

FY 2024

CONGRESSIONAL BUDGET JUSTIFICATION

OFFICE OF LABOR-MANAGEMENT STANDARDS

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OFFICE OF LABOR-MANAGEMENT STANDARDS

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OFFICE OF LABOR-MANAGEMENT STANDARDS

APPROPRIATION LANGUAGE

SALARIES AND EXPENSES

For necessary expenses for the Office of Labor-Management Standards, [\$48,515,000] \$53,469,000, to remain available until September 30, 2025. (Department of Labor Appropriations Act, 2023.)

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EXPLANATION OF LANGUAGE CHANGE

The Department requests two-year availability to increase flexibility for program execution. The annual uncertainty in the appropriations timing results in delayed hiring and rushed execution of contracts. The multi-year availability would reduce the impact of short-term continuing resolutions at no cost to the annual appropriations bill. This change would also enhance staff oversight of the programs they are administering.

OFFICE OF LABOR-MANAGEMENT STANDARDS

AMOUNTS AVAILABLE FOR OBLIGATION						
(Dollars in Thousands)						
	FY 2022 Revised Enacted		FY 2023 Revised Enacted		FY 2024 Request	
	FTE	Amount	FTE	Amount	FTE	Amount
A. Appropriation	190	\$44,437	208	\$48,515	226	\$53,469
<i>Subtotal Appropriation</i>	<i>190</i>	<i>\$44,437</i>	<i>187</i>	<i>\$48,515</i>	<i>226</i>	<i>\$53,469</i>
B. Gross Budget Authority	190	\$44,437	208	\$48,515	226	\$53,469
C. Budget Authority Before Committee	190	\$44,437	208	\$48,515	226	\$53,469
D. Total Budgetary Resources	190	\$44,437	208	\$48,515	226	\$53,469
Additional FTE and Unobligated Balance Expiring	0	\$0	0	\$0	0	\$0
E. Total, Estimated Obligations	190	\$44,437	208	\$48,515	226	\$53,469

OFFICE OF LABOR-MANAGEMENT STANDARDS

SUMMARY OF CHANGES

(Dollars in Thousands)

	FY 2023 Revised Enacted	FY 2024 Request	Net Change
Budget Authority			
General Funds	\$48,515	\$53,469	+\$4,954
Total	\$48,515	\$53,469	+\$4,954
Full Time Equivalents			
General Funds	208	226	18
Total	208	226	18

Explanation of Change	FY 2024 Change							
	FY 2023 Base		Trust Funds		General Funds		Total	
	FTE	Amount	FTE	Amount	FTE	Amount	FTE	Amount
Increases:								
A. Built-Ins:								
To Provide For:								
Costs of pay adjustments	208	\$25,281	0	\$0	0	\$966	0	\$966
Personnel benefits	0	\$10,541	0	\$0	0	\$644	0	\$644
Employee health benefits	0	\$0	0	\$0	0	\$0	0	\$0
Moving allowance	0	\$0	0	\$0	0	\$0	0	\$0
Federal Employees' Compensation Act (FECA)	0	\$73	0	\$0	0	\$9	0	\$9
Benefits for former personnel	0	\$0	0	\$0	0	\$0	0	\$0
Travel and transportation of persons	0	\$1,242	0	\$0	0	\$0	0	\$0
Transportation of things	0	\$0	0	\$0	0	\$0	0	\$0
Rental payments to GSA	0	\$2,792	0	\$0	0	\$0	0	\$0
Rental payments to others	0	\$36	0	\$0	0	\$0	0	\$0
Communications, utilities, and miscellaneous charges	0	\$59	0	\$0	0	\$0	0	\$0
Printing and reproduction	0	\$37	0	\$0	0	\$0	0	\$0
Advisory and assistance services	0	\$0	0	\$0	0	\$0	0	\$0
Other services from non-Federal sources	0	\$527	0	\$0	0	\$0	0	\$0
Working Capital Fund	0	\$5,874	0	\$0	0	\$399	0	\$399
Other Federal sources (Census Bureau)	0	\$0	0	\$0	0	\$0	0	\$0
Other Federal sources (DHS Charges)	0	\$1,502	0	\$0	0	\$0	0	\$0
Other goods and services from Federal sources	0	\$323	0	\$0	0	\$0	0	\$0
Research & Development Contracts	0	\$0	0	\$0	0	\$0	0	\$0
Operation and maintenance of facilities	0	\$2	0	\$0	0	\$0	0	\$0
Operation and maintenance of equipment	0	\$18	0	\$0	0	\$0	0	\$0

OFFICE OF LABOR-MANAGEMENT STANDARDS

FY 2024 Change

Explanation of Change	FY 2023 Base		Trust Funds		General Funds		Total	
	FTE	Amount	FTE	Amount	FTE	Amount	FTE	Amount
Supplies and materials	0	\$110	0	\$0	0	\$0	0	\$0
Equipment	0	\$98	0	\$0	0	\$0	0	\$0
Grants, subsidies, and contributions	0	\$0	0	\$0	0	\$0	0	\$0
Insurance claims and indemnities	0	\$0	0	\$0	0	\$0	0	\$0
Built-Ins Subtotal	208	+\$48,515	0	\$0	0	+\$2,018	0	+\$2,018
B. Programs:								
Whitehouse Task Force and Labor								
Management Partnerships	0	\$0	0	\$0	10	\$1,500	10	\$1,500
FTE Restoration	0	\$0	0	\$0	8	\$1,436	8	\$1,436
Programs Subtotal			0	\$0	18	+\$2,936	18	+\$2,936
Total Increase	208	+\$48,515	0	\$0	18	+\$4,954	18	+\$4,954
Decreases:								
A. Built-Ins:								
To Provide For:								
Built-Ins Subtotal	0	\$0	0	\$0	0	\$0	0	\$0
B. Programs:								
Total Decrease	0	\$0	0	\$0	0	\$0	0	\$0
Total Change	208	+\$48,515	0	\$0	18	+\$4,954	18	+\$4,954

OFFICE OF LABOR-MANAGEMENT STANDARDS

SUMMARY BUDGET AUTHORITY AND FTE BY ACTIVITY								
(Dollars in Thousands)								
	FY 2022 Revised Enacted		FY 2023 Revised Enacted		FY 2024 Request		Diff. FY24 Request / FY23 Revised Enacted	
	FTE	Amount	FTE	Amount	FTE	Amount	FTE	Amount
Office of Labor-Management Standards	188	45,937	208	48,515	226	53,469	18	4,954
General Funds	188	45,937	208	48,515	226	53,469	18	4,954
Total	188	45,937	208	48,515	226	53,469	18	4,954
General Funds	188	45,937	208	48,515	226	53,469	18	4,954

NOTE: FY 2022 reflects actual FTE.

