenda, in particular its Evidence plan. Through these activities, CEO ensures that the conduct of evaluation and research activities adhere to the Department's Evaluation Policy principles and that findings are available and accessible for policy and program decision-makers in a timely and actionable way.

Office of Foreign Labor Certification

The Department proposes to establish the Office of Foreign Labor Certification (OFLC) as an independent agency within the Department rather than an office within ETA. As proposed, OFLC will report directly to the DOL Deputy Secretary and centralize the Department's immigration-related responsibilities into a single DOL agency, consistent with the Administration's goals to promote government efficiency, ensure more effective coordination across federal immigration agencies, and protect American worker jobs and wages while helping employers make better use of the legal immigration process. This new organizational structure will enable the Department to administer immigration and migration policies, regulations, and programs in a manner that optimizes performance and ensures the resiliency and continuity of customer-centered operations.

PROGRAM DIRECTION AND SUPPORT

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	34,358	22,000	30,250	8,250
FTE	105	106	106	0

NOTE: FY 2025 reflects actual FTE.

Introduction

The Program Direction and Support (PDS) activity provides funding for the offices that offer centralized leadership and direction for the Department.

In addition to the Office of the Secretary of Labor and the Office of the Deputy Secretary of Labor, PDS includes the following offices:

Office of Public Affairs: The Office of Public Affairs (OPA) directs and coordinates the public affairs programs and activities of the U.S. Department of Labor. OPA is the chief adviser on public affairs to the Secretary, Deputy Secretary, agency heads, and departmental staff in developing communication strategies, public affairs, and media relations goals and objectives.

Office of Congressional and Intergovernmental Affairs: The Office of Congressional and Intergovernmental Affairs (OCIA) is the principal representative for the Department’s legislative program and coordinates legislative proposals with staff of other Federal agencies. Within OCIA is the Center for Faith which builds partnerships with faith-based groups, community organizations, and neighborhood leaders to better serve disadvantaged and underserved workers and job seekers.

Office of the Assistant Secretary for Policy: The Office of the Assistant Secretary for Policy (OASP) is the Department of Labor's principal policy, regulatory, data governance, and evaluation office. OASP plays a crucial role in developing and advancing the Department's priorities and provides advice to the Secretary of Labor, Deputy Secretary of Labor, and Department leadership

Office of Public Liaison: The Office of Public Liaison maintains a program of public information and communications to inform the public of the services and protection afforded by Departmental agencies.

PROGRAM DIRECTION AND SUPPORT

Five-Year Budget Activity History

<u>Fiscal Year</u>	<u>Funding</u> (Dollars in Thousands)	<u>FTE</u>
2022	\$31,158	112
2023	\$32,658	112
2024	\$34,358	104
2025	\$32,658	105
2026	\$22,000	106

FY 2027

The FY 2027 budget request for the PDS activity is \$30,250,000 and 106 FTE. PDS advances the Department's priorities by supporting initiatives to improve job quality and DOL's efforts to improve jobs across the American economy. At this level, PDS-funded offices will support the operation, management, and oversight of activities and will provide continued support of leadership on key DOL initiatives and mandates. High priority initiatives include facilitating the Department's regulatory agenda and coordinating policy development through inter-agency working groups and promoting greater understanding of federal labor laws and regulations. Additionally, OASP will advance the Department's priorities by increasing data management maturity among DOL program office staff, building capacity for agencies to use data as a strategic asset, and ensuring DOL data brings the broadest possible benefit to Federal, private, and public entities.

FY 2026

The FY 2026 Enacted level for the PDS activity is \$22,000,000. This funding level is a reduction from the FY 2025 enacted level and does not support current PDS staffing levels. The Department will provide separate notification on how this issue will be addressed.

FY 2025

The FY 2025 revised enacted funding for the PDS activity was \$34,358,000 and 105 FTE. PDS-funded offices advanced Administration priorities through coordinating the Department's public affairs program and moving forward on the Administration's regulatory agenda, among other activities

PROGRAM DIRECTION AND SUPPORT

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	17,140	12,544	18,439	5,895
11.5 Other personnel compensation	263	344	344	0
12.1 Personnel Benefits	5,923	3,888	6,791	2,903
12.1 FECA	0	3	0	-3
13.0 Benefits for former personnel	837	100	100	0
21.0 Travel and transportation of persons	611	774	774	0
23.1 Rental payments to GSA	2,391	1,994	1,994	0
23.3 Communications, utilities, and misc.	119	38	38	0
24.0 Printing and reproduction	35	36	36	0
25.1 Advisory and assistance services	791	483	483	0
25.2 Other services from non-Federal sources	500	44	44	0
25.3 WCF (Non-Add)	5,582	1,567	1,022	-545
25.7 Operation and maint. of equipment	29	43	43	0
26.0 Supplies and materials	117	132	132	0
31.0 Equipment	18	0	0	0
42.0 Insurance claims and indemnities	2	10	10	0
Total	34,358	22,000	30,250	8,250

PROGRAM DIRECTION AND SUPPORT

CHANGES IN FY 2027

(Dollars in Thousands)

Activity Changes

Built-Ins

Federal Employees' Compensation Act	-\$3	
Working Capital Fund	-\$545	
Built-Ins Subtotal	-\$548	

Base	\$22,000	107
Program Increases	\$8,798	0
Net Program Subtotal	\$8,798	0
Total Activity Appropriation	\$30,250	107

	Amount	FTE
Base	\$22,000	107
Program Increases	\$8,798	0
Program Decreases	\$0	0

LEGAL SERVICES

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	144,926	129,396	128,577	-819
FTE	492	412	412	0

NOTE: FY 2025 reflects actual FTE.

Introduction

The Office of the Solicitor of Labor (SOL) is the legal enforcement and support arm of DOL, advancing the Department’s mission through enforcement of worker safety and protection laws and implementation of the Department’s priorities and regulatory agenda. SOL provides the legal support necessary to accomplish the President’s labor priorities and the Department’s management priorities. SOL provides its legal services through National Office Divisions that are generally dedicated to the major laws under the Department’s jurisdiction and Regional Offices that undertake frontline legal enforcement, providing investigative legal assistance and trial-level enforcement litigation in federal courts and administrative forums to protect and improve the working conditions and security of America’s working people. The Department is structured such that all legal services, including enforcement, are consolidated within SOL. Thus, DOL’s client enforcement agencies, including the Wage and Hour division (WHD) and the Occupational Safety and Health Administration (OSHA), have no attorneys and rely exclusively on SOL to provide legal advice, litigate cases, and fulfill their enforcement goals. SOL participates in the development of complex investigations before litigation, handles every enforcement action that proceeds to litigation, and negotiates all significant and complex settlements.

SOL shares the goals of each of its clients and works closely with DOL agencies to develop and implement specific policies and mission critical programs. SOL contributes to the accomplishment of all Departmental enforcement, strategic, and outcome goals in four core ways:

Pursuing enforcement actions to protect workers and level the playing field for businesses. SOL, unlike most federal agencies’ general counsel offices, has independent litigation authority under most of the statutes DOL enforces. As such, affirmative litigation and fully funding SOL are integral to DOL enforcing its worker protection mission. SOL represents the Department in federal courts and administrative tribunals across the country. SOL also litigates cases in appellate courts and has an active amicus practice that seeks to defend DOL’s equities.

Working with DOL agencies to support Departmental priorities. SOL works closely with the Department’s leadership and agencies to develop and implement policies, programs, and strategies. SOL provides legal opinions and advice to assist Department officials in accomplishing program objectives and responding to emerging issues while complying with applicable legal requirements.

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Supporting the Department's regulatory and deregulatory agenda. SOL has an important role in developing, drafting, and legally reviewing regulatory and deregulatory actions related to the laws that DOL is charged with administering.

Serving as the general counsel's office to the Department. SOL also provides legal services to the Department in its role as a government agency and employer. For example, SOL advises the Department on myriad general law areas, including ethics, appropriations law, procurement of goods and services, internal employment matters and labor relations, administrative law, Freedom of Information Act (FOIA), and Privacy Act issues.

Five-Year Budget Activity History

<u>Fiscal Year</u>	<u>Funding</u> (Dollars in Thousands)	<u>FTE</u>
2022	\$132,062	509
2023	\$131,062	483
2024	\$130,754	528
2025	\$136,062	463
2026	\$121,062	391

NOTE: A full-year 2026 appropriation for this account was not enacted at the time the budget was prepared.

FY 2027

In FY 2027, SOL is requesting \$120,243,000 and 391 FTE in General Fund and Unemployment Trust Funds (UTF), and \$8,334,000 and 21 FTE in Black Lung Disability Trust Fund (BLDTF). Additionally, SOL receives funding from reimbursements.

SOL will provide legal services commensurate with this funding level to support Administration priorities.

SOL has three functions critical to DOL's mission and strives to deliver high-quality legal services in each function. Each of these functions depend on having attorneys and supporting staff to deliver legal services:

Legal Support for DOL Policy. SOL provides legal opinions and advice to DOL agencies on programmatic issues across the range of DOL's activities. SOL also assists DOL agencies with preparing public-facing materials (e.g., guidance materials, opinion letters, written interpretations, and other compliance assistance efforts) that help employers understand their legal obligations and promote compliance with the law. SOL also plays a critical role in helping to develop, update, draft, and defend DOL's regulatory and deregulatory agenda.

Enforcement and Compliance Functions. SOL provides litigation and legal advice to ensure that DOL's laws are enforced consistently with DOL's mission and law-abiding employers can operate on

LEGAL SERVICES

a level playing field. Legal services for enforcement are necessary to make sure that agency investigations are not merely a hollow threat and ensure compliance with the law.

General Counsel Functions. SOL operates as a General Counsel office, providing the full range of legal services, including advice and counsel on issues related to running a government agency, such as appropriations, procurement, data privacy, FOIA, ethics, and internal employment law.

FY 2026

In FY 2026, SOL's enacted appropriated funding level was \$121,062,000 and 391 FTE, which includes General Fund and Unemployment Trust Fund (UTF). SOL enacted level for Black Lung Disability Trust Fund (BLDTF) was \$8,334,000 and 21 FTE. SOL will provide legal services commensurate with this funding level to support Administration priorities.

FY 2025

In FY 2025, SOL's revised enacted appropriated funding level was \$136,062,000 and 465 FTE, which includes General Fund and Unemployment Trust Fund (UTF). SOL revised enacted for Black Lung Disability Trust Fund (BLDTF) was \$8,864,000 and 27 FTE, but did not include funding and FTE supported by reimbursable or supplemental funding.

With this level of funding, SOL opened 4,782 and concluded over 1,666 litigation matters; opened 2,684 and concluded 1,425 pre-litigation matters; and opened 68 and concluded 8 regulatory matters. SOL also completed significant milestones related to the Administration's priorities.

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WORKLOAD AND PERFORMANCE SUMMARY					
		FY 2025 Enacted		FY 2026 Enacted	FY 2027 Request
		Target	Result	Target	Target
Legal Services					
Pre Litigation:					
PRE-01	Matters Opened	2,470[p]	2,684	2,500[p]	2,100[p]
PRE-02	Matters Concluded	2,570[p]	1,425	1,500[p]	1,400[p]
PRE-04	Matters Pending	2,840[p]	1,948	2,100[p]	2,300[p]
Litigation:					
LIT-01	Matters Opened	6,080[p]	4,782	4,600[p]	4,200[p]
LIT-02	Matters Concluded	5,230[p]	1,666	1,700[p]	1,600[p]
LIT-04	Matters Pending	15,170[p]	10,067	11,000[p]	12,000[p]
Opinion/Advice:					
OA-01	Matters Opened	7,710[p]	4,984	4,800[p]	4,500[p]
OA-02	Matters Concluded	6,670[p]	1,361	1,200[p]	1,100[p]
OA-04	Matters Pending	24,620[p]	9,167	11,000[p]	13,000[p]
Regulations:					
REG-01	Matters Opened	64[p]	68	65[p]	50[p]
REG-02	Matters Concluded	38[p]	8	7[p]	6[p]

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WORKLOAD AND PERFORMANCE SUMMARY					
		FY 2025 Enacted		FY 2026 Enacted	FY 2027 Request
		Target	Result	Target	Target
REG-04	Matters Pending	260[p]	106	164[p]	208[p]

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

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Workload and Performance Narrative

SOL's workload performance measures involve a numerical count of Matters that SOL opens and concludes as well as the number of pending Matters each quarter in each of four categories of Matters (Pre-litigation, Litigation, Regulation and Opinion/Advice). SOL considers a Matter a collection of related activities that contribute to a specific investigation, litigation, regulation, or opinion/advice. SOL's performance measures track SOL's production on a quarterly and annual basis, provide a basis for SOL to compare its production over time, and help SOL track the demand for and provision of legal services to specific DOL client agencies. Simple Matter counts do not capture variations in the level of effort and resource investment SOL may need to make for a given Matter, especially with respect to highly complex litigation or regulation Matters. That is, a particular Matter may entail extensive legal services involving many staff, while another Matter may be addressed by a single person in a day.

SOL can best identify and mitigate legal and programmatic risks if agencies are able to proactively consult their attorneys. It is best if attorneys are involved at the earliest point in strategic planning and decision making for new programs, rulemaking, policy guidance and enforcement Matters. Attorneys can assist with investigative planning to ensure the strongest cases for enforcement. As always, SOL will allocate the resources available at the proposed FY2027 funding level, where possible, to proactively work with clients, which will be more efficient for both SOL and the client agencies and will result in more legally supportable actions.

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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	79,709	70,822	70,822	0
11.5 Other personnel compensation	110	0	0	0
12.1 Personnel Benefits	28,471	25,485	25,485	0
12.1 FECA	0	6	6	0
21.0 Travel and transportation of persons	518	529	529	0
23.1 Rental payments to GSA	8,844	4,440	4,440	0
23.2 Rental payments to others	4	6	6	0
23.3 Communications, utilities, and misc.	65	43	43	0
24.0 Printing and reproduction	5	4	4	0
25.1 Advisory and assistance services	134	614	614	0
25.2 Other services from non-Federal sources	2,225	2,757	2,757	0
25.3 Other goods and svcs. from Fed. sources	0	4,966	4,966	0
25.3 WCF (Non-Add)	24,255	19,371	18,552	-819
25.4 Operation and maintenance of facilities	18	19	19	0
25.7 Operation and maint. of equipment	157	44	44	0
26.0 Supplies and materials	383	273	273	0
31.0 Equipment	28	15	15	0
42.0 Insurance claims and indemnities	0	2	2	0
Total	144,926	129,396	128,577	-819

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CHANGES IN FY 2027

(Dollars in Thousands)

Activity Changes

Built-Ins

Working Capital Fund	-\$819	
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Built-Ins Subtotal	-\$819	
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Base	\$129,396	463
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Net Program Subtotal	\$0	0
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Total Activity Appropriation	\$128,577	463
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	Amount	FTE
Base	\$129,396	463

Program Increases	\$0	0
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Program Decreases	\$0	0
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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	113,125	116,125	70,210	-45,915
FTE	139	101	101	0

NOTE: FY 2025 reflects actual FTE.

Introduction

The Bureau of International Labor Affairs (ILAB) increases American job and wage growth by combating foreign labor abuse and unfair trade practices in global supply chains that undermine U.S. prosperity and security, while shaping international labor standards towards U.S. objectives.

ILAB ensures that American workers and businesses benefit from the Administration's trade agenda by counteracting labor practices overseas that undermine American competitiveness, including vigorously enforcing labor provisions in trade agreements.

ILAB supports workers in the United States by:

- **Making Trade Fair for American Workers and Businesses.** ILAB negotiates, monitors, and enforces the labor provisions of trade agreements, trade preference programs, economic agreements, development finance, and agreements relevant to critical supply chains, including the labor provisions of the U.S.-Mexico-Canada Agreement. ILAB researches the effects of international trade policies on the U.S. labor market to ensure that trade partners do not undermine worker rights or protections in order to gain an unfair trade advantage or attract investment.
- **Shaping International Labor Standards.** ILAB shapes international labor standards conducive to U.S. strategic objectives, working to establish a level playing field for U.S. workers and businesses. ILAB negotiates international labor and employment frameworks, policies, and partnerships to provide opportunities for our workers and businesses to thrive.
- **Combating exploitative practices that undermine fair competition, including international child labor, forced labor, human trafficking and other violations of worker rights.** ILAB conducts in-depth research and reports on child labor, forced labor, and human trafficking in more than 130 trade partner countries around the world. This reporting includes the annual Findings on the Worst Forms of Child Labor (Exposing Foreign Labor Abuses to Address Unfair Competition for American Workers and Companies), as required by the Trade and Development Act of 2000; the List of Goods Produced by Child Labor or Forced Labor (TVPRAL List), as mandated by the Trafficking

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Victims Protection Reauthorization Act of 2018; and the List of Products Produced by Forced or Indentured Child Labor, as mandated by Executive Order 13126.

- **Driving Fairer Competition for U.S. Workers and Businesses through Technical Assistance.** ILAB’s reinvigorated technical assistance programs supports the Administration’s trade agenda by addressing unfair labor practices, including the use of child labor and forced labor, that suppress wages and artificially lower production costs. ILAB technical assistance projects ensure trade partner countries enact and enforce strong labor laws to prevent unfair market advantages and leverage international cooperation to provide opportunities for American workers.
- **Putting American Workers First with U.S. Government Partners.** ILAB works with intergovernmental partners, including within the Office of the U.S. Trade Representative, the Department of State, Department of Homeland Security, Department of Commerce, Department of War, Department of Treasury, and other relevant U.S.G. agencies, to ensure the interests of American workers, including workforce development and apprenticeships, are prioritized.

Five-Year Budget Activity History

<u>Fiscal Year</u>	<u>Funding</u> (Dollars in Thousands)	<u>FTE</u>
2022	\$106,125	130
2023	\$116,125	133
2024	\$116,125	136
2025	\$113,125	119
2026	\$116,125	101

FY 2027

The FY 2027 request for ILAB is \$70,210,000 and 101 FTE. This funding level includes a program decrease of \$42,915,000 related to reducing grant funding and staffing. ILAB will continue to work to hold U.S. trade partners to their labor-related commitments, and to shape international labor standards, to ensure a level global playing field for American workers and businesses and promote quality job creation in the United States. ILAB’s technical assistance program will ensure alignment with the Administration’s trade agenda, with focus on benefitting American workers and businesses.

Through targeted technical assistance interventions and ongoing engagement, ILAB will promote fairer competition for U.S. workers and businesses. ILAB will prioritize research and identification of goods tainted with forced and child labor in global supply chains with a nexus to the U.S. market and strategically leverage regional, bilateral, and multilateral engagement to benefit U.S. workers and employers.

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Implementing the President's America First Trade Agenda

ILAB will negotiate strong, enforceable, and transparent labor provisions in trade agreements, trade initiatives, economic agreements, development finance, and agreements relevant to critical supply chains to protect the interests of American workers. ILAB will secure commitments from trade partners to uphold high labor standards and combat unfair practices such as wage suppression, child labor, and forced labor. In close coordination with the Office of the U.S. Trade Representative (USTR), ILAB will help ensure that U.S. trading partners meet international labor standards and fulfill their labor-related trade commitments to the United States. ILAB will help to rebuild industrial strength at home by training American workers in strategic sectors and ensuring they are not forced to compete against exploitation. These efforts directly support the America First Trade Policy, Fair and Reciprocal Plan on Trade and Executive Order on Unleashing American Energy.

ILAB will strengthen implementation of the Uyghur Forced Labor Prevention Act (UFLPA) and related import enforcement frameworks to address the continued influx of goods produced with forced labor into U.S. markets. ILAB will expand sector-based risk analysis, enhance country- and product-level intelligence, and support enforcement partners in targeting high-risk supply chains linked to forced labor. ILAB will support the implementation of forced labor import bans by drawing on U.S. enforcement frameworks as a model and sharing evidence-based approaches with partner countries, promoting greater alignment across systems and reducing compliance fragmentation for American businesses. ILAB will continue its close coordination with U.S. Customs and Border Protection and the Forced Labor Enforcement Task Force while supporting U.S. businesses seeking to comply with U.S. law through its suite of self-assessment tools. Through these actions, ILAB will help ensure that unfair trade practices carry real consequences, prevent exploitative goods from undercutting American workers, and reinforce the credibility of U.S. labor standards across global supply chains.

ILAB will facilitate U.S. trade and investment on a level playing field by negotiating international frameworks that drive the adoption of American systems and standards throughout the world. Leveraging its leadership roles in the G7, G20, Asia Pacific Economic Cooperation (APEC) and other fora, ILAB will vigorously advocate for international policy recommendations and agreements that promote innovation, reflect American values, make sure that businesses can rebuild industrial capacity, and counter authoritarian influence, including related to Artificial Intelligence (AI). Through its active engagement, ILAB will advance policy that is pro-worker, not merely pro-growth, prioritizes our own workers, and supports rebuilding an economy in which prosperity is broadly based and widely shared, not concentrated at the top or localized in certain industries or a few parts of our country. These efforts will support the implementation of Pro-American worker foreign and economic policy, as outlined in the National Security Strategy, America's Talent Strategy, and America's A.I. Action Plan.

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Shaping International Labor Standards to Benefit U.S. Workers

Through the Findings on the Worst Forms of Child Labor, mandated by the Trade and Development Act (TDA) of 2000, ILAB will target recommendations for governments to combat the worst forms of child labor by strengthening legal frameworks, closing enforcement gaps, improving interagency coordination, and enhancing policies and programs. ILAB will further use its List of Goods Produced by Child Labor or Forced Labor, mandated by the Trafficking Victims Protection Reauthorization Act, and List of Products Produced by Forced or Indentured Child Labor, required by Executive Order 13126, to identify high-risk goods and to communicate clear expectations for government action to address labor exploitation at its source. ILAB will translate research into concrete policy recommendations, promote accountability, deter unfair labor practices that distort trade, and reinforce international labor standards that support fair competition and protect U.S. workers and businesses.

ILAB will emphasize the interests of American workers and businesses in U.S. government interagency bodies dedicated to trade policy and enforcement, including the Trade Policy Staff Committee. ILAB will promote trade arrangements and global labor policies that serve the interests of American workers above those of foreign governments and adversaries.

Combating Unfair Labor Practices

ILAB will monitor and enforce the labor provisions of free trade agreements and other trade arrangements, investment instruments, and trade preference programs. This will include engaging countries to address compliance issues, developing and overseeing the implementation of remediation plans with defined criteria and timelines for progress, assessing complaints and submissions from the public, and proactively building and advancing self-initiated cases for potential dispute settlement. ILAB will monitor and enforce Mexico's compliance with the United States-Mexico-Canada Agreement (USMCA) labor obligations and lead actions initiating the Rapid Response Mechanism (RRM), a tool that permits the U.S. Government to take expedited enforcement actions against individual facilities in Mexico (in priority sectors that produce or compete with a good or service traded with the United States) if they fail to comply with the ability to freely associate and collectively organize.

ILAB will combat child labor, forced labor, and human trafficking by integrating targeted technical assistance, business-focused tools, and rigorous supply chain research to protect American workers and promote fair competition. ILAB will continue to implement strategically focused technical assistance initiatives to address abusive labor practices in high-risk countries and sectors, helping ensure that American workers and companies compete on a level playing field. ILAB will expand and refine its suite of self-assessment tools to help businesses identify, assess, and remediate child labor and forced labor risks in their global supply chains, supporting compliance with U.S. law. By providing actionable data and guidance, ILAB seeks to equip businesses to take proactive steps to power U.S. job growth, support fair trade, and promote a level playing field for American workers and businesses.

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ILAB will further leverage its research, data analysis, and supply chain tracing to counter the People's Republic of China's efforts to undercut American competitiveness. ILAB will expose and counter China's labor exploitation as a tool of strategic competition, denying unfair advantages built on abuse. ILAB will work across the U.S. interagency to counter China's use of forced labor in fishing fleets and deny development finance with ties to forced labor in Xinjiang.

ILAB will support the adoption and implementation of robust labor standards at Multilateral Development Banks (MDB) and bilateral Development Finance Institutions (DFI) including the U.S. International Development Finance Corporation. ILAB will seek to ensure that international projects advance a level playing field for American workers. and will use labor standards and procurement regulations to prevent projects from using suppliers linked to forced labor, particularly in Xinjiang, or abusive contractors – particularly China-based companies that violate labor standards and use foreign Chinese workers.

ILAB will leverage multilateral standard setting organizations to assess compliance with international labor standards, call out bad actors, and bring about greater compliance by countries with core labor standards. This directly reduces the risks faced by U.S. companies' operations, and it mitigates the occurrence of foreign entities using exploitative labor practices that artificially lower costs and undercut U.S. workers and companies.

Improving American Competitiveness through Technical Assistance

The America First Trade Policy recognizes that some competitors use lax labor standards to gain an unfair advantage over American workers and producers. ILAB's technical assistance will address unfair labor practices that undermine the ability of American workers to compete freely in trade. ILAB's technical assistance will improve labor law enforcement in priority trade partner countries, with a focus on strategic sectors where systemic labor abuses and weak enforcement artificially suppress wages and labor costs, thereby putting American workers at a disadvantage. ILAB will work towards developing novel trade and labor economic models with new technology tools such as A.I. to identify the impacts of ILAB interventions, increase impacts through new programming, and to strategically invest resources in countries, sectors, and supply chains identified by the President for maximum American job and wage growth.

FY 2026

The FY 2026 enacted level for ILAB is \$116,120,00 and 101 FTE. At this funding level, ILAB will support the President's National Security Strategy (NSS), which states "American policy will be pro-worker, not merely pro-growth, and it will prioritize our own workers. We must rebuild an economy in which prosperity is broadly based and widely shared, not concentrated at the top or localized in certain industries or a few parts of our country." Among other areas, the NSS prioritizes balanced trade, securing access to critical supply chains and materials, and reindustrialization.

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ILAB has incorporated the NSS in our mission and every activity, including bilateral and multilateral engagement and technical assistance. ILAB increases American job and wage growth by combating foreign labor abuse and unfair trade practices in global supply chains that undermine U.S. prosperity and security, while shaping international labor standards towards U.S. objectives.

ILAB will ensure that trade partners adhere to their commitments and will advocate for labor concessions during trade negotiations to create fair competition for American workers and businesses. ILAB will enhance the implementation of trade commitments by focusing on strengthening the Rapid Response Mechanism (RRM) through the six-year review of the USMCA and developing technical assistance to support the execution of labor concessions in the ARTs, including bans on imports produced through forced labor. ILAB will also implement technical assistance to strengthen labor law enforcement in Mexico and ensure that U.S.-Mexico trade benefits American workers and businesses.

ILAB will provide technical expertise to USTR's expansion of the National Trade Estimate (NTE) report, to address for the first time unfair labor practices in all 60 countries covered in the report as foreign trade barriers encountered by U.S. exporters. The NTE report will guide identification of unfair trade practices that need to be addressed under the Presidential Executive Order on Reciprocal Tariffs as well as ILAB's monitoring, enforcement, and technical assistance efforts.

ILAB is addressing China's efforts to undermine American competitiveness through interagency collaboration under the FLETF and by leading supply chain research to support UFLPA enforcement. ILAB will develop technical assistance to combat abusive practices in key sectors such as fishing and will urge our USMCA partners to take meaningful action against goods produced with forced labor in China that are trans-shipped through North America.

DOL's Findings on the Worst Forms of Child Labor (TDA) report—congressionally mandated by the Trade and Development Act of 2000—is a key engagement tool to combat foreign labor abuses and unfair trade practices in global supply chains that undermine U.S. prosperity and security. ILAB, for the first time, will include a profile on China in the TDA Report, documenting the use of child labor and highlighting instances where Chinese state-owned enterprises are involved in exploitative labor practices in other countries. DOL will also update its List of Goods Produced by Child Labor or Forced Labor (TVPRA List)—congressionally mandated by the Trafficking Victims Protection Reauthorization Act (TVPRA) of 2005.

ILAB will introduce self-assessment tools for U.S. companies, including SourcingStrong and ImportWatch, which will assist businesses in identifying, assessing, and mitigating risks related to child labor and forced labor within their supply chains. Additionally, ILAB will enhance public and business access to mandated reports and high-risk product data through the LaborShield application, thereby promoting responsible sourcing and bolstering resilient American supply chains. These tools will enable American businesses to collaborate with the U.S. Government in its efforts to prevent goods made with child and forced labor from entering the U.S. market and to protect American workers from unfair foreign competition.