OFFICE OF LABOR-MANAGEMENT STANDARDS

BUDGET AUTHORITY BY OBJECT CLASS					
(Dollars in Thousands)					
		FY 2022 Revised Enacted	FY 2023 Revised Enacted	FY 2024 Request	Diff. FY24 Request / FY23 Revised Enacted
	Full-Time Equivalent				
	Full-time Permanent	190	208	226	18
	Total	190	208	226	18
	Average ES Salary	\$187,998	\$202,525	\$213,057	\$10,532
	Average GM/GS Grade	12/8	12/7	12/8	0
	Average GM/GS Salary	\$106,857	\$112,050	\$117,877	\$5,827
11.1	Full-time permanent	22,800	24,424	27,352	2,928
11.3	Other than full-time permanent	150	201	201	0
11.5	Other personnel compensation	780	656	656	0
11.9	Total personnel compensation	23,730	25,281	28,209	2,928
12.1	Civilian personnel benefits	8,990	10,614	12,241	1,627
13.0	Benefits for former personnel	0	0	0	0
21.0	Travel and transportation of persons	709	1,242	1,242	0
22.0	Transportation of things	0	0	0	0
23.0	Rent, Communications, and Utilities	0	0	0	0
23.1	Rental payments to GSA	2,834	2,792	2,792	0
23.2	Rental payments to others	32	36	36	0
23.3	Communications, utilities, and miscellaneous charges	130	59	59	0
24.0	Printing and reproduction	386	37	37	0
25.1	Advisory and assistance services	0	0	0	0
25.2	Other services from non-Federal sources	505	527	527	0
25.3	Other goods and services from Federal sources 1/	8,460	7,699	8,098	399
25.4	Operation and maintenance of facilities	0	2	2	0
25.5	Research and development contracts	0	0	0	0
25.7	Operation and maintenance of equipment	0	18	18	0
26.0	Supplies and materials	96	110	110	0
31.0	Equipment	65	98	98	0
41.0	Grants, subsidies, and contributions	0	0	0	0
42.0	Insurance claims and indemnities	0	0	0	0
	Total	45,937	48,515	53,469	4,954
	1/Other goods and services from Federal sources				
	Working Capital Fund	7,223	5,874	6,273	399
	DHS Services	255	1,502	1,502	0
	Services by DOL Agencies	0	1	1	0
	GSA Services	295	292	292	0
	Services by Other Government Departments	20	16	16	0

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AUTHORIZING STATUTES

Public Law / Act	Legislation	Statute No. / US Code	Expiration Date
PUB. L. 86-257	Labor-Management Reporting and Disclosure Act of 1959, as amended.	29 U.S.C. 401	N/A
PUB. L. 95-454	Civil Service Reform Act of 1978	5 U.S.C. 7101	N/A
PUB. L. 88-365	Urban Mass Transportation Act of 1964, as amended.	49 U.S.C. 533 (b)	N/A
PUB. L. 102-240	Rail Passenger Service Act of 1970 as amended.	45 U.S.C. 501 et seq.	N/A
PUB. L. 91-518	Postal Reorganization Act of 1970.	39 U.S.C. 101	N/A
PUB. L. 91-375	Foreign Service Act of 1980.	22 U.S.C. 3901	N/A
PUB. L. 96-465	Congressional Accountability Act of 1995.	2 U.S.C. 1301	N/A

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APPROPRIATION HISTORY					
(Dollars in Thousands)					
	Budget Estimates to Congress	House Allowance	Senate Allowance	Appropriations	FTE
2014					
Base Appropriation...1/	\$46,891			\$39,129	218
2015					
Base Appropriation	\$41,236			\$39,129	215
2016					
Base Appropriation	\$46,981	\$36,000	\$42,000	\$40,593	209
2017					
Base Appropriation	\$45,691			\$38,187	196
2018					
Base Appropriation	\$46,634	\$41,129		\$40,187	189
2019					
Base Appropriation...2/	\$46,634		\$40,187	\$41,187	186
2020					
Base Appropriation...3/ 4/	\$49,134	\$40,187		\$43,187	193
2021					
Base Appropriation...4/	\$50,410			\$44,437	190
2022					
Base Appropriation...5/	\$51,554	\$44,437		\$45,937	190
2023					
Base Appropriation	\$49,951			\$48,515	208
2024					
Base Appropriation	\$53,469				226

1/ FY 2014 reflect the Appropriations amount passed as part of P.L. 113-76, which did not include any rescissions.

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

3/ FY 2020 - This bill was passed by the House. It was not taken up by the Senate Appropriations Subcommittee or full Appropriations Committee.

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

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

OFFICE OF LABOR-MANAGEMENT STANDARDS

OVERVIEW

The Office of Labor-Management Standards (OLMS) administers the Labor-Management Reporting and Disclosure Act (LMRDA) and related laws. The LMRDA was enacted to protect union members by ensuring that labor unions operate with the transparency, democracy, and financial integrity workers need to make informed decisions about their membership in a union as well as its operations. These laws were enacted to strengthen labor unions by protecting those unions and their members from individuals, organizations, and influences that do not operate in their best interests and to ensure that members and employees who are engaged in organizing activities can learn of their employer's activities regarding their rights to organize and bargain collectively. While the vast majority of America's labor unions and their leaders operate for the benefit of the hard-working people who comprise their membership, OLMS is tasked with protecting the union members by administering the LMRDA.