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ILAB is supporting President Trump's Executive Order, "Immediate Measures to Increase American Mineral Production," through technical assistance to address exploitative labor practices in the critical minerals sector in the DRC and Indonesia. These interventions will help ensure American manufacturers are neither undercut by nor dependent upon producers like China that use exploitation and abuse to lower costs. In addition, ILAB is working with the Department of Energy (DOE), providing expertise on labor elements of international critical mineral standards, to support the uptake of critical mineral standards that level the playing field for American workers and the implementation of high-standard critical minerals markets that reflect the real cost of responsible production.

In alignment with President Trump's EO on "Restoring America's Maritime Dominance" and the Maritime Action Plan (MAP), ILAB is implementing several initiatives to support efforts to revitalize America's shipbuilding industry. ILAB will implement innovative technical assistance programming to advance workforce development priorities, developing a specialized, internationally recognized curriculum on shipbuilding trades and technical exchanges with international partners, Korea and Finland. ILAB is a key partner in the Icebreaker Collaboration Effort (ICE Pact), alongside the Department of State and Department of Homeland Security, leading the ICE Pact's efforts in identifying and implementing workforce development initiatives. ILAB will also lead the workforce development efforts under the U.S.-Japan Shipbuilding Working Group, established to implement a Memorandum of Cooperation between the United States and Japan.

ILAB is working with the U.S. Coast Guard on Illegal, Unreported, and Unregulated Fishing (IUUF), to develop training for outgoing boarding inspectors to look for forced labor and labor abuses at sea. The training is particularly geared toward the implementation of the Western and Central Pacific Fisheries Commission crew labor standard, which will come into effect in 2028. ILAB is providing feedback and expertise to ensure the training is robust. This is an iterative, ongoing project with USCG contacts and training academy instructors. In addition, ILAB is collaborating with the U.S. Naval Forces Africa (NAVAF) and the Office of Naval Research (ONR) on developing both the Gulf of Guinea Obangame Express and the next iteration of Jade Spear. Both efforts are being undertaken to penalize Chinese predatory practices in fishing that harm American workers through exploitative labor practices. By raising IUUF and associated labor abuses and working with the Department of War on enforcement mechanisms, ILAB will be able to support the Seafood Competitiveness and America First Executive Orders.

ILAB will develop new technical assistance projects on delivering for American workers and businesses by focusing on priority sectors (such as fishing and critical minerals) or strategic initiatives (ARTs, forced labor import ban, USMCA). ILAB will provide strong oversight of its portfolio of technical assistance programming in alignment with the administration's priorities and in accordance with E.O. 14332 on Improving Oversight in Federal Grant-Making, E.O. 14173 on Restoring Merit-Based Opportunity, and E.O. 14257 on Rectifying Trade Practices. ILAB will develop project monitoring and evaluation plans to track progress towards achieving intended results. ILAB conducts an annual risk assessment process to identify high-risk projects that may benefit from project-level audits and commissions independent audits for selected projects. ILAB will build its capacity to analyze, synthesize, and distill evidence and learning from project monitoring and performance evaluations to improve program implementation and

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inform the development and design of new projects.

ILAB will support NSC/NEC-led initiatives during the U.S. government's G20 host year. ILAB will be collaborating with the USTR-led trade track on forced labor issues, and with the Department of Commerce/Office of Science and Technology Policy (OSTP)-led innovation track on AI workforce development. This aims to ensure that the outcomes of this and other multilateral discussions provide tangible benefits for the American people, aligned with Administration priorities. ILAB will advocate for a pro-growth approach to AI through G7 engagement in preparation for the U.S. host year in 2027 and through OECD negotiations. ILAB will also advance the U.S. labor and employment policy through chairing the Human Resources Development Working Group in APEC during China's host year. ILAB will lead negotiations to finalize a new ILO standard on employment within the gig economy.

FY 2025

In FY 2025, ILAB refocused all activities to level the playing field for American workers and businesses by raising standards in other countries, monitoring implementation, leveraging trade tools to enforce compliance and stopping the importation of illegal goods.

ILAB implemented E.O. 14332 on Improving Oversight in Federal Grant-Making, E.O. 14173 on Restoring Merit-Based Opportunity, and E.O. 14257 on Rectifying Trade Practices to center ILAB technical assistance on delivering for American workers and businesses. ILAB restructured its procurement process in line with these Executive Orders to increase accountability and oversight into grant-making and ensure strong stewardship of taxpayer money.

ILAB increased enforcement of USMCA labor provisions to make a more competitive environment for American workers. ILAB investigated 26 USMCA Rapid Response Mechanism petitions received in 2025 and in eleven of those cases, determined that there was sufficient evidence of a denial of rights for referral to the Government of Mexico for further investigation. ILAB also won its first ever labor dispute panel in August 2025, securing a determination that Mexico's actions to remediate a denial of rights at the Atento Call Center had been insufficient. These enforcement actions in priority sectors under USMCA are critical to addressing unfair trade practices in our largest trade partner, Mexico, that subject American workers and businesses to unfair competition.

ILAB leveraged the President's tariff negotiations to secure strong labor commitments from our trading partners to level the playing field for American workers. To implement the President's Memorandum on Reciprocal Trade and Tariffs, ILAB developed labor-related demands for USTR-led negotiations in all 72 countries that requested tariff negotiations. These trade negotiations aim to address unfair trade practices that disadvantage American workers. While negotiations are still ongoing, thus far ILAB has participated in over 25 negotiating sessions and secured labor concessions in at least two new agreements and 11 joint statements (preliminary agreements). As a result of these negotiations, major trading partners like Malaysia, Cambodia,

INTERNATIONAL LABOR SERVICES

Indonesia, Argentina, Ecuador, and El Salvador have agreed to ban imports made with forced labor and eliminate unfair labor practices.

ILAB fought the cheap importation of goods made with illegal forced or child labor in partnership with U.S. Customs and Border Protection (CBP) by generating country-level intelligence. ILAB expanded enforcement under the Uyghur Forced Labor Prevention Act (UFLPA)—bringing the total number of entities to 144 since the law’s inception and broadening high-priority enforcement sectors to include caustic soda, copper, jujubes, lithium, and steel—ensuring greater scrutiny of goods linked to forced labor. ILAB’s work delivered measurable results such as: as of November 1, 2025, CBP stopped 15,958 shipments—valued at almost \$3.3 billion—for further examination under the UFLPA, and nearly 10,000 shipments, worth approximately \$650 million, have been denied entry, preventing goods made with forced labor from reaching U.S. markets. ILAB also developed CBP’s new remediation guidance—released on June 3, 2025—providing companies with clearer expectations and tools to identify and address forced labor risks and supporting a shift toward proactive, risk-based supply chain management.

ILAB brokered international partnerships to advance the President’s Executive Order on Restoring Maritime Dominance and implemented the Executive Order on Preparing Americans for High-Paying Skilled Trade Jobs of the Future. ILAB awarded two technical assistance projects that will support American workforce development through revitalizing the domestic shipbuilding industry by providing American workers with training overseas from international partners with advanced shipbuilding expertise. These grants will create registered apprenticeships for American workers and build curricula that will sustain shipbuilding efforts in the United States for years to come. Additionally, ILAB in coordination with the Employment and Training Administration (ETA) created the workforce development strategy under the DHS-led Icebreaker Collaboration Effort (ICE Pact), providing analysis of the workforce challenges in the shipbuilding industry, and identifying existing programs and new opportunities to recruit, train, and retain U.S. workers in the shipbuilding sector.

INTERNATIONAL LABOR SERVICES

Workload and Performance Narrative

In support of its FY 2027 Budget request, ILAB will implement performance measures to demonstrate the effectiveness of the following priority strategies:

- Ensuring countries implement actions to improve labor standards to help level the playing field for American workers and businesses;
- Making trade fair by negotiating strong labor commitments that benefit American workers and businesses and strengthening compliance with the labor provisions of U.S. trade agreements including the U.S.-Mexico-Canada (USMCA) Agreement, trade preference programs, Agreements on Reciprocal Trade (ARTs), and other relevant agreements; and
- Combating exploitative labor practices that undermine fair competition, including international child labor, forced labor, human trafficking, and other violations of worker rights.

All of these strategies contribute to assessing the effectiveness ILAB's mission implementation, as these strategies are not mutually exclusive but often occur in tandem as ILAB uses multiple avenues and tools to achieve its mission.

INTERNATIONAL LABOR SERVICES

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	21,372	16,273	16,127	-146
11.3 Other than full-time permanent	85	200	85	-115
11.5 Other personnel compensation	638	654	638	-16
11.8 Special personal services payments	63	150	150	0
12.1 Personnel Benefits	7,474	5,752	5,700	-52
21.0 Travel and transportation of persons	1,550	1,400	1,000	-400
23.1 Rental payments to GSA	1,450	1,480	1,250	-230
23.2 Rental payments to others	0	450	450	0
23.3 Communications, utilities, and misc.	20	20	2	-18
24.0 Printing and reproduction	15	10	8	-2
25.1 Advisory and assistance services	10,000	10,351	7,185	-3,166
25.2 Other services from non-Federal sources	590	670	170	-500
25.3 Other goods and svcs. from Fed. sources	4,651	5,778	1,095	-4,683
25.3 WCF (Non-Add)	6,525	7,381	4,482	-2,899
25.4 Operation and maintenance of facilities	0	1,200	5	-1,195
26.0 Supplies and materials	60	50	25	-25
31.0 Equipment	6	57	6	-51
41.0 Grants, subsidies, and contributions	58,626	64,249	31,832	-32,417
Total	113,125	116,125	70,210	-45,915

INTERNATIONAL LABOR SERVICES

CHANGES IN FY 2027

(Dollars in Thousands)

Activity Changes

Built-Ins

Working Capital Fund	-\$538	
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Built-Ins Subtotal	-\$538	
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Base	\$116,125	101
Program Decreases	-\$45,377	0
Net Program Subtotal	-\$45,377	0
Total Activity Appropriation	\$70,210	101

	Amount	FTE
Base	\$116,125	101
Program Increases	\$0	0
Program Decreases	-\$45,377	0

ADMINISTRATION AND MANAGEMENT

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	30,804	28,450	28,450	0
FTE	90	72	72	0

NOTE: FY 2025 reflects actual FTE.

Introduction

The Office of the Assistant Secretary for Administration and Management (OASAM) provides the infrastructure and support that enables the Department to carry out its core missions. OASAM develops policies, standards, procedures, systems, and materials for administrative management, including business operations; procurement and acquisition; information technology (IT); human resource management; budget formulation; and strategic planning and performance.

Six Administration and Management business units receive funding from this appropriation and are designed as centers of excellence with unique mission responsibilities. OASAM emphasizes integrated performance along with seamless and transparent information sharing across business units. The six business units are:

- Departmental Budget Center (DBC)
- Performance Management Center (PMC)
- Office of Human Resources (OHR)
- Office of the Chief Information Officer (OCIO)
- Business Operations Center (BOC)
- Office of the Senior Procurement Executive (OSPE)

DBC, OHR, OCIO, BOC, and OSPE also receive funding for certain activities funded through the Working Capital Fund (WCF). In addition, OASAM Office of Field Operations, Emergency Management Center, the Security Center, as well as reasonable accommodation activities, receive full funding of their activities through the WCF. These activities are detailed in the WCF justification. OASAM's civil rights activities are detailed in the Civil Rights budget activity below.

ADMINISTRATION AND MANAGEMENT

Five-Year Budget Activity History

<u>Fiscal Year</u>	<u>Funding</u> (Dollars in Thousands)	<u>FTE</u>
2022	\$29,858	102
2023	\$30,804	97
2024	\$30,804	97
2025	\$30,804	91
2026	\$28,450	72

FY 2027

FY 2027 request for OASAM is \$28,450,000 and 72 direct FTE. At this funding level, OASAM will be able to advance the President's Management Agenda to;

- Shrink the Government & Eliminate Waste
- Ensure Accountability for Americans, and
- Deliver Results, Buy American

OASAM will meet its core mission of developing standards, procedures, systems, and materials related to resource and administrative management services for the Department; and executing these policies and directives in the National Office and in the field.

FY 2026

The FY 2026 budget for OASAM is \$28,450,000 and 72 FTE. At this funding level, OASAM will be able to meet its core mission, while continuing to streamline and/ improve administrative services.

FY 2025

The FY 2025 budget for OASAM was \$30,804,000 and 90 FTE. At this funding level, OASAM continued to improve the Department's administrative services to drive success in all mission areas, including by modernizing legacy applications and streamlining administrative services to improve efficiency and quality of service delivery.

ADMINISTRATION AND MANAGEMENT

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	16,804	13,058	13,058	0
11.3 Other than full-time permanent	0	578	578	0
11.5 Other personnel compensation	737	802	802	0
12.1 Personnel Benefits	5,847	4,222	4,222	0
12.1 FECA	449	111	111	0
21.0 Travel and transportation of persons	0	352	352	0
23.1 Rental payments to GSA	816	738	738	0
23.3 Communications, utilities, and misc.	31	20	20	0
24.0 Printing and reproduction	13	22	22	0
25.1 Advisory and assistance services	199	232	232	0
25.2 Other services from non-Federal sources	195	174	174	0
25.3 Other goods and svcs. from Fed. sources	669	2,224	2,224	0
25.3 WCF (Non-Add)	4,882	5,743	5,743	0
25.4 Operation and maintenance of facilities	0	10	10	0
25.7 Operation and maint. of equipment	2	4	4	0
26.0 Supplies and materials	160	158	158	0
31.0 Equipment	0	2	2	0
Total	30,804	28,450	28,450	0

ADMINISTRATION AND MANAGEMENT

CHANGES IN FY 2027

(Dollars in Thousands)

Activity Changes

Built-Ins		
Built-Ins Subtotal	\$0	
Base	\$28,450	72
Net Program Subtotal	\$0	0
Total Activity Appropriation	\$28,450	72
	Amount	FTE
Base	\$28,450	72
Program Increases	\$0	0
Program Decreases	\$0	0

ADJUDICATION

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	69,706	65,752	65,752	0
FTE	228	196	196	0

NOTE: FY 2025 reflects actual FTE.

Introduction

The Adjudication budget activity funds two major components: (1) the Office of the Administrative Law Judges (OALJ) and (2) the Adjudicatory Boards, consisting of the Administrative Review Board (ARB), the Benefits Review Board (BRB), and the Employees' Compensation Appeals Board (ECAB). As agencies that adjudicate cases, OALJ and the Adjudicatory Boards will continue to generate decisions which are fair and impartial and based on the law.

Office of Administrative Law Judges (OALJ)

In 1972-73, Congress passed legislation that significantly expanded the formal adjudicative responsibilities of the Department, and, in response, the Office of Administrative Law Judges was established. OALJ presides over formal hearings as the Department's sole trial-level tribunal. OALJ's mission is to issue fair and impartial decisions under the governing law, the facts of each case, and the procedures mandated by the Administrative Procedure Act under which OALJ has established its own rules of practice and procedure. The Department's Administrative Law Judges (ALJs), all of whom have been appointed or re-appointed by the current Secretary of Labor, hear and decide cases arising from multiple statutes and regulations.

Claims under the Black Lung Benefits Act, the Longshore and Harbor Workers' Compensation Act, and the Defense Base Act constitute the largest part of OALJ's workload. These hearings are generally between private parties and primarily about the merits of the applicant's claim for medical benefits and disability compensation, but also may involve debarment of physicians or representatives, retaliation claims, or tangential matters such as attorney fee applications.

The Department's ALJs also have the responsibility to provide hearings pursuant to more than 80 other labor-related statutes, Executive Orders, and/or regulations. Examples of OALJ's wide-ranging adjudicatory responsibilities include:

- "Whistleblower" complaints filed with the Occupational Safety and Health Administration (OSHA) covering subjects such as corporate fraud, consumer protection, anti-trust, money laundering, transportation, environmental, and food safety

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- Disputes relating to job training grants administered by ETA
- Complaints brought, or hearing requests referred by, the Wage and Hour Division (WHD) relating to the Fair Labor Standards Act, the Davis-Bacon Act, and the Service Contract Act, and a variety of other laws under the WHD's enforcement mandate
- Petitions for modifications of mine safety standards
- Civil money penalty cases brought by the Employee Benefits Security Administration (EBSA) pursuant to the Employee Retirement Income Security Act
- Office of Labor-Management Standards regulations governing standards of conduct in federal union elections
- Presiding over hearings in formal OSHA rulemaking proceedings

Defense Base Act cases are workers' compensation cases that generally involve civilian contractors injured while working on military installations outside the United States. As recently as FY 2016, OALJ received fewer than 1,000 such cases each year. Since FY 2019, when OALJ received about 1,500 DBA cases, the number has skyrocketed. Specifically, OALJ received about 2,600 DBA cases in FY 2020, 5,200 in FY 2022, and 7,300 in FY 2023. In FY 2024, OALJ received over 9,100 DBA cases and expects to receive 8,800 in FY 2025. This increased caseload will likely continue into FY 2026, and beyond. Handling the exponential increase in DBA cases remains one of OALJ's biggest challenges.

Established in 1987, designated ALJs also serve as members of the Board of Alien Labor Certification Appeals (BALCA), which adjudicates appeals by U.S. employers seeking to employ foreign workers when their applications are denied by the Department's Office of Foreign Labor Certification.

In addition to formal adjudication, OALJ implements alternative dispute resolution through its settlement judge and mediation programs.

The Adjudicatory Boards

The Adjudicatory Boards (referred to collectively as the Boards) are quasi-judicial bodies that review and make decisions on several thousand appeals every year under a variety of workers' compensation benefit and protection laws and programs that are part of the Department's worker protection mission and that set nationwide standards and legal precedent. The Adjudication activity at the Department of Labor is part of the Department's overarching Worker Protection effort.

The Administrative Review Board (ARB). The ARB issues final agency decisions in appeals of cases arising under more than 70 worker-protection statutes and executive orders as outlined in Secretary's Order No. 01-2020, dated March 6, 2020. Most of the ARB's cases involve retaliation complaints arising under securities fraud, environmental, nuclear, aviation, trucking, rail and other employee protection statutes filed with the OSHA Whistleblower Protection Program. The ARB also reviews worker protection statutes such as the Child Labor and Migrant and Seasonal Worker Protection Acts. Appeals from the Office of Administrative Law Judges are also considered under the Davis-Bacon and Service Contract Acts and the H-1B and H-2B non-immigrant visa provisions

ADJUDICATION

of the Immigration and Naturalization Act. In the past 10 years, the federal courts have upheld the ARB decisions in more than 95 percent of cases appealed.

The ARB may consist of up to five members who serve as Administrative Appeals Judges, one of whom is the Board Chair and Chief Administrative Appeals Judge. All ARB members are appointed by the Secretary of Labor.

The Benefits Review Board (BRB). The BRB was created by Congress in 1972 and decides appeals under the Black Lung Benefits Act (BL), the Longshore and Harbor Workers' Compensation Act, and the Defense Base Act (LS/LDA). The BRB reviews and determines hundreds of appeals each year, makes legal interpretations, and establishes legal precedents that set standards for the Black Lung Benefits Act, the Longshore and Harbor Workers' Compensation Act, and the Defense Base Act.

The BRB has authority to resolve appeals under these statutes, filed by any party-in-interest. Virtually all new appeals to the BRB come from the Office of Administrative Law Judges (OALJ), consequently BRB case production is directly related to OALJ production. Historically, 35 percent of OALJ BL decisions and less than 7 percent of OALJ LS/LDA decisions are appealed to the BRB, which reviews these decisions to determine whether the findings are supported by substantial evidence and are in accordance with law. The BRB's decisions may be appealed to the U.S. Courts of Appeals in the circuit where the injury arose, and from there to the U.S. Supreme Court. Historically, less than 15 percent of the BRB's decisions are appealed to the federal circuit courts, and more than 85 percent of these are affirmed. By statute, the BRB consists of five members appointed by the Secretary of Labor, one of whom is designated as Chair and Chief Administrative Appeals Judge.

The Employees' Compensation Appeals Board (ECAB). The ECAB was established by statute in 1946 to hear and make final decisions on appeals from determinations of the Office of Workers' Compensation Programs (OWCP) in claims of federal employees arising under the Federal Employees' Compensation Act (FECA). Any ill or injured federal employee adversely affected by an OWCP decision may request a review of that decision by the ECAB, either before or after a full evidentiary hearing before OWCP's Branch of Hearings and Review. The ECAB's exclusive jurisdiction extends to deciding questions of fact and law, as well as the exercise of discretion. The ECAB, through its written decisions, has the responsibility for definitively interpreting the FECA in the resolution of controversies raised on appeal and in such a manner as will fully protect the rights of all interested parties. The ECAB decisions are final, binding on OWCP, and not subject to further judicial review.

The ECAB may consist of up to five members, one of whom is the Board Chair and Chief Administrative Appeals Judge. All ECAB members are appointed by the Secretary of Labor.

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Five-Year Budget Activity History

<u>Fiscal Year</u>	<u>Funding</u> (Dollars in Thousands)	<u>FTE</u>
2022	\$36,000	144
2023	\$37,000	136
2024	\$37,000	129
2025	\$37,000	128
2026	\$35,000	103

FY 2027

The request level for the Adjudication activity is \$35,000,000 and 103 FTE in General Funds and \$30,752,000 and 93 FTE in Black Lung Disability Trust Fund.

Administrative Law Judges:

The Office of Administrative Law Judges (OALJ) is projected to receive 11,850 cases during FY 2027 and disposing of 9,065 cases. This will result in 3,026 Black Lung pending cases with a 37-month pendency; 947 Longshore pending cases with a 10-month pendency; 20,281 Defense Base Act pending cases with a 41-month pendency; 673 Permanent Immigration pending cases with a 28-month pendency; 88 Temporary Immigration pending cases with a 5-month pendency; and 925 Traditional/Whistleblower cases pending with a 22-month pendency. These workload numbers are based on hiring 31 FTE in FY 2026 to the funded level of 134 FTE.

Adjudicatory Boards:

In FY 2027, ARB is projected to receive 65 cases, dispose of 80 cases, and have an average case processing time of 12.0 months or less.

The BRB projects that its Longshore/Defense Base Act (LS/LDA) caseload in FY 2027 will include 120 new LS/LDA cases and 120 closed LS/LDA appeals, with an average case processing time of 16.00 months. BRB projects that its Black Lung (BL) workload will include 340 new BL appeals, 340 closed BL appeals, with an average case processing time of 13.00 months.

ECAB projects its FY 2027 workload to include 1,300 new appeals, 1,050 closed appeals, and an average case processing time of 6 months.

FY 2026

The funding level for the Adjudication activity is \$35,000,000 and 103 FTE in General Funds and \$30,752,000 and 93 FTE in Black Lung Disability Trust Fund.

Administrative Law Judges:

In FY 2026, OALJ has performance goals based on receiving 11,850 cases and adjudicating 8,350 cases during FY 2026 in various program areas. OALJ projects to adjudicate 880 Black

ADJUDICATION

Lung cases; 1,020 Longshore cases; 5,500 Defense Base Act case; 250 Permanent Immigration cases; 200 Temporary Immigration cases; and 500 Traditional/Whistleblower cases. This will result in 2,806 pending Black Lung cases with a 38-month pendency; 1,097 pending Longshore cases with a 13-month pendency; 17,781 pending Defense Base Act cases with a 39-month pendency; 558 pending Permanent Immigration cases with an 27-month pendency; 88 Temporary Immigration pending cases with a 5-month pendency; and 825 Traditional/Whistleblower cases pending with an 20-month pendency.

Adjudicatory Boards:

In FY 2026, ARB projects 80 new cases and disposed of 75 cases with a projected average case processing time of 12 months.

The BRB projects 340 new Black Lung appeals and anticipates receiving 115 new Longshore/Defense Base Act appeals, an increase of 6 appeals from the prior fiscal year. The BRB plans to issue 340 Black Lung decisions and 115 Longshore/Defense Base Act decisions in FY 2026. As a result, the BRB plans to end the fiscal year with 361 pending Black Lung appeals, and 207 pending Longshore/Defense Base Act appeals.

FY 2025

The revised enacted funding level for the Adjudication activity is \$37,000,000 and 128 FTE in General Funds and \$32,706,000 and 100 FTE in Black Lung Disability Trust Funds.

Administrative Law Judges:

The Office of Administrative Law Judges (OALJ) received 12,359 cases during FY 2025. OALJ disposed of 9,968 cases as compared to the projection of 8,075 cases, an 1,893 increase of dispositions. This resulted in 2,486 Black Lung pending cases with a 26-month pendency; 1,167 Longshore pending cases with a 12-month pendency; 14,781 Defense Base Act pending cases with a 28-month pendency; 408 Permanent Immigration pending cases with an 18-month pendency; 88 Temporary Immigration pending cases with a 4-month pendency; and 725 Traditional/Whistleblower cases pending with an 14-month pendency.

Adjudicatory Boards:

In FY 2025, ARB received 94 cases (projection was 65), disposed of 73 cases (projection was 70), and had an average case processing time of 8.84 months (projection of 11.50 months).

In FY 2025, the Benefits Review Board (BRB) received 359 new Black Lung appeals, a increase of 34 appeals from the prior fiscal year, and received 121 new Longshore/Defense Base Act appeals, a decrease of 49 appeals from the prior fiscal year. The BRB issued 351 Black Lung decisions, exceeding its annual production goal target of issuing 420 Black Lung decisions by 11 decisions or by over 3 percent. The BRB issued 115 Longshore/Defense Base Act decisions in FY 2025, closing 3 more decisions as compared to the prior fiscal year, representing a 2.6 percent increase. As a result, the BRB ended the fiscal year with 361 pending Black Lung appeals, an increase of 25 appeals from the 336 pending appeals at the beginning of the fiscal year, and 207 pending Longshore/Defense Base Act appeals.

ADJUDICATION

In FY 2025, ECAB received 916 new appeals (projection was 1,650), closed 1,800 appeals (projection was 1,300), and had an average case processing time of 5.1 months (projection was 8 months).