The LMRDA promotes financial integrity by imposing protections on labor union assets; provides transparency by requiring public disclosure by unions, union officials, employers, labor relations consultants, and surety companies; and ensures democracy by establishing standards for conducting union officer elections. As an enforcement agency, OLMS supports DOL Strategic Goal 2 – *Ensure Safe Jobs, Essential Protection, and Fair Workplaces* under Strategic Objective 2.2 – Protect Workers' Rights.

OLMS also administers employee protections under various federally sponsored transportation programs that require protective arrangements for transit employees. When federal funds are used to acquire, improve, or operate a mass transit system (public transportation), federal law requires arrangements to protect the interests of mass transit employees under 49 U.S.C. § 5333(b) of the Federal Transit Act (formerly, and often still referred to as, Section 13(c) of the Urban Mass Transportation Act). Section 5333(b) specifies that these protective arrangements must provide for the preservation of rights and benefits of employees under existing collective bargaining agreements, the continuation of collective bargaining rights, the protection of individual employees against a worsening of their positions in relation to their employment, assurances of employment to employees of acquired transit systems, priority of reemployment, and paid training or retraining programs.

The Department of Labor (DOL) must certify that protective arrangements are in place that meet the above requirements for all grants of assistance under Federal transit law before the Department of Transportation's Federal Transit Administration (FTA) can release funds. The FTA includes the terms and conditions of OLMS' certification and the protective arrangements in its contract of assistance with the grant recipient.

OLMS focuses on improving program effectiveness and efficiency in support of the agency's three priority performance goals:

- 1) Increase the effectiveness of targeting compliance audits that are more likely to lead to criminal investigations:

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The OLMS Compliance Audit Program (CAP) is designed to detect embezzlements and other criminal and civil violations of the LMRDA in labor organizations, while at the same time minimizing audits of labor unions that do not display operating and financial characteristics associated with criminal activity, using specialized auditing, investigating, and report writing techniques. In FY 2009, OLMS established a goal to increase the rate at which audits of labor unions result in the opening of a criminal investigation (the “fallout” rate). The premise of this goal is that the greater the fallout rate, the more effective OLMS’ auditing decisions have been in avoiding auditing unions that are not likely to have been victims of criminal conduct. This increase is accomplished by identifying and prioritizing audits of unions that have indications that fraud or embezzlement might have occurred. The program has three complementary goals: 1) protecting union members’ financial assets through uncovering fraud or embezzlement; 2) sparing unions that are unlikely to have been victims of fraud or embezzlement from the cost of an audit; and 3) educating union officials on LMRDA requirements and compliance regarding financial bookkeeping and reporting. By obtaining the resources requested, OLMS would have the ability to advance all three goals while simultaneously efficiently utilizing government resources. OLMS seeks to identify at-risk unions by making better use of information reported to OLMS on union financial reports, historical internal data, and intelligence from union members, other law enforcement agencies, and other entities. The evidence suggests that this effort has maximized efficiency in this area with the results having plateaued, and FY 2023 will be the final year for this initiative. During FY2023 OLMS will work with the Department’s Performance Management Center (PMC) to collect data and develop new initiative and measure for FY2024. OLMS will work with PMC to develop a new initiative and measure for FY 2024 that should have a significant impact on safeguarding of union member assets.

2) Decrease the percentage of chronically delinquent filers:

Regulations require unions, employers and employer consultants to submit their financial reports electronically. The direct benefits of electronic filing include ease of filing, increased transparency, and cost savings both to filers and the government. For several years, OLMS has worked to increase the percentage of LMRDA reports that are filed electronically to improve the accuracy and completeness of reports filed, and to expedite the availability on the OLMS website. OLMS expanded the electronic filing to nearly all reports filed with the agency and has significantly improved on its original baseline of 20 percent of LMRDA reports filed electronically in 2018, to nearly 100% in FY 2022. As OLMS continues to finalize the last reports to require electronic filing, we turn to minimizing the number of unions and consultants which chronically file their reports beyond the statutory deadlines for doing so.

OLMS seeks to reduce the number of unions that chronically file delinquent Form LM-2, LM-3, and LM-4 reports. A chronically delinquent filer is defined as a union that has filed its report 15 or more days after the due date for three consecutive years. OLMS is also evaluating for the first time the delinquency rates of employers and consultants in filing their mandatory disclosure forms. By employing outreach efforts to achieve on-time filing compliance, OLMS hopes to improve the timeliness of financial disclosure reports.

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3) Reduce the number of elapsed days for investigating union election complaints:

The LMRDA requires labor unions holding elections of their officers to use a secret ballot; provide their members a reasonable opportunity to nominate candidates and vote; mail notice of elections to members; and establish other safeguards to ensure a fair election. The LMRDA also gives union members who believe these election standards have been violated the right and a path to file a complaint with the Secretary of Labor. OLMS is responsible for investigating these complaints and, dependent upon the results of the investigation, taking appropriate steps to set aside the election if warranted. As appropriate, OLMS will attempt to negotiate a voluntary compliance agreement or, failing that, bring a lawsuit in U.S. District Court seeking a new election under OLMS supervision. By statute, election case lawsuits brought under the LMRDA must be filed within 60 days of the Department's receipt of a complaint, unless the labor union agrees to a waiver of the filing deadline. To meet this statutory deadline, OLMS continuously identifies improved efficiencies in the case processing system to better predict and reduce the need for waivers and thereby reduce the number of days between receipt and resolution of a complaint. For example, through improved communication and coordination between OLMS and the Office of the Solicitor, we are better poised to address and resolve challenging investigations, directly reducing the time needed to resolve these investigations.

Program Improvements

In FY 2024, OLMS will continue to pursue program improvements that deliver more effective and efficient protection of union financial assets and the integrity of the labor-management regime as follows:

- Conduct 350 compliance audits of unions to uncover violations of the LMRDA and complete 300 criminal investigations during the fiscal year. Leverage compliance assistance resources to achieve 10,000 participant compliance assistance hours. This would 1) ensure new participants to the e-filing system submit their forms in a correct and timely manner, 2) help unions with election procedures, and 3) provide assistance with bonding requirements. Additionally, OLMS intends to increase the number of special report investigations in which employer or consultant delinquent or deficient reports are resolved.
- Increase the utility, and expand the scope, of the Voluntary Compliance Partnership (VCP) program, through which OLMS partners with a number of international and national unions to improve compliance with the LMRDA among their local affiliates. This voluntary program uses data to help the VCP partner organizations direct their compliance efforts to those subordinate unions that are most out of compliance with the LMRDA. By securing the voluntary assistance of international and national union leadership, this program reduces the work demands on OLMS employees so that limited resources can be targeted to other priorities.
- OLMS will advance transparency by focusing on reducing the delinquency rate of LM-10 employer and LM-20 consultant reports filed. We will commit resources to identify delinquent filers to reduce the delinquent filing rate of LM-10 and LM-20 reports.

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Additionally, OLMS will continue implementing a newly developed method to identify and correct deficiencies in those reports.

- In an effort to empower workers and their unions, and strengthen bargaining, the data OLMS collects will be accurately maintained and presented in full context, posted to the OLMS website. The information posted will include enforcement results and final decisions regarding union officer election investigations.
- OLMS will advance worker knowledge regarding the benefits unions bring to the workplace and to the community as part of a government-wide effort to enhance employee self-organization and collective bargaining.
- OLMS recognizes the benefits unions bring to workers and of cooperative labor-management relationships, achieved through collective bargaining. Through its website, and a new division, OLMS will serve as a resource center for information to promote and advance these programs.

Information Technology Modernization and Cybersecurity

OLMS will continue the modernization of the Electronic Labor Organization Reporting System, (e.LORS). This system, with its sub-modules, is the primary system used by a nationwide staff of investigators, managers, policy analysts, auditors and administrative employees to implement and enforce compliance with the LMRDA. It is the Federal government's authoritative repository of labor union financial and other LMRDA required filings and comprises three primary functions: electronic filing and storage of union and labor-management data; electronic public disclosure of those filings via the OLMS website; and investigation and audit case management. The modernized system will retain the existing business-relevant functionality in cloud-ready format and will add the supportability, security, and functionality that is gained from using modern technology and agile development methodologies. OLMS intends to use existing Appian business functionality developed for DOL and expand functionality to other areas that are currently unavailable for the new environment. This new system will have improved capabilities such as the introduction of modern data analytics, and provide employees and the public with modern technologies for a better internal and external IT customer experience. The modern e.LORS could then leverage current and planned enhancements to the larger DOL IT infrastructure, implement cutting edge cybersecurity, and improve e.LORS system capabilities such as the introduction of modern data analytics. The projected system modernization will provide employees and the public with modern technologies and improve the internal and external IT customer experience.

Worker Empowerment

OLMS promotes labor-management transparency as well as labor union democracy and financial integrity through standards for union officer elections and union trusteeships and safeguards for union assets. The agency's enforcement activities are designed to give assurances to workers (and to the public more broadly) that the conduct of union officers and employees is regulated. While enforcement of the LMRDA serves to strengthen the labor movement, it cannot overshadow the important service unions engage in to make our society work in the interest of working people. The vast majority of union officials and employees do their work diligently and without incident, but civil and criminal violations do sometimes occur and, when they do, the

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union is typically the victim. OLMS is committed to serving the workers whose interests we represent with this common understanding of the important role unions have played and continue to play in the American economy.

OLMS will promote union strength, transparency, integrity, and democracy through vigorous civil and criminal enforcement to ensure that unions remain strong and effective advocates for workers. True transparency also requires employer and consultants to report the efforts they make to persuade employees with regard to their rights to organize and collectively bargain. OLMS will continue its current initiative to enforce accurate and timely reporting by employers and consultants. Workers and the public benefit from knowing the effect of such employer “persuader” activity on union organizing and on the American worker.

OLMS will build on studies of the effect of employer activity on union organizing to better understand and explain the importance of the employer and consultant reporting obligations in the LMRDA that OLMS enforces.

OLMS’ efforts to empower workers and their unions require that OLMS operations and the data it collects be accurately maintained and presented in its full context. OLMS is committed to achieving this result by improving its web site, conducting outreach to stakeholders, engaging with the public, and coordinating with other federal agencies.

Labor Management Partnerships and Worker Organizing

OLMS recognizes the benefits to workers and employers from cooperative labor-management partnerships achieved through collective bargaining, and will continue to study, promote and advance these programs. In addition, OLMS recognizes that increasing worker organizing and empowerment is critical to growing the middle class, building an economy that puts workers first, and strengthening our democracy.

With regard to labor-management partnerships, OLMS will set up a new division that will help workers to understand the myriad benefits that can arise from labor-management cooperation through collective bargaining. The division will also help foster and grow labor-management partnerships by shining a spotlight on successful labor-management partnerships. Employers with unionized work forces will be able to explore this more cooperative approach to problem solving. It will help reduce the resistance among some employers to union organizing efforts by their employees through an understanding that these relationships can be a positive force for change that benefits both employees and the employers’ business interests.

OLMS has developed a Labor-Management Partnership Program. In FY 2024, OLMS will build on the success of this existing program, directing additional resources to promote, strengthen, and diversify these partnerships. The program will be handled by a dedicated division within OLMS, staffed by researchers, statisticians, analysts, a labor-management partnership coordinator, and team leaders.