ADJUDICATION

WORKLOAD AND PERFORMANCE SUMMARY				
	FY 2025 Enacted		FY 2026 Enacted	FY 2027 Request
	Target	Result	Target	Target
Adjudication				
Administrative Law Judges				
ALJ-BL-01	OALJ BLACK LUNG New Cases:		1,200[p]	1,200[p]
ALJ-BL-02	OALJ BLACK LUNG Dispositions:		880	980
ALJ-BL-03	OALJ BLACK LUNG Pending Cases:		2,806[p]	3,026[p]
ALJ-BL-04	OALJ BLACK LUNG Pending Months:		38	37
ALJ-IM-01	OALJ PERMANENT IMMIGRATION New Cases:		400[p]	400[p]
ALJ-IM-02	OALJ PERMANENT IMMIGRATION Dispositions:		250	285
ALJ-IM-03	OALJ PERMANENT IMMIGRATION Pending Cases:		558[p]	673[p]
ALJ-IM-04	OALJ PERMANENT IMMIGRATION Pending Months:		27	28
ALJ-TI-01	OALJ TEMPORARY IMMIGRATION New Cases:		200[p]	200[p]

ADJUDICATION

WORKLOAD AND PERFORMANCE SUMMARY					
		FY 2025 Enacted		FY 2026 Enacted	FY 2027 Request
		Target	Result	Target	Target
ALJ-TI-02	OALJ TEMPORARY IMMIGRATION Dispositions:	300	269	200	200
ALJ-TI-03	OALJ TEMPORARY IMMIGRATION Pending Cases:	61[p]	88	88[p]	88[p]
ALJ-TI-04	OALJ TEMPORARY IMMIGRATION Pending Months:	1	4	5	5
ALJ-T-01	OALJ TRADITIONAL/WHISTLEBLOWER New Cases:	450[p]	631	600[p]	600[p]
ALJ-T-02	OALJ TRADITIONAL/WHISTLEBLOWER Dispositions:	400	631	500	500
ALJ-T-03	OALJ TRADITIONAL/WHISTLEBLOWER Pending Cases:	775[p]	725	825[p]	925[p]
ALJ-T-04	OALJ TRADITIONAL/WHISTLEBLOWER Pending Months:	23	14	20	22
ALJ-LS-01	OALJ LONGSHORE New Cases:	1,150[p]	983	950[p]	950[p]
ALJ-LS-02	OALJ LONGSHORE Dispositions:	1,025	1,217	1,020	1,100
ALJ-LS-03	OALJ LONGSHORE Pending Cases:	1,526[p]	1,167	1,097[p]	947[p]
ALJ-LS-04	OALJ LONGSHORE Pending Months:	18	12	13	10

ADJUDICATION

WORKLOAD AND PERFORMANCE SUMMARY					
		FY 2025 Enacted		FY 2026 Enacted	FY 2027 Request
		Target	Result	Target	Target
ALJ- LDA-01	OALJ DEFENSE BASE ACT New Cases:	8,000[p]	8,793	8,500[p]	8,500[p]
ALJ- LDA-02	OALJ DEFENSE BASE ACT Dispositions:	5,000	6,443	5,500	6,000
ALJ- LDA-03	OALJ DEFENSE BASE ACT Pending Cases:	15,431[p]	14,781	17,781[p]	20,281[p]
ALJ- LDA-04	OALJ DEFENSE BASE ACT Pending Months:	37	28	39	41
Employees' Compensation Appeals Board					
ECAB- 01	New Appeals	1,650[p]	916	1,300[p]	1,300[p]
ECAB- 02	Closed Appeals	1,800	1,002	1,050	1,050
ECAB- 03	Pending Appeals	680	275	525	775
ECAB- 05	Average Case Processing Time	8.00	5.10	6.00	6.00
Adjudication General Fund					
BRB- LS/LDA- 01	New Appeals	115[p]	121	115[p]	120[p]

ADJUDICATION

WORKLOAD AND PERFORMANCE SUMMARY					
		FY 2025 Enacted		FY 2026 Enacted	FY 2027 Request
		Target	Result	Target	Target
BRB- LS/LDA- 02	Closed Appeals	120	115	115	120
BRB- LS/LDA- 03	Pending Appeals	125	207	207	207
BRB- LS/LDA- 05	Average Case Processing Time	12.00	14.65	16.00	16.00
BRB- LS/LDA- 12	Affirmance Rate	85.00%	81.50%	85.00%	85.00%
Administrative Review Board					
ARB-01	New Appeals	65[p]	94	80[p]	80[p]
ARB-02	Closed Appeals	70	73	75	70
ARB-03	Pending Appeals	46	84	89	99
ARB-05	Average Case Processing Time	11.50	8.84	12.00	12.00
Adjudication Black Lung Fund					
BRB- BL-01	New Appeals	420[p]	359	340[p]	340[p]

ADJUDICATION

WORKLOAD AND PERFORMANCE SUMMARY					
		FY 2025 Enacted		FY 2026 Enacted	FY 2027 Request
		Target	Result	Target	Target
BRB- BL-02	Closed Appeals	420	351	340	340
BRB- BL-03	Pending Appeals	575	361	361	361
BRB- BL-05	Average Case Processing Time	13.00	12.68	13.00	13.00
BRB- BL-12	Affirmance Rate	85.00%	89.25%	85.00%	85.00%

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

ADJUDICATION

Workload and Performance Narrative

Administrative Law Judges

In FY 2027, OALJ will adjudicate approximately 980 Black Lung cases with about 3,000 pending at the end of the FY, which results in a pendency of 37-months.

During FY 2027, the number of new Defense Base Act (DBA) cases is projected to total about 8,500. At the end of FY 2027, pending Defense Base Act cases are projected to total over 20,000 resulting in a 41-month pendency. Due to the significant increase in new DBA cases over the last several years, OALJ estimates that at the end of FY 2028, pending cases will exceed 22,000, equating to a 45-month case pendency, even though OALJ will dispose of at least 6,000 cases in FY 2027, 3.75 times more than it did in FY 2020.

OALJ projects to receive around 200 Temporary Immigration cases during FY 2027 and dispose of about the same number. In the Permanent Alien Labor Certification (PERM) Immigration program area, OALJ projects disposing of 200 cases with pending cases at the end of FY 2027 to be at 673, resulting in a pendency of 28-months. During FY 2027, OALJ is projecting to dispose of 1,100 Longshore cases and anticipates 950 new cases resulting in a 10-month pendency. The Traditional/Whistleblower case area is projected at 500 case dispositions with a 22-month pendency at the end of FY 2027.

While OALJ is disposing of 60 percent more cases a year than it did in 2020, the number of new cases has doubled, resulting in a growing pending case list.

Adjudicatory Boards

Workload estimates for all three Adjudicatory Boards are based on Worker Protection claims and complaints. Actual incoming workload remains outside the control of the Boards and is affected by such factors as changes to workers' compensation laws, attorney/representative involvement in the appeals process, and increases and decreases in the workforce.

More than 95 percent of the ARB appeals come from OALJ as do virtually all new appeals to BRB. All appeals to ECAB originate in the Federal Employees Compensation Division of OWCP. By the time the Boards receive an appeal, the original claim may be several years old. Any delay at the appellate level is likely to be viewed as a hardship by the parties.

Based on an upward trend of appeals filed over the last several years (from 58 new appeals filed in 2023, to 66 in 2024, to 94 in 2025) and thus far in FY 2026, ARB projects 80 new appeals in FY 2026, projects meeting the target of 75 closed appeals in FY 2026, projects 89 pending appeals at the end of FY 2026, and an average case processing time of 12 months or less.

Based on the trend of appeals filed over the last several years, ARB projects 80 new appeals in FY 2027. ARB expects to close 70 appeals, resulting in 99 pending appeals at the end of FY 2027, with an average case processing time remaining at 12 months or less.

ADJUDICATION

For FY 2026, based on OALJ's projected determinations, the BRB projects to receive 340 new Black Lung (BL) appeals. Historically, 35 percent of OALJ BL decisions are appealed to the BRB. Based on current funding in FY 2026, the BRB expects its closed BL appeals target to also be 340 and thus projects that its end of FY 2026 pending BL appeals to remain at 361, resulting in its average case processing time remaining at 13 months. The BRB projects new filed LS/LDA appeals to be 115 in FY 2026 because of OALJ's projected LS/LDA production. Based on current funding in FY 2026, the BRB expects its LS/LDA closed appeals target to be 115 and average case processing time to remain at 16 months, and thus it projects to have 207 pending LS/LDA appeals at the end of FY 2026.

For FY 2027, based on anticipated funding and OALJ's projected determinations, the BRB will adjudicate its appeals within target timeframes for disposition and projects new BL appeals filed to be 340. Historically, 35 percent of OALJ BL decisions are appealed to the BRB. Based on anticipated funding in FY 2027, the BRB expects to close 340 BL appeals, resulting in end of FY 2027 pending BL appeals remaining at 361 with an average case processing time remaining at 13 months. Based on projected OALJ production and the BRB receiving their anticipated funding in FY 2027, BRB projects new LS/LDA appeals filed to increase to 120 in FY 2027. BRB expects its closed LS/LDA appeals target to increase to 120 in FY 2027 and its average case processing time to remain at 16 months. End of FY 2027 pending LS/LDA appeals are expected to remain at 207.

ECAB estimates new appeals filed in FY 2026 to be 1,300. This estimate is based on the number of appeals received for workplace injury claims. ECAB's closed appeals target for FY 2026 is 1,050 appeals with an average case processing time target of 6 months. This estimate is due in part to production lost during the government shutdown, and a total workforce reduction of approximately 25 percent. ECAB projects end of FY 2026 pending appeals to be 525.

In FY 2027, ECAB expects 1,300 new appeals to be filed. This is based on an anticipated constant trend of appealed cases received after initial action by OWCP. ECAB's closed appeals target for FY 2027 is 1,050 with an average case processing time target of 6 months. ECAB projects end of FY 2027 pending appeals to be 775.

ADJUDICATION

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	34,587	28,373	28,373	0
11.3 Other than full-time permanent	291	130	130	0
11.5 Other personnel compensation	575	904	904	0
12.1 Personnel Benefits	12,490	10,309	10,309	0
12.1 FECA	0	21	21	0
21.0 Travel and transportation of persons	347	300	300	0
23.1 Rental payments to GSA	4,198	2,670	2,670	0
23.2 Rental payments to others	3	9	9	0
23.3 Communications, utilities, and misc.	54	21	21	0
24.0 Printing and reproduction	11	0	0	0
25.1 Advisory and assistance services	1,285	120	120	0
25.2 Other services from non-Federal sources	6,251	5,193	5,193	0
25.3 Other goods and svcs. from Fed. sources	3,113	7,706	7,706	0
25.3 WCF (Non-Add)	4,829	9,797	9,797	0
25.4 Operation and maintenance of facilities	589	5	5	0
25.7 Operation and maint. of equipment	648	10	10	0
26.0 Supplies and materials	335	164	164	0
31.0 Equipment	100	20	20	0
Total	69,706	65,752	65,752	0

ADJUDICATION

CHANGES IN FY 2027

(Dollars in Thousands)

Activity Changes

Built-Ins

Built-Ins Subtotal

\$0

Base

\$65,752

196

Net Program Subtotal

\$0

0

Total Activity Appropriation

\$65,752

196

Amount

FTE

Base

\$65,752

196

Program Increases

\$0

0

Program Decreases

\$0

0

WOMEN'S BUREAU

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	19,300	23,000	0	-23,000
FTE	48	20	0	-20

NOTE: FY 2025 reflects actual FTE.

Introduction

The Women’s Bureau (WB) is mandated with safeguarding the interests of working women and their families as well as promoting quality work environments. The agency accomplishes its goals through a combination of research and policy analysis, grantmaking and education and outreach.

Five-Year Budget Activity History

<u>Fiscal Year</u>	<u>Funding</u> (Dollars in Thousands)	<u>FTE</u>
2022	\$18,000	50
2023	\$23,000	47
2024	\$23,000	50
2025	\$19,300	48
2026	\$23,000	20

WOMEN'S BUREAU

FY 2027

At the FY 2027 request level there is \$0 and 0 FTE for the Women's Bureau (WB) including the Women in Apprenticeship and Nontraditional Occupations grant program and instead have all apprenticeship work funded and carried out within the Employment and Training Administration.

FY 2026

At the FY 2026 funding level of \$23,000,000 and 20 FTE, the WB will continue to ensure full alignment with the President's priorities by addressing issues related to workforce shortages, closing the skills gap, and facilitating the development of employment supports, particularly those related to caregiving, that reduce the cost of living and put American families first.

WB will use the Women in Apprenticeship and Nontraditional Occupations (WANTO) program to help achieve the President's goal of 1 million new active apprentices as well as the President's strategy to reindustrialize and Make America Skilled Again, dominate the Artificial Intelligence (AI) frontier, and reclaim control over the levers of national prosperity. A new focus this year will be high demand occupations with labor shortages in the advanced manufacturing, Artificial Intelligence (AI), construction, Information Technology (IT), mining, and shipbuilding industries.

WB will also work on updating its National Database of Childcare Prices (NDCP). Originally funded under the first Trump Administration, the NDCP is the most comprehensive federal source of childcare prices at the county level. Beyond the NDCP, the WB will also continue its partnership with Bureau of Labor Statistics (BLS) to update the Leave and Job Flexibilities Module within the American Time Use Survey (ATUS). Both of these signature products are used widely by constituents, policymakers, and government representatives.

WB will continue to explore new priority areas related to strengthening the American workforce and American families including evaluating strategies to recruit discouraged workers, including women, into industries with a labor force shortage, researching child care and paid leave options for small businesses, and examining regulatory and tax policy interventions to increase childcare affordability. This will include the production of formal policy memos as well as conducting listening sessions in collaboration with the Small Business Administration and the US Department of Health and Human Services.

WB will continue coordinating a campaign designed to increase awareness of the paid family and medical leave (PFML) tax credit for employers made permanent by the Working Families Tax Cut Act.

Lastly, the Women's Bureau will advance positive employment outcomes for military spouses and women veterans—critical communities whose contributions directly support our national defense, economic security, and future wellbeing. This work will be carried out in coordination with the Veterans' Employment and Training Service (VETS) at the U.S. Department of Labor and the Center for Women Veterans at the U.S. Department of Veterans

WOMEN'S BUREAU

Affairs, reinforcing our shared mission to enter the new Golden Age of America by strengthening every sector of the workforce.

FY 2025

The Women's Bureau (WB) awarded \$5,000,000 in funding to seven community-based organizations to support women entering apprenticeships and careers in high-demand industries like tech and advanced manufacturing. These WANTO grants will help the Department achieve President Trump's goal of reaching one million new active apprentices.

In FY2025, the WB created a new user-friendly interactive as well as other tools on its National Database of Childcare Prices (NDCP) webpage to help stakeholders navigate the data. Originally funded under the first Trump Administration, the NDCP is the most comprehensive federal source of county-level childcare data available and is widely used by constituents and policymakers.

In FY 2025, the Women's Bureau website had 834,512 page views and 26,340 downloads of data and informational publications. A primary driver of the WB website traffic is its Data and Statistics page, which provides straightforward data visualizations, usable by constituents and policymakers alike. The WB completed a total of 75 data visualizations on this page in FY2025 ensuring the public has up to date information on women, families and the workforce.

Lastly, the Women's Bureau created several background papers pertaining to its new Trump Administration priority areas related to strengthening the American workforce and American families including exploring strategies to recruit discouraged workers, including women, into industries with a labor force shortage; researching childcare and paid leave options for small businesses; and examining regulatory and tax policy interventions to increase childcare affordability.