In addition, through this same division, OLMS will advance the work of the White House Task Force on Worker Organizing and Empowerment. The task force’s principal purpose is to

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enhance worker knowledge regarding the benefits unions bring to the workplace and to the community.

The LMRDA, the statute that OLMS administers, states: “In the public interest, it continues to be the responsibility of the Federal Government to protect employees’ rights to organize, choose their own representatives, bargain collectively, and otherwise engage in concerted activities for their mutual aid or protection.” OLMS will support this national policy by publishing work on the economic and social advantages that are derived from union organizing.

In carrying out these two programs, the division will advance the principle that the American worker must have a meaningful, equitable and consequential voice in the workplace. The work will reduce barriers to unionization and help grow the labor movement, providing economic benefits and more equitable outcomes to American workers.

Equity in Budgeting

Labor organizations perform an essential function in the labor movement by providing a “voice” for workers in their workplace. They do this by negotiating and enforcing agreements with employers to promote employee safety, fair and equitable policies, and fair pay. OLMS protects labor organizations and their membership by promoting financial integrity through the agency’s compliance audit and criminal enforcement programs. Furthermore, OLMS promotes transparency by reviewing union, employer, and persuader reports for accuracy and making them available to the public. Finally, OLMS conducts investigations of complaints filed by union members concerning regularly scheduled union officer elections to protect the democratic process in the election of labor movement leaders by their membership. OLMS is successful in its mission when strong, transparent unions have the full confidence of workers, employers, and policy makers.

OLMS is taking a multi-faceted approach to advancing equity for all, including people of color, women and others who have been historically underserved and adversely affected by inequality, by increasing compliance assistance, increasing outreach and education, and expanding hiring, professional development, and employee engagement.

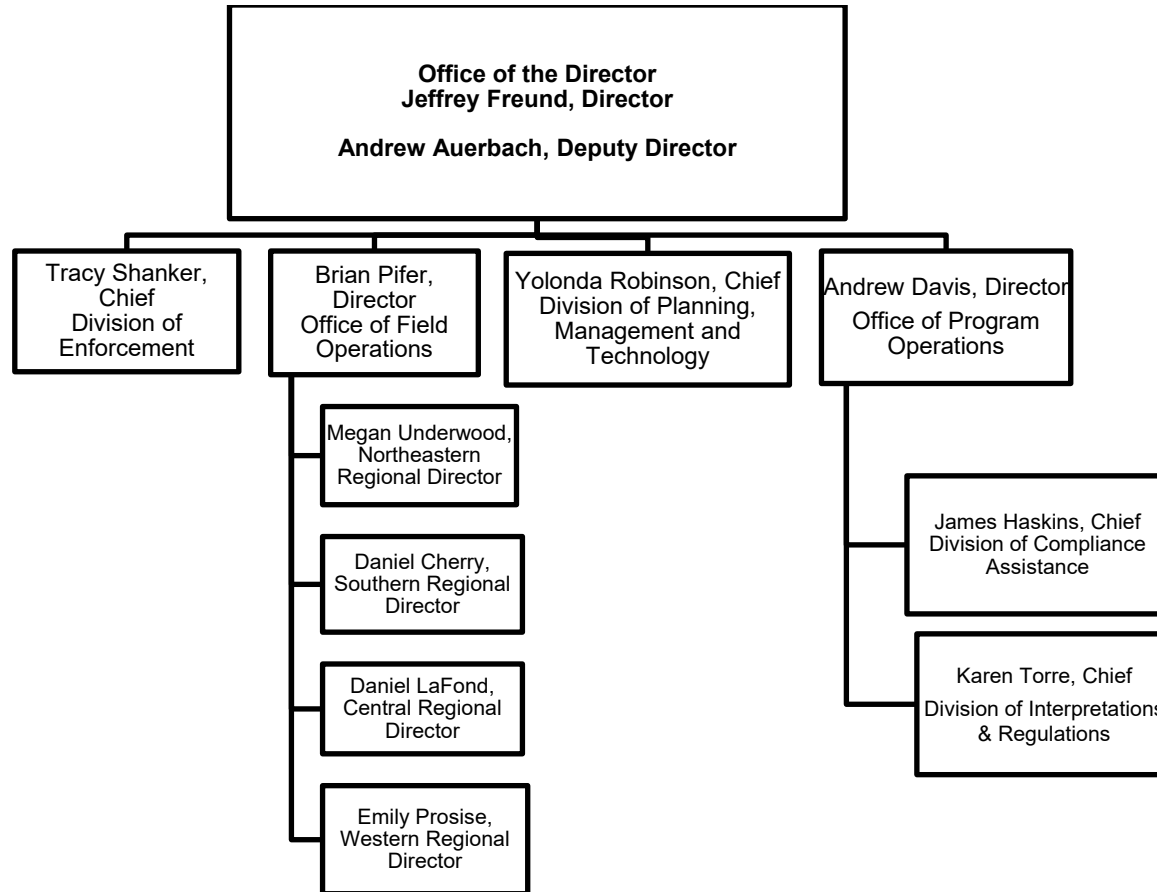
- **Increase Compliance Assistance:** OLMS will continue to improve and expand its compliance assistance materials. This will include updating any compliance assistance guidance and making the public website more user friendly. OLMS will continue to monitor contacts with non-English speaking workers and translate compliance assistance materials into Spanish and, depending on the need, other non-English languages. OLMS will update compliance assistance to incorporate inclusive language to make all interested parties feel welcome and heard.
- **Outreach and Engagement:** OLMS will continue to build and strengthen the VCP program by providing international and national union partners with new compliance assistance tools and information on a more consistent basis. Expanding international and national union outreach will assist local labor organizations with voluntary LMRDA compliance. OLMS’ outreach strategy will also increase and establish meaningful relationships with labor organizations most at risk of experiencing civil and criminal

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violations. OLMS will use data and analytics to assess the program's effects and to drive further improvements.

- **Hiring Initiative:** OLMS will promote a more diverse, equitable, and inclusive workforce through hiring initiatives. OLMS will require managers to be educated and informed regarding hiring practices and recruitment strategies. OLMS will expand recruitment resources and outreach to foster an applicant pool that includes individuals from all perspectives and backgrounds. OLMS will design an interview process that minimizes the risk of unconscious bias and increases diversity in the workforce. To select the best candidate for the position, the recruitment process will be handled by a group of diverse decision-makers. OLMS will also promote a hiring and promotion process that is equitable and inclusive by updating position descriptions and job announcements to welcome the most diverse applicant pool.

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BUDGET AUTHORITY BEFORE THE COMMITTEE				
(Dollars in Thousands)				
	FY 2022 Revised Enacted	FY 2023 Revised Enacted	FY 2024 Request	Diff. FY24 Request / FY23 Revised Enacted
Activity Appropriation	45,937	48,515	53,469	4,954
FTE	188	208	226	18

NOTE: FY 2022 reflects actual FTE. Authorized FTE for FY 2022 was 190.

Introduction

The Office of Labor-Management Standards is responsible for administering the Labor-Management Reporting and Disclosure Act (LMRDA). The investigation of embezzlement of labor union funds is a major OLMS enforcement activity. OLMS also conducts audits of unions under the Compliance Audit Program to determine overall compliance with the LMRDA, detect possible embezzlements, and provide compliance assistance to union officials. Embezzlement investigations are opened when OLMS obtains credible information, either through an audit or other information, indicating fraud or misappropriation of union funds.

OLMS provides workers with ready access to essential information about their labor union's financial conditions, operations, activities, and their officers and employees. Labor unions covered by the LMRDA and related laws must file annual financial reports with OLMS. Other reports must be filed by union officers, union employees, employers, labor relations consultants, and surety companies. OLMS operates an electronic filing system for LMRDA reports and an Internet-based public disclosure system that provides public access to information from filed reports. Timely and accurate reporting allows workers to monitor the financial operations of their union, supports democracy in union governance, and ensures that union assets are used solely for the benefit of the members and ensures that members and employees who are engaged in organizing activities know the sources of their employers' messages urging them not to organize.

As the LMRDA was enacted by Congress to ensure basic standards of democracy in labor unions, the investigation of labor union officer elections is another major OLMS enforcement activity. OLMS conducts investigations of regularly scheduled union officer elections upon receipt of a timely filed complaint from a union member protesting the election. If an investigation discloses violations of the LMRDA which may have affected the outcome of the election, OLMS gives the union an opportunity to correct the violations through voluntary compliance, usually by rerunning the challenged election under OLMS supervision. If warranted, OLMS may take legal action to set aside the challenged election and require a new election under OLMS supervision.

Additionally, OLMS has the responsibility under the Federal Transit Act to certify that labor protections are in place prior to the approval of Federal transit grants. A transit agency receiving Federal mass transit funds must protect all covered mass transit employees affected by the use

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of Federal money. The law specifies that “fair and equitable” arrangements must be in place that provide for the preservation of rights and benefits of employees under existing collective bargaining agreements, continuation of collective bargaining rights, protection of individual employees against a worsening of their positions in relation to their employment, assurances of employment to employees of acquired transit systems, priority of reemployment, and paid training or retraining programs.

Five-Year Budget Activity History

<u>Fiscal Year</u>	<u>Funding</u> (Dollars in Thousands)	<u>FTE</u>
2019	\$41,187	186
2020	\$43,187	193
2021	\$44,437	190
2022	\$45,937	190
2023	\$48,515	208

FY 2024

The FY 2024 funding level provides an additional \$2,936,000 to enhance OLMS staff needed to promote the core functions of the OLMS mission. Specifically, the funding will provide OLMS with the staffing and training resources needed to evaluate the reporting of employers and persuaders as required under the Act. Employers and persuaders have historically failed to file, failed to timely file, or filed deficient reports that are required under the LMRDA. The additional funding will be used to develop enforcement protocols and training of the investigative staff in targeting and obtaining these delinquent and/or deficient employer and consultant reports, promoting fiscal transparency throughout the labor movement. Additionally, OLMS will pursue incidents of employers conducting surveillance during the course of labor organizing drives and other disputes, ensuring proper reporting in those scenarios as well. Specifically, the funding will provide OLMS with the ability to:

- Increase, by \$1.5 million, agency resources dedicated to leveraging and further promoting labor-management partnerships, and promoting worker organizing and collective bargaining.
- Conduct a detailed analysis of the reporting histories of employers, identifying specific areas or jurisdictions that may be involved in reportable activities that have been going unreported.
- Complete a detailed analysis for employer reports that have been filed, identifying deficiencies contained within the reports, and obtain amended reports as appropriate.
- Complete a *Common Reporting Problems* compliance assistance publication to assist in timely and accurate completion of the forms LM-10 Employer Report and LM-20 Consultant Report.
- Develop and implement a report review program sufficient for OLMS employees to review the underlying documents sufficient to support the accuracy of the reports filed with the Department.
- Support impoverished workers in industries that employ marginalized workers, by promoting transparency and fairness regarding the rights to organize.

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- Leverage compliance assistance resources to achieve 10,000 participant compliance assistance hours. This effort would 1) promote filers to submit their forms in a correct and timely manner, 2) help union officials learn how to conduct their officer elections in compliance with the LMRDA (and provide additional guidance and best practices on holding elections during the pandemic, as applicable), and 3) provide assistance with bonding and recordkeeping requirements.

FY 2023

The FY 2023 funding level provides an additional \$2,173,000 to restore OLMS' staffing level to fulfil its mission. Additionally, the FY 2023 funding level provides \$1,000,000 to support review of additional Infrastructure Investment and Jobs Act-related Federal Transit Administration grant applications.