WOMEN'S BUREAU

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	7,218	4,072	0	-4,072
11.3 Other than full-time permanent	102	0	0	0
11.5 Other personnel compensation	163	134	0	-134
12.1 Personnel Benefits	2,335	1,408	0	-1,408
21.0 Travel and transportation of persons	106	300	0	-300
23.1 Rental payments to GSA	469	470	0	-470
23.3 Communications, utilities, and misc.	2	2	0	-2
25.2 Other services from non-Federal sources	62	60	0	-60
25.3 Other goods and svcs. from Fed. sources	156	8,397	0	-8,397
25.3 WCF (Non-Add)	2,402	3,117	0	-3,117
26.0 Supplies and materials	53	30	0	-30
31.0 Equipment	10	10	0	-10
41.0 Grants, subsidies, and contributions	6,222	5,000	0	-5,000
Total	19,300	23,000	0	-23,000

WOMEN'S BUREAU

CHANGES IN FY 2027

(Dollars in Thousands)

Activity Changes

Built-Ins

Total personnel compensation \$0

Built-Ins Subtotal \$0

Base	\$23,000	20
Program Decreases	-\$23,000	-20
Net Program Subtotal	-\$23,000	-20
Total Activity Appropriation	\$0	0

	Amount	FTE
Base	\$23,000	20
Program Increases	\$0	0
Program Decreases	-\$23,000	-20

CIVIL RIGHTS ACTIVITIES

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	7,586	7,586	0	-7,586
FTE	25	23	0	-23

NOTE: FY 2025 reflects actual FTE.

Introduction

In FY 2027, the Department requests to shift Civil Rights Activities into a consolidated Office of Civil Rights. The resources for this activity will be consolidated into the proposed Office of Civil Rights, described in the next section.

Five-Year Budget Activity History

<u>Fiscal Year</u>	<u>Funding</u> (Dollars in Thousands)	<u>FTE</u>
2022	\$7,086	32
2023	\$7,586	28
2024	\$7,586	26
2025	\$7,586	25
2026	\$7,586	23

FY 2027

The proposed shift is to create a consolidated, streamlined Office of Civil Rights, which will include current activities funded in the Civil Rights activity, Vietnam Era Veterans Readjustment Assistance Act (VEVRAA) responsibilities, Section 503 of the Rehabilitation Act of 1973 responsibilities, and the administration of whistleblower protection statutes except for Section 11(c) of the Occupational Safety and Health Act. This proposed re-organization will enable the Department to fulfill legal obligations while promoting organizational efficiencies and safeguarding the integrity of investigative and adjudicatory administrative enforcement functions. Consolidation of these programs considers similar legal frameworks that instruct investigative and decision-making responsibilities. Employees across these programs will cross-train to enhance productivity, deepen stakeholder engagement, and improve customer service across the country.

FY 2026

CIVIL RIGHTS ACTIVITIES

The FY 2026 enacted level for CRC is \$7,586,000 and 23 FTE. At this level, CRC will continue to execute mission-critical functions. These functions include administering and enforcing DOL policies, practices, and procedures under various laws, including Section 188 of WIOA; Title VI and Title VII of the Civil Rights Act of 1964; Sections 501, 504, and 508 of the Rehabilitation Act of 1973; the Age Discrimination Act of 1975; the Equal Pay Act; Title IX of the Education Amendments of 1972; Title II of the Americans with Disabilities Act; and, related statutes and Executive Orders.

FY 2025

The FY 2025 enacted level for CRC was \$6,880,000 and 22 FTE. At this level, CRC was able to accomplish core program work. CRC utilized funding to realign agency operations with Administration priorities including, but not limited to, executing Executive Order 14158 titled *Establishing and Implementing the President's "Department of Government Efficiency"* (January 20, 2025); Executive Order 14210 titled *Implementing the President's "Department of Government Efficiency" Workforce Optimization Initiative* (February 11, 2025); Executive Order 14219 titled *Ensuring Lawful Governance and Implementing the President's "Department of Government Efficiency" Deregulatory Initiative* (February 19, 2025); Executive Order 14151 titled *Ending Radical And Wasteful Government DEI Programs And Preferencing* (January 20, 2025); Executive Order 14148 titled *Initial Rescissions of Harmful Executive Orders and Actions* (January 20, 2025), Executive Order 14173 titled *Ending Illegal Discrimination and Restoring Merit-Based Opportunity* (January 21, 2025), and Executive Order 14278 titled *Preparing Americans for High-Paying Skilled Trade Jobs of the Future* (April 23, 2025). To the extent any of these Executive Orders were subject to an injunction, CRC conducted any realignment activities consistent with such injunction(s).

Workload and Performance Narrative

Office of Internal Enforcement (OIE)

OIE administers DOL's Equal Employment Opportunity complaint program. In FY 2025, CRC timely completed 97.9 percent of counseling (166 cases), 100 percent of Final Agency Decisions (FADs), and 100 percent of investigations. In FY 2026, CRC estimates finalizing 95 percent of counseling within regulatory timeframes, 90 percent of investigations within regulatory timeframes, and 95 percent of FADs.

Office of External Enforcement (OEE)

CRC continues to respond to regularly submitted technical assistance inquiries from State-level Equal Opportunity Officers and other external stakeholders. In FY 2025, OEE completed 14 investigations, and resolved 12 cases.

In FY 2026, OEE estimates completing 10 investigations and resolving 10 cases.

CIVIL RIGHTS ACTIVITIES

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	4,047	3,619	0	-3,619
11.3 Other than full-time permanent	115	22	0	-22
11.5 Other personnel compensation	94	99	0	-99
12.1 Personnel Benefits	0	1,321	0	-1,321
12.1 FECA	1,481	0	0	0
21.0 Travel and transportation of persons	25	25	0	-25
23.1 Rental payments to GSA	408	411	0	-411
23.3 Communications, utilities, and misc.	4	6	0	-6
24.0 Printing and reproduction	4	7	0	-7
25.2 Other services from non-Federal sources	47	28	0	-28
25.3 Other goods and svcs. from Fed. sources	671	1,099	0	-1,099
25.3 WCF (Non-Add)	655	934	0	-934
26.0 Supplies and materials	35	15	0	-15
Total	7,586	7,586	0	-7,586

CIVIL RIGHT ACTIVITIES

CHANGES IN FY 2027

(Dollars in Thousands)

Activity Changes

Built-Ins

Total personnel compensation	\$0	
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Built-Ins Subtotal	\$0	
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Base	\$7,586	23
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Program Decreases	-\$7,586	-23
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Net Program Subtotal	-\$7,586	-23
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Total Activity Appropriation	\$0	0
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	Amount	FTE
Base	\$7,586	23

Program Increases	\$0	0
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Program Decreases	-\$7,586	-23
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OFFICE OF CIVIL RIGHTS

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	0	0	35,366	35,366
FTE	0	0	110	110

NOTE: FY 2025 reflects actual FTE.

Introduction

In FY 2027, the Department seeks to establish a consolidated, streamlined Office of Civil Rights, which will include current activities funded in the Civil Rights activity, Vietnam Era Veterans Readjustment Assistance Act (VEVRAA) responsibilities, Section 503 of the Rehabilitation Act of 1973 responsibilities, and the administration of whistleblower protection statutes except for Section 11(c) of the Occupational Safety and Health Act. This proposed re-organization will enable the Department to fulfill legal obligations while promoting organizational efficiencies and safeguarding the integrity of investigative and adjudicatory administrative enforcement functions. Consolidation of the following programs considers similar legal frameworks that instruct investigative and decision-making responsibilities. Employees across these programs will cross-train to enhance productivity, deepen stakeholder engagement, and improve customer service across the country.

Civil Rights Activities:

Operating under authority delegated pursuant to Secretary’s Orders, the Office of Civil Rights will be responsible for ensuring nondiscrimination and equal opportunity for two primary populations:

- 1) employees of, and applicants for employment with, DOL; and
- 2) individuals served and employed by WIOA programs and activities across the national that are related to labor and the workforce.

The Internal Enforcement unit will be responsible for addressing and processing Equal Employment Opportunity (EEO) complaints filed by DOL employees, former employees, and applicants for employment with DOL. Activities will include counseling, alternative dispute resolution, investigation, adjudication, and facilitation of hearings and appeals with the Equal Employment Opportunity Commission (EEOC) and Merit Systems Protection Board (MSPB). Internal Enforcement will also develop civil rights-related program plans and reports, and provide training and technical assistance to DOL managers, supervisors, and employees. Additionally, Internal Enforcement will be responsible for ensuring the development and implementation of Departmental policies on EEO, harassing conduct, and reasonable accommodation to ensure they reflect the law.

OFFICE OF CIVIL RIGHTS

The External Enforcement unit will assess, investigate, and/or adjudicate complaints alleging discrimination and/or violations of equal opportunity requirements by recipients of financial assistance under Title I of the Workforce Innovation and Opportunity Act (WIOA); American Job Centers partners listed in Section 121 of WIOA that offer programs or activities through the public workforce development system; for disability-related matters only, state and local governments and other public entities operating programs and activities related to labor and the workforce, regardless of whether they receive federal financial assistance; and any recipients of financial assistance from, or programs conducted by, DOL that are not included in the categories above. Public job referral and job training programs, including Unemployment Insurance (UI), are examples of the programs over which External Enforcement has jurisdiction. In addition, External Enforcement may conduct compliance reviews of the same entities listed above, including reviewing State Governors' implementation of required nondiscrimination plans (NDPs); and provide training and technical assistance for stakeholders.

VEVRAA:

The consolidated office will also monitor contractor compliance with the Vietnam Era Veterans Readjustment Assistance Act (VEVRAA) activities previously performed by the Office of Federal Contract Compliance Programs (OFCCP). VEVRAA requires contractors to take affirmative action to recruit, hire, and promote "protected veterans," prohibiting discrimination against them in employment. Shifting VEVRAA enforcement responsibilities to the Office of Civil Rights will enhance operational efficiency, optimize resource allocation, and improve service delivery to stakeholders.

Section 503 of the Rehabilitation Act:

The consolidated office will also monitor contractor compliance with Section 503 of the Rehabilitation Act of 1973, a law that prohibits federal contractors and subcontractors from discriminating in employment against individuals with disabilities and requires employers take affirmative action to recruit, hire, promote, and retain these individuals. These activities were previously performed by the Office of Federal Contract Compliance Programs (OFCCP). As the Department's existing Civil Rights Center (CRC) conducts enforcement and compliance activities stemming from Sections 501, 504 and 508 of the Rehabilitation Act, shifting Section 503 enforcement responsibilities to the consolidated Office of Civil Rights will enhance operational efficiency, optimize resource allocation, and improve service delivery to stakeholders.

Whistleblower Authorities:

Non-Occupational Safety and Health Act (OSH Act) whistleblower investigations / laws will also shift to this new office. As Congress passes new Whistleblower laws designating the responsibility of the Department, DOL has, in turn, shifted that responsibility to OSHA. Currently, OSHA is enforcing 25 whistleblower laws protecting employees from retaliation. Responsibility for non-OSHA related matters has led to a significant increase in case processing

OFFICE OF CIVIL RIGHTS

time, weakening the efficacy of OSHA’s investigations into complaints regarding and enforcement of Section 11(c) of the OSH Act.

The creation of a new Office of Civil Rights within DOL will allow OSHA to focus solely on occupational safety and health-related whistleblower investigations, and the Department will assign whistleblower investigations other than Section 11(c) of the OSH Act to this new Office. Approximately 30 percent of the complaints that OSHA receives are due to such allegations of retaliation (related to statutes other than Section 11(c) of the OSH Act). These investigations may take longer to investigate as specialized elements/requirements must be reviewed. This program change will allow the new Office of Civil Rights to hire and develop investigators with the requisite substantive background and expertise related to specific statutes more easily, including complex financial statutes.

Five-Year Budget Activity History

<u>Fiscal Year</u>	<u>Funding</u> (Dollars in Thousands)	<u>FTE</u>
2022	\$0	0
2023	\$0	0
2024	\$0	0
2025	\$0	0
2026	\$0	0

FY 2027

The proposed shift is to create a consolidated, streamlined Office of Civil Rights, which will include current activities funded by Civil Rights appropriated resources, Vietnam Era Veterans Readjustment Assistance Act (VEVRAA) responsibilities, Section 503 of the Rehabilitation Act responsibilities, and whistleblower enforcement authorities outside of the OSH Act. This proposed re-organization will enable the Department to fulfill legal obligations while promoting organizational efficiencies and safeguarding the integrity of investigative and adjudicatory administrative enforcement functions. Consolidation of these programs considers similar legal frameworks that instruct investigative and decision-making responsibilities. Employees across these programs will cross-train to enhance productivity, deepen stakeholder engagement, and improve customer service across the country.

FY 2026

In FY 2026, these activities are funded under Departmental Management / Civil Rights Activities, Office of Federal Contract Compliance Programs (OFCCP) and Occupational Safety and Health Administration (OSHA) appropriations. Please see their respective budget chapters for information on FY 2025 activities.

FY 2025

OFFICE OF CIVIL RIGHTS

In FY 2025, these activities were funded under Departmental Management / Civil Rights Activities, Office of Federal Contract Compliance Programs (OFCCP) and Occupational Safety and Health Administration (OSHA) appropriations. Please see their respective budget chapters for information on FY 2025 activities.

OFFICE OF CIVIL RIGHTS

Workload and Performance Narrative

In FY 2027, new measures for Civil Rights activities will be developed to ensure timely completion of internal and external discrimination investigations. Additionally, new performance measures will be developed to support the mission / activities of the new office. The Office of Civil Rights will develop baseline measures and efficiency milestones to monitor VEVRAA enforcement responsibilities, Section 503 enforcement responsibilities and whistleblower enforcement authorities outside of the OSH Act.

OFFICE OF CIVIL RIGHTS

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	0	0	22,634	22,634
12.1 Personnel Benefits	0	0	12,732	12,732
Total	0	0	35,366	35,366

OFFICE OF CIVIL RIGHTS

CHANGES IN FY 2027

(Dollars in Thousands)

Activity Changes		
Built-Ins		
Total personnel compensation	\$0	
Built-Ins Subtotal	\$0	
Base	\$0	0
Program Increases	\$35,366	110
Net Program Subtotal	\$35,366	110
Total Activity Appropriation	\$35,366	110
	Amount	FTE
Base	\$0	0
Program Increases	\$35,366	110
Program Decreases	\$0	0

OFFICE OF FOREIGN LABOR CERTIFICATION

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	0	0	86,810	86,810
FTE	0	0	220	220

NOTE: FY 2025 reflects actual FTE.

Introduction

The Immigration and Nationality Act and related laws assign certain responsibilities to the Secretary of Labor (Secretary) for employment-based immigrant and nonimmigrant visa programs. These responsibilities include determining in response to employer applications for DOL certification that certain jobs may be filled with foreign workers whether there are able, willing, and qualified U.S. workers available for the job and whether there would be any adverse effect on the wages and working conditions of U.S. workers similarly employed if a labor certification allowing the admission of a foreign worker were granted.

The Secretary has delegated the statutory authority for making labor certification determinations to the Employment and Training Administration's (ETA) Office of Foreign Labor Certification (OFLC). OFLC has been one of multiple DOL agencies with some form of labor immigration role. Now, to promote government efficiency, enhance interagency coordination, and strengthen accountability to American taxpayers, the Department proposes to elevate and centralize these immigration-related responsibilities. To that end, DOL will reorganize OFLC into an independent agency (separate from ETA), have it report directly to the DOL Deputy Secretary, and join to it several other specialized immigration functions currently operating elsewhere in the Department. Given the consequential nature of employment-based visa programs, this reorganization serves a compelling national interest, as it will improve coordination and management of immigration related work within DOL and with other federal immigration agencies, strengthening program integrity and helping advance the Administration's broad immigration and migration policy objectives.

Employers seeking to hire foreign workers in certain visa categories are generally required to apply to the Secretary for a labor certification. OFLC adjudicates employer applications in the following programs:

- Immigrant Permanent Labor Certification Program (commonly known as "PERM" or the "Green Card" program);
- nonimmigrant (temporary worker) programs:
 - H-1B Temporary Specialty Occupations Program;

OFFICE OF FOREIGN LABOR CERTIFICATION

- H-1B1 Temporary Specialty Occupations Program for foreign nationals from Chile and Singapore;
- H-2A Temporary Agricultural Program;
- H-2B Temporary Non-agricultural Program;
- E-3 Temporary Specialty Occupations Program for foreign nationals from Australia;
- CW-1 Temporary Program for foreign nationals to work in the Commonwealth of the Northern Mariana Islands; and
- D-1 Temporary Program for foreign crewmembers to perform longshore work at U.S. ports.

As part of the foreign labor certification (FLC) process, OFLC issues prevailing wage determinations for a number of these programs to ensure that the wages offered to foreign nationals in the job opportunity and geographic area do not adversely affect the wages of U.S. workers similarly employed.

The consolidated OFLC will be comprised of a national office and several divisions responsible for processing employer-filed applications, also referred to as national processing centers (NPCs). The national office will be responsible for policy and regulatory activities, program management, finance, and other administrative and management activities. OFLC will administer its labor certification and prevailing wage determination responsibilities through its NPCs, which will adjudicate employer applications for temporary nonimmigrant and permanent immigrant employment and prevailing wage determinations.

OFLC Federal Administration

Appropriations for OFLC Federal Administration support most of the labor certification case-adjudication activities administered by the Department. The H-1B Temporary Specialty Occupations and PERM programs are also supported by a share of the petition fees the Department of Homeland Security (DHS) collects under the American Competitiveness and Workforce Improvement Act (ACWIA). Because the majority of FLC operations are financed by Congressional appropriations rather than workload-based application fees, the resources available to the Department to process applications do not automatically adjust as more applications are filed.

OFLC's budget requests are driven by U.S. employers' demand for FLC services. In the decade from FY 2016 to FY 2025, annual H-2A applications tripled, H-2B applications more than doubled, prevailing wage determinations increased by over 80%, and new labor certification requirements were enacted for CW-1 visas. Over the same period, inflation-adjusted funding to support federal FLC adjudications decreased by 9%.¹

The Department has undertaken multiple initiatives to increase operational flexibility and efficiency to address the challenges presented by rising application volumes. For example, the Department developed and implemented a new filing and adjudication process, the Foreign

¹ Adjusted for inflation to January 2016 dollars. BLS Inflation Calculator, U.S. Department of Labor, Bureau of Labor Statistics, www.bls.gov/data/inflation_calculator.htm.

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Labor Application Gateway (FLAG) system, enabling all FLC applications to be submitted and processed electronically. This modernization effort eliminates the time and expense of receiving and issuing paper applications, offers enhanced form preparation options to employers, establishes automated data validations to improve application quality, and creates other improvements for employer applicants and the Department’s adjudication teams. Simultaneously, OFLC re-engineered its application forms to improve the quality of case submissions and promote program integrity. OFLC also cross-trains its analysts to increase the number of trained personnel that can adjudicate applications across multiple programs, authorizes overtime for federal staff during peak filing periods, hosts outreach events to provide filing tips and best practices to employer applicants, and has formed comprehensive information sharing agreements to support joint enforcement actions with Department’s Wage and Hour Division and Occupational Safety and Health Administration, the Office of the Inspector General (OIG), DHS, and the Department of Justice. OFLC will continue these practices as it looks for ways to continuously enhance efficiency.

OFLC State Grants

The Department provides annual grants to State Workforce Agencies (SWAs) in 55 states and U.S. territories to support required state-level foreign labor certification activities. These activities include, but are not limited to, reviewing and placing job orders to recruit U.S. workers; conducting inspections of employer-provided housing for H-2A agricultural workers; assisting employers in the effective recruitment of U.S. workers; performing prevailing practice and wage surveys used to set the wages and working standards for occupations within the state; and conducting post-certification site visits to support employer compliance with H-2A and H-2B program requirements. SWAs submit operational plans to the Department to establish continued eligibility for these grants. These plans describe each SWA’s planned FLC activities and workload expectations during the grant period.

Five-Year Budget Activity History

<u>Fiscal Year</u>	<u>Funding</u> (Dollars in Thousands)	<u>FTE</u>
2022	\$0	0
2023	\$0	0
2024	\$0	0
2025	\$0	0
2026	\$0	0

FY 2027

In FY 2027, the Department requests \$86,810,000 for the foreign labor certification program. Of this amount, \$63,528,000 and 220 FTE will support the Federal Administration of OFLC and \$23,282,000 will support State Grants for required state-level foreign labor certification activities. This Federal Administration portion of this request includes an increase of \$2,000,000 and 10 FTE from the FY 2026 full-year continuing resolution level to help stabilize and reduce

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case-adjudication times.

The Department anticipates that applications for foreign labor certification will continue to increase through FY 2027. As the Administration strengthens the nation's southern border, enhances interior enforcement efforts, and promotes economic growth, employers will increasingly turn to legal pathways – most notably permanent and temporary employment visas – as a vital option to obtain a timely, qualified, and stable workforce that can help their businesses grow and prosper. The Department will focus the requested resources on increasing case-processing capacity, helping meet statutory and regulatory processing deadlines and reducing average adjudication times, especially in the permanent immigration program.

Establishing the Office of Foreign Labor Certification as an Independent Sub-Agency

The Department proposes to establish OFLC as an independent agency, separate from ETA and reporting directly to the Deputy Secretary. Centralizing the Department's immigration-related responsibilities in one DOL agency will promote government efficiency and ensure accountability to American taxpayers.

The Department will restructure and consolidate relevant personnel, technologies, and resources from existing DOL agencies and programs into a single agency responsible for immigration related work streams. As part of this consolidation, in addition to the existing duties and resources of OFLC, the Secretary will transfer to OFLC her delegation from the Bureau of International Labor Affairs (ILAB) to assist the Secretary of Homeland Security in the preparation of immigration reports, assist in the coordination of information on immigration and migration policy within the Department, and coordinate the Department's participation in international forums on migration and immigration. OFLC will also assume the Occupational Safety and Health Administration's (OSHA) authority to issue special visa certifications to non-citizen workers who are victims of certain crimes when OSHA uncovers these matters during workplace safety investigations.

This restructuring will lead to greater coordination and management of immigration related work within DOL and with other immigration and law enforcement agencies, facilitating improvements in the administration of foreign labor certification processing that will, among other things, reduce and stabilize processing times for customers. Where employers have established a legitimate need for foreign labor, OFLC, in its new consolidated form, will continue to help them navigate the complex employment-based visa process while safeguarding the interests of the domestic labor force.

As proposed in this Budget, the enacted appropriations bill would remove references to foreign labor certification and associated funding from the Employment and Training Administration's State Unemployment Insurance and Employment Service Operations appropriations and redirect that funding here, to the Departmental Management appropriation.

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FY 2026

In FY 2026, \$61,528,000 was appropriated for the Federal Administration of the foreign labor certification program and \$23,282,000 was appropriated for foreign labor certification state grants.

Federal Administration resources will support the adjudication of more than 976,300 applications for foreign labor certification and prevailing wage determination. OFLC will continue to employ multiple strategies to facilitate the timely adjudication of employer applications, particularly in the temporary labor certification programs where statutory and regulatory deadlines exist. The OFLC FLAG system continues to enable all FLC applications to be submitted and processed electronically, which saves employers valuable time filing petitions with DHS and eliminates the need for unnecessary administrative costs for OFLC to administer the programs. Additionally, OFLC will utilize its FLEX adjudication team to surge staff processing capacity during the peak filing months of November through May in the H-2A and H-2B visa programs, offer overtime pay to help boost federal staff production, and slightly increase the number of contractor staff to help with federal case reviews.

Use of the H-2A program has continued to grow significantly in recent years. OFLC expects U.S. agricultural employers to request an estimated 430,000 H-2A worker positions in FY 2026, the highest level in the program's history. Despite record application levels, the Department will prioritize available resources to issue final determinations on complete H-2A employer applications at least thirty (30) days before the date of need. By endeavoring to meet statutory and regulatory H-2A adjudication timeframes, the Department will help ensure that U.S. agricultural employers have access to a qualified and legally authorized temporary workforce critical to providing the nation's food supply.

The Department anticipates that SWAs will receive an estimated 12 percent increase in workload across the H-2A and H-2B applications compared to FY 2025, which will continue the longstanding trend in both programs that will strain existing SWA resources, especially during the peak filing months of November through May. In FY 2026, the Department expects that the SWAs will inspect more than 76,000 non-rental housing units for agricultural workers employed under H-2A visas and reviewed and post nearly 49,000 H-2A and H-2B job orders to help recruit U.S. workers for available positions.

FY 2025

OFLC adjudicated a record 1,030,719 applications for foreign labor certification and prevailing wage determination in FY 2025. The Department employs multiple strategies to facilitate the timely adjudication of employer applications despite rising application levels. For example, the modernized FLAG system enables all FLC applications to be submitted and processed electronically. This cloud-based system eliminates the time and expense of receiving paper applications and issuing paper decisions, offers enhanced form preparation options to employers, creates automated data validations to improve application quality, and creates other improvements for both employer applicants and the Department's adjudication teams.

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Use of the H-2A program has grown significantly in recent years. U.S. agricultural employers requested 415,000 H-2A worker positions in FY 2025, the highest level in the program's history. Despite record application levels, the Department resolved 98 percent of complete H-2A employer applications at least thirty (30) days before the date of need. By successfully meeting statutory and regulatory H-2A adjudication timeframes, the Department helped ensure that U.S. agricultural employers had reliable access to a legally authorized temporary workforce critical to providing the nation's food supply.

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WORKLOAD AND PERFORMANCE SUMMARY				
	FY 2025 Revised Enacted		FY 2026 Estimate	FY 2027 Request
	Target	Result	Target	Target
Foreign Labor Certification				
ETA-Budget PERM New Applications Filed OFLC-02	135,089	117,849	114,375	127,528
ETA-Budget PERM Applications Processed OFLC-03	117,945	148,227	158,786	208,320
ETA-Budget H-1B New Applications Filed OFLC-05	510,331	575,063	512,693	510,393
ETA-Budget H-1B Applications Processed OFLC-06	535,619	594,819	530,361	525,708
ETA-Budget H-2A New Applications Filed OFLC-08	24,939	24,725	26,128	29,227
ETA-Budget H-2A Applications Processed OFLC-09	24,733	24,526	26,222	29,434
ETA-Budget H-2B New Applications Filed OFLC-11	18,296	17,530	19,575	21,572
ETA-Budget H-2B Applications Processed OFLC-12	19,110	17,553	18,967	20,709
ETA-FLC-01 Average Number of Days to Resolve PERM Applications NOT Subject to Integrity Review (Analyst Review) (OFLC)	350	482	350	350
ETA-FLC-03 Percent of H-1B Employer Applications Resolved in 7 Business Days (OFLC)	100.0%	100.0%	100.0%	100.0%
ETA-FLC-04 Percent of Complete H-2A Employer Applications Resolved 30 Days Before the Date of Need (OFLC).	97.0%	98.0%	97.0%	97.0%
ETA-FLC-05 Percent of H-2B Employer Applications Resolved 30 days Before the Date of Need	65.0%	57.4%	65.0%	65.0%

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Workload and Performance Narrative

The primary factors contributing to the risk of delays in the FLC programs are large annual increases in application volumes and the concentration of H-2B applications filed in January by employers seeking workers for the spring and summer seasons.

Most of OFLC's operations are financed by Congressional appropriations rather than application fees. The resources available to the Department to process applications, therefore, do not automatically adjust due to increases in employer-filed applications. OFLC's budget requests are driven by application workload levels and the goal to stabilize and improve processing times.

OFLC issued its highest-ever level of determinations in FY 2025 (1,030,719). Application levels in both the H-2A and H-2B programs set new records. Despite continuing administrative and technological improvements to increase operational flexibility and efficiency, persistent increases in employer demand for foreign labor to fill permanent and temporary job opportunities continue to place significant strain on the Department's ability to process applications in a timely manner during peak filing seasons.

Rising demand for a limited number of H-2B visas continues to condense the peak H-2B filing season during the month of January, as an increasing number of employers submit their applications requesting temporary labor certification for the upcoming spring and summer seasons within a few hours or days of the beginning of the allowable application period. Employers do this to increase their chances of obtaining their requested visas under the mandated semi-annual cap administered by the Department of Homeland Security (DHS). More than half of the annual H-2B applications are submitted during a three-day filing window in early January. In January 2026, the Department received 10,062 H-2B applications requesting a record 162,603 workers within the first three days that applications could be submitted – the largest 3-day filing volume ever and nearly five times the statutory semi-annual cap of 33,000 workers. These application spikes can temporarily overload OFLC's case-processing capacity and increase the risk of delays for applications filed during these periods.