OLMS' ability to pursue program improvements that deliver more effective and efficient protection for union members will be greatly enhanced as follows:

- OLMS will strengthen the effectiveness and reach of our Compliance Assistance Program, while providing more robust support and training for our field investigators. The additional resources will enable us to: 1) restore and increase our participant contact hours and general assistance to International Unions (IUs) currently participating in the Voluntary Compliance Partnership (VCP) program; 2) conduct outreach to encourage IUs that are not partners yet to partner with us going forward; 3) improve data analysis services to all IUs to help locate their affiliates that are having compliance issues; 4) provide training and compliance assistance via video conferencing (such as Teams) when appropriate for the IUs and their affiliates nationally, on a regular, ongoing basis; 5) coordinate nationwide delivery of additional compliance assistance webinars to support union officials in the challenging task of conducting union officer elections; 6) develop new compliance assistance materials – in both English and Spanish – to help union officers and union members better understand their respective responsibilities and rights under the LMRDA; 7) provide these resources and support to the field to promote district and regional compliance assistance initiatives; and 8) create, update, and conduct investigator training to ensure OLMS is able to retain and recruit the highly skilled, professional workforce it needs to carry out its important mission.
- Enhance the OLMS computer forensics program by increasing the number of full-time and/or part-time Computer Cadre members, investing in expanding their skills to keep pace with the changing and expanding technologies.
- Leverage compliance assistance resources to achieve 12,000 participant compliance assistance hours. This effort would 1) promote filers to submit their forms in a correct and timely manner, 2) help union officials learn how to conduct their officer elections in compliance with the LMRDA (and provide additional guidance and best practices on holding elections during the pandemic, as applicable), and 3) provide assistance with bonding and recordkeeping requirements.

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- Conduct 296 compliance audits of unions to uncover violations of the LMRDA and complete 166 criminal investigations annually.

FY 2022

The most recent information indicates that there are over 20,000 labor organizations filing annual financial reports with OLMS. Over the last two decades the labor union community has increased the mergers of smaller labor organizations, thus creating larger and more complex unions. While the rank and file membership has marginally decreased, assets have significantly increased. In 2015, there were approximately 23,000 reporting labor organizations with a total union membership of 14,795,000 and assets of \$24 billion. In FY 2020, that number dropped to 21,000 filing labor organizations with a union membership of 14,700,000. However, total union assets have increased to \$27 billion. This concentration of assets results in more complex union financial records and consequently more complex audits. OLMS will continue its enforcement efforts, improve the protection of union assets, and provide needed compliance assistance support to the labor organizations throughout the country.

In FY 2020, OLMS conducted 245 compliance audits and 223 criminal investigations, and obtained 61 indictments and 69 convictions. In FY 2019, OLMS conducted 252 compliance audits and 241 criminal investigations, and obtained 84 indictments and 60 convictions. With the FY 2022 CR funding, OLMS expects to conduct approximately 317 compliance audits, 272 criminal investigations, and record approximately 100 indictments and 100 convictions.

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WORKLOAD AND PERFORMANCE SUMMARY						
	FY 2022 Revised Enacted		FY 2023 Revised Enacted	FY 2024 Request		
	Target	Result	Target	Target		
Office of Labor-Management Standards						
Strategic Goal 2 - Ensure Safe Jobs, Essential Protections, and Fair Workplaces						
Strategic Objective 2.2 - Protect workers' rights.						
OLMS-RPD-03	Number of LM-10 and LM-20 reports filed on employer-consultant persuader agreements		800[p]	982	900[p]	1,000[p]
OLMS-RPD-06	Number of chronically delinquent filers of labor organization financial reports		950	647	790	950
OLMS-RPD-Workload-01	Reports Processed		25,000	25,427	25,000	25,000
OLMS-FI-02	Compliance Audits		259	250	296	350
OLMS-FI-01	Criminal Investigations		184	176	166	300
OLMS-MISC-05-WL	Number of Voluntary Compliance Partnership Agreements in effect		46	47	47	53
OLMS-MISC-03	Participant Hours of Compliance Assistance provided		12,000.00	9,188.00	12,000.00	10,000.00
OLMS-MISC-09	Compliance Assistance Events		70	105	74	77
OLMS-DEM-02	Election Investigations		88[p]	85	87[p]	110[p]

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WORKLOAD AND PERFORMANCE SUMMARY					
		FY 2022 Revised Enacted		FY 2023 Revised Enacted	FY 2024 Request
		Target	Result	Target	Target
OLMS- DEM-03	Supervised Elections	26.00[p]	12.00	22.00[p]	23.00[p]
OLMS- DEM-01	Average number of days to resolve union officer election complaints	66.0	55.2	65.0	65.0
OLMS-FI-03	Percent of targeted audits that result in a criminal case	17.00%	12.65%	17.50%	18.00%
OLMS-RPD- 05	Percent of disclosure reports filed electronically	90.0%	97.9%	91.0%	92.0%

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

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Workload and Performance Narrative

OLMS' two major enforcement activities are the investigation of: 1) union officer elections and 2) embezzlement of union funds. Supporting these two enforcement activities are the reporting and public disclosure requirements of the LMRDA. To increase overall compliance with the LMRDA and other regulations, OLMS provides compliance assistance information both in-person and online. Through compliance assistance materials and seminars, workers are empowered through learning rights afforded to them under the LMRDA and making informed decisions within their labor organizations through transparent reporting by unions, officials, and employers.

As one of its priority programs, OLMS promotes union financial integrity by enforcing the LMRDA requirement that union assets are used for the sole benefit of members. OLMS protects these assets by conducting targeted union compliance audits at all levels of the labor union hierarchy. The results of these compliance audits are made publicly available to union members through the OLMS website, promoting transparency within the labor movement. OLMS uses data analytics to determine which unions are at higher risk for experiencing fraud or embezzlement based upon characteristics of the union gathered from both external and internal sources. The methodology allows OLMS to better direct resources such as investigator time to higher risk unions and reduces the time spent on audits that do not yield criminal cases. This also reduces the burden on unions who are complying by lessening the risk they will be subjected to audits, which use union time and resources. Concrete results from this effort have resulted in more effective compliance audits overall while uncovering and fulfilling specific compliance assistance needs within labor unions. These efforts also give assurances to workers that the conduct of union officers and employees is regulated, enabling better and more accurate information to reach workers about the benefits accruing to workers employed under union-negotiated collective bargaining agreements.