Demand for seasonal agricultural labor under the H-2A program is also at record levels, with the annual number of H-2A worker positions requested increasing more than sixfold from FY 2006 (64,146 workers) to FY 2025 (415,496). U.S. employers' growing demand for H-2A temporary agricultural workers continues to strain labor certification processing capacity at both the state and federal levels and significantly increases the risk of processing delays. The Department understands that access to a reliable and timely agricultural workforce is critical to ensuring the nation's food supply and, as a result, OFLC places a high priority on maintaining an adequate number of federal and contract staff to help meet statutory and regulatory H-2A adjudication timeframes.

To partially offset the risk of delays due to rising application volumes, OFLC continues to enhance the FLAG system used to submit and process employer-filed applications, authorize overtime for federal staff, and cross-train its analysts to increase the number of trained personnel that can adjudicate applications across multiple programs. The initiation of the FLEX division, whose cross-trained members may be rotated to process applications in different programs,

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when needed also allows the organization to situationally adjust case processing resources in response to peak filing patterns, especially in the H-2A and H-2B temporary labor certification programs. Additionally, in collaboration with the Department's Wage and Hour Division (WHD) and other major stakeholder associations, OFLC continues to look for opportunities to expand its technical assistance and outreach events in advance of peak filing periods to provide filing tips and best practices to employer applicants. OFLC has also formed comprehensive information sharing agreements to support joint enforcement actions with WHD, the Office of the Inspector General, and the U.S. Departments of Justice and Homeland Security.

This combination of ongoing efforts reduces filing burdens on employers; improves the quality of submitted applications; generates cost avoidances related to office space, equipment, and mailroom services; promotes program integrity by sharing data about labor certification decisions with the Departments of Homeland Security, Justice, State, and Agriculture; and ensures the seamless and cost effective transition of employer customers from the Department's labor certification process to the DHS petition filing process.

OFFICE OF FOREIGN LABOR CERTIFICATION

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	0	0	29,504	29,504
11.3 Other than full-time permanent	0	0	65	65
11.5 Other personnel compensation	0	0	830	830
12.1 Personnel Benefits	0	0	11,332	11,332
12.1 FECA	0	0	103	103
21.0 Travel and transportation of persons	0	0	54	54
23.1 Rental payments to GSA	0	0	228	228
23.3 Communications, utilities, and misc.	0	0	9	9
24.0 Printing and reproduction	0	0	110	110
25.1 Advisory and assistance services	0	0	7,369	7,369
25.2 Other services from non-Federal sources	0	0	15	15
25.3 Other goods and svcs. from Fed. sources	0	0	4,954	4,954
25.3 WCF (Non-Add)	0	0	8,834	8,834
26.0 Supplies and materials	0	0	2	2
41.0 Grants, subsidies, and contributions	0	0	23,282	23,282
42.0 Insurance claims and indemnities	0	0	119	119
Total	0	0	86,810	86,810

OFFICE OF FOREIGN LABOR CERTIFICATION

CHANGES IN FY 2027

(Dollars in Thousands)

Activity Changes

Built-Ins

Total personnel compensation	\$0	
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Built-Ins Subtotal	\$0	
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Base	\$0	0
Program Increases	\$2,000	10
Net Program Subtotal	\$2,000	10
Other	\$84,810	210
Total Activity Appropriation	\$86,810	220

	Amount	FTE
Base	\$0	0
Program Increases	\$2,000	10
Program Decreases	\$0	0

CHIEF FINANCIAL OFFICER

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	5,681	5,681	5,516	-165
FTE	17	20	20	0

NOTE: FY 2025 reflects actual FTE.

Introduction

The Office of the Chief Financial Officer (OCFO) is responsible for oversight of all financial management activities in the Department and supports overall Departmental management through effective and efficient stewardship of DOL's financial resources.

The OCFO provides comprehensive direction to all DOL program agencies on financial matters arising from legislative and regulatory mandates such as:

- The Chief Financial Officers (CFO) Act of 1990
- The Government Management Reform Act (GMRA) of 1994;
- The Federal Financial Management Improvement Act (FFMIA) of 1996;
- The Federal Managers' Financial Integrity Act (FMFIA) of 1982;
- Debt Collection Improvement Act of 1996;
- The Reports Consolidation Act of 2000;
- The Improper Payments Information Act (IPIA) of 2002;
- The Improper Payments Enforcement and Recovery Act (IPERA) of 2010;
- The Improper Payments Enforcement and Recovery Improvement Act (IPERA) of 2012
- Budget and Accounting Act;
- Congressional Budget and Impoundment Control Act;
- Balanced Budget and Emergency Deficit Control Act, as amended; and
- Anti-deficiency Act

To fulfill its financial management duties and responsibilities, OCFO focuses on proactive assistance to agencies with an emphasis on validating corrective actions aimed at enhancing internal controls. OCFO's mission supports overall Departmental management through effective and efficient stewardship of DOL's financial resources.

Additional resources and associated workload and performance data are included in the Working Capital Fund (WCF) justification.

CHIEF FINANCIAL OFFICER

Five-Year Budget Activity History

<u>Fiscal Year</u>	<u>Funding</u> (Dollars in Thousands)	<u>FTE</u>
2022	\$5,681	18
2023	\$5,681	18
2024	\$5,681	16
2025	\$5,681	17
2026	\$5,681	20

FY 2027

The FY 2027 request for the Office of the Chief Financial Officer (OCFO) is \$5,516,000 and 20 FTE. OCFO will continue to provide managers and decision makers with the financial management tools needed to drive high-performance and accountability and expand its role as a resource and financial management expertise for all DOL agencies.

Additionally, OCFO will deliver on the President's commitment to place the American worker and American taxpayer first by:

- Protecting taxpayer dollars through reducing the potential for waste, fraud, and abuse, to ensure responsible stewardship of public funds;
- Strengthening internal controls to safeguard public resources, to support operational integrity and asset protection;
- Identifying and mitigating enterprise risks, to prevent loss and disruptions and to enhance organizational compliance and resilience;
- Reinforcing the accuracy, transparency, and timeliness of financial and managerial reporting, to enable data-driven decision-making and to promote accountability; and
- Focusing on risk management by identifying high-risk areas, coordinating risk mitigation efforts, and ensuring that internal controls are aligned with enterprise-wide priorities to shield the Department from increased exposure to operational, financial, and reputational risk, particularly in high-risk programs.

FY 2026

The FY 2026 enacted amount for the Office of the Chief Financial Officer (OCFO) is \$5,681,000 and 20 FTE. The funds will continue to support the quarterly financial statement preparation, preparation of the Annual Financial Report, and the implementation of corrective and preemptive action plans to ensure agency internal controls over financial reporting and systems are well documented, sufficiently tested, and properly assessed. OCFO will continue to provide managers and decision makers with the financial management tools needed to drive high-performance and accountability and expand its role as a resource and financial management expertise for all DOL agencies.

CHIEF FINANCIAL OFFICER

During FY 2026, OCFO will realign activities related to financial reporting previously funded in the DM appropriation to the WCF. These activities are enterprise-level shared services and should be funded through the WCF.

FY 2025

The FY 2025 enacted amount for OCFO was \$5,681,000 and 18 FTE. The funds supported the quarterly financial statement preparation, preparation of the Annual Financial Report, and the implementation of corrective and preemptive action plans to ensure agency internal controls over financial reporting and systems were well documented, sufficiently tested, and properly assessed. Funding also provided resources to continue core financial management reviews and enacted travel-related and financial Executive Orders.

CHIEF FINANCIAL OFFICER

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	2,911	3,114	3,052	-62
11.5 Other personnel compensation	109	102	102	0
12.1 Personnel Benefits	1,062	1,101	1,067	-34
23.1 Rental payments to GSA	375	410	410	0
25.1 Advisory and assistance services	150	0	0	0
25.2 Other services from non-Federal sources	418	0	0	0
25.3 Other goods and svcs. from Fed. sources	46	26	26	0
25.3 WCF (Non-Add)	585	888	819	-69
26.0 Supplies and materials	25	40	40	0
Total	5,681	5,681	5,516	-165

CHIEF FINANCIAL OFFICER

CHANGES IN FY 2027

(Dollars in Thousands)

Activity Changes

Built-Ins

Working Capital Fund - \$69

Built-Ins Subtotal - \$69

Base	\$5,681	20
Program Decreases	-\$96	0
Net Program Subtotal	-\$96	0
Total Activity Appropriation	\$5,516	20

	Amount	FTE
Base	\$5,681	20
Program Increases	\$0	0
Program Decreases	-\$96	0

DEPARTMENTAL PROGRAM EVALUATION

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	4,281	4,281	4,281	0
FTE	16	17	17	0

NOTE: FY 2025 reflects actual FTE.

Introduction

Departmental Program Evaluation (DPE) funds rigorous evaluations, including experimental impact studies and other systematic analyses of programs and policies that align with DOL’s Evaluation Policy principles (and the Foundations for Evidence-Based Policymaking Act of 2018), to better understand the effectiveness, efficiency, and implementation of DOL investments. The findings from evaluations inform policy, management, and resource allocation decisions. The Department-wide evaluation activities are overseen by a Chief Evaluation Officer with staff skilled in evaluation design and statistical analysis. Evaluations are funded with the DM appropriation and through transferred funds. The transfer authority applies to multiple grant accounts as well as accounts for salaries and expenses and is detailed in the General Provisions.

The Department identifies priorities for building new evidence based on learning agendas updated by each agency annually, as well as through statutory requirements for evaluations, Secretarial and Administration priorities, and continuing discussions with agency leadership and program staff. Research activities led by the Chief Evaluation Office are described across two publicly available resources: U.S. Department of Labor Evidence-Building Plan that spans a four-year interval and an annual U.S. Department of Labor Evaluation Plans. Following the guidance from the Office of Management and Budget, the two plans were combined into a U.S. Department of Labor Evidence Plan, slated to be published in 2026. The evaluations and research projects described in these documents are aligned with the Department’s priorities specified in the Strategic Plan and are updated annually.

CEO oversees the Department’s evaluation capacity and expertise by (1) developing and implementing rigorous evaluations in cooperation with DOL client agencies; (2) ensuring independence and objectivity in the production and dissemination of evaluation research, consistent with Executive Order 14303, Restoring Gold Standard Science, DOL evaluation policy and other guidance; and (3) ensuring that research findings are accessible in a timely and actionable way for policymakers, program managers, and the public.

DEPARTMENTAL PROGRAM EVALUATION

Five-Year Budget Activity History

<u>Fiscal Year</u>	<u>Funding</u> (Dollars in Thousands)	<u>FTE</u>
2022	\$8,281	12
2023	\$8,281	12
2024	\$4,281	14
2025	\$4,281	17
2026	\$4,281	17

FY 2027

The FY 2027 budget request for the DPE activity is \$4,281,000. The requested resources will support the operation, management, and oversight of evaluation activities and requisite data sets and will continue to support leadership on key DOL initiatives and mandates, adhering to government-wide standards for program evaluation activities per the Foundations for Evidence-Based Policymaking Act of 2019 and related 2025 guidance in OMB Circular A-11 on relevance, rigor, independence and objectivity, transparency and ethics. .

CEO will continue to oversee evaluations and evidence-building activities addressing Departmental and agency priorities and generating evidence that is relevant to program administration, policymaking, budget allocation, and strategic planning, to include a new emphasis on rapid-response evidence-building. CEO will continue to support, initiate, and manage new and ongoing evidence building projects, and the execution of commissioned projects reflecting evolving and emerging priorities from DOL programs. This will include supporting the production, publication, and dissemination of reports, public-use data sets, issue briefs, and evidence.

CEO will also continue building new evidence about DOL programs and services, including Registered Apprenticeship programs, community college capacity-building, barriers to small-business provision of retirement programs, and targeted service delivery for veterans, among others. In addition, CEO will continue to improve upon internal capacity to integrate evidence across all its activities, programs, and operations, to include integration of Gold Standard Science principles and practices as described in EO 14303 and to expand outreach on DOL's evidence-building activities to external stakeholders, including our state and local partners.

FY 2026

The FY 2026 revised enacted funding for the DPE activity is \$4,281,000. In FY 2026, CEO continues to oversee rigorous experimental impact studies and other systematic analyses of programs and policies, to better understand the effectiveness, efficiency, and implementation of DOL investments. For example, ongoing projects include an analysis of the long-term earnings outcomes of apprentices enrolled in apprenticeship grant programs. At DOL agency partner request, CEO will initiate new projects assessing priority inquiries related to employment and training service delivery, worker protection, and workplace-related benefits. CEO continues to

DEPARTMENTAL PROGRAM EVALUATION

lead evaluation and evidence-building activities for DOL and related public reporting, as required by the Foundations for Evidence-Building Policymaking Act.

FY 2025

The FY 2025 revised enacted funding for the DPE activity was \$4,281,000. In FY 2025, CEO focused its work on rigorous experimental impact studies and other systematic analyses of programs and policies, to better understand the effectiveness, efficiency, and implementation of DOL investments, while also streamlining existing procurements. Throughout FY 2025, CEO managed ongoing evidence building projects, data analysis projects, and systematic reviews of evidence for use by practitioners, policymakers, researchers, and the public.

CEO identified priorities for building new evidence based on learning agendas updated by each agency annually; statutory requirements for evaluations; Secretarial and Administration priorities; and adhering to government-wide standards for program evaluation activities per the Foundations for Evidence-Based Policymaking Act of 2018 and related 2025 guidance in OMB Circular A-11 on relevance, rigor, independence and objectivity, transparency, and ethics.

DEPARTMENTAL PROGRAM EVALUATION

BUDGET ACTIVITY BY OBJECT CLASS

(Dollars in Thousands)

	FY 2025 Enacted	FY 2026 Enacted	FY 2027 Request	Diff. FY 2027 Request / FY 2026 Enacted
25.1 Advisory and assistance services	4,281	4,281	4,281	0
Total	4,281	4,281	4,281	0

DEPARTMENTAL PROGRAM EVALUATION

CHANGES IN FY 2027

(Dollars in Thousands)

Activity Changes

Built-Ins		
Built-Ins Subtotal	\$0	
Base	\$4,281	17
Net Program Subtotal	\$0	0
Total Activity Appropriation	\$4,281	17

	Amount	FTE
Base	\$4,281	17
Program Increases	\$0	0
Program Decreases	\$0	0