The FY 2024 budget maintains OLMS' ability to safeguard union members' rights under the LMRDA. The resources will allow OLMS to increase the number of compliance audits and number of criminal investigations that will be undertaken as compared to the FY 2022 targets. Fulfilling these goals promotes union strength, ensuring that unions remain strong and effective advocates for workers. In addition, the reach of the compliance assistance program will achieve 10,000 participant compliance assistance hours. As part of our improved compliance assistance initiative, OLMS intends to review and update existing publications to promote inclusivity. OLMS will leverage conference technologies to reach our stakeholders in even remote locations and meet its targets. This will enable OLMS to safeguard union assets more broadly and likely find more cases of fraud and embezzlement where they exist.

There are approximately 21,000 international/national, intermediate and local unions subject to the LMRDA. In FY 2024, the FTE will enable OLMS to continue to have an adequate physical presence in geographical areas that have been underserved, thus providing compliance assistance to those union members and officials while also creating a greater deterrent effect. For example, the New York, Los Angeles, and Washington, DC offices undertake a substantial number of cases each year, many of them high profile. By adequately staffing these offices, OLMS is able to use resources not only more effectively, but in a more high-profile manner, which can act as a

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deterrent. The end result will be greater transparency through more accurate and timely reporting of union finances, an increase in the detection and deterrence of embezzlement, and an increase in union member and officers' understanding of the requirements of the LMRDA.

OLMS administers the LMRDA's union financial transparency requirements by receiving and then disclosing annual union financial reports. OLMS encourages electronic filing of required reports through regulatory changes, outreach, and compliance assistance. The electronic filing system checks reports for errors prior to submission, thus increasing the quality of the filing and reducing mailing costs. Electronic filing also allows union members and the public almost instant online access to electronically filed reports. Over time, OLMS can expect increased savings as electronically filed reports reduce storage and personnel costs associated with maintaining physical files. Savings will also result from reduced personnel costs involved in manual processing of paper reports. Additionally, through the use of electronic reports, transmittal times are eliminated, improving efficiency. While OLMS has mandated that many forms be filed electronically, we will continue to expand the number of reports compatible with this filing method. As such, OLMS expects to continue to see increased use of the current electronic filing system.

OLMS will promote free and fair democratic union elections. The agency will achieve reductions in the number of elapsed days required to resolve election case complaints by increasing the use of investigative teams. Finally, OLMS will coordinate with the Office of the Solicitor early in the life of election cases to help reduce the number of elapsed days.

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BUDGET ACTIVITY BY OBJECT CLASS					
(Dollars in Thousands)					
		FY 2022 Revised Enacted	FY 2023 Revised Enacted	FY 2024 Request	Diff. FY24 Request / FY23 Revised Enacted
11.1	Full-time permanent	22,800	24,424	27,352	2,928
11.3	Other than full-time permanent	150	201	201	0
11.5	Other personnel compensation	780	656	656	0
11.9	Total personnel compensation	23,730	25,281	28,209	2,928
12.1	Civilian personnel benefits	8,990	10,614	12,241	1,627
13.0	Benefits for former personnel	0	0	0	0
21.0	Travel and transportation of persons	709	1,242	1,242	0
22.0	Transportation of things	0	0	0	0
23.0	Rent, Communications, and Utilities	0	0	0	0
23.1	Rental payments to GSA	2,834	2,792	2,792	0
23.2	Rental payments to others	32	36	36	0
23.3	Communications, utilities, and miscellaneous charges	130	59	59	0
24.0	Printing and reproduction	386	37	37	0
25.1	Advisory and assistance services	0	0	0	0
25.2	Other services from non-Federal sources	505	527	527	0
25.3	Other goods and services from Federal sources 1/	8,460	7,699	8,098	399
25.4	Operation and maintenance of facilities	0	2	2	0
25.5	Research and development contracts	0	0	0	0
25.7	Operation and maintenance of equipment	0	18	18	0
26.0	Supplies and materials	96	110	110	0
31.0	Equipment	65	98	98	0
41.0	Grants, subsidies, and contributions	0	0	0	0
42.0	Insurance claims and indemnities	0	0	0	0
	Total	45,937	48,515	53,469	4,954
	1/Other goods and services from Federal sources				
	Working Capital Fund	7,223	5,874	6,273	399
	DHS Services	255	1,502	1,502	0
	Services by DOL Agencies	0	1	1	0
	GSA Services	295	292	292	0
	Services by Other Government Departments	20	16	16	0

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CHANGES IN FY 2024

(Dollars in Thousands)

Activity Changes

Built-In

To Provide For:

Costs of pay adjustments	\$966
Personnel benefits	644
Employee health benefits	0
Moving allowance	0
Federal Employees' Compensation Act (FECA)	9
Benefits for former personnel	0
Travel and transportation of persons	0
Transportation of things	0
Rental payments to GSA	0
Rental payments to others	0
Communications, utilities, and miscellaneous charges	0
Printing and reproduction	0
Advisory and assistance services	0
Other services from non-Federal sources	0
Working Capital Fund	399
Other Federal sources (Census Bureau)	0
Other Federal sources (DHS Charges)	0
Other goods and services from Federal sources	0
Research & Development Contracts	0
Operation and maintenance of facilities	0
Operation and maintenance of equipment	0
Supplies and materials	0
Equipment	0
Grants, subsidies, and contributions	0
Insurance claims and indemnities	0

Built-Ins Subtotal **\$2,018**

Net Program **\$2,936**

Direct FTE **18**

	Estimate	FTE
Base	\$50,533	208
Program Increase	\$2,936	18
Program Decrease	\$0	0