

FY 2025

CONGRESSIONAL BUDGET JUSTIFICATION

WAGE AND HOUR DIVISION

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WAGE AND HOUR DIVISION

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WAGE AND HOUR DIVISION

APPROPRIATION LANGUAGE

SALARIES AND EXPENSES

For necessary expenses for the Wage and Hour Division, including reimbursement to State, Federal, and local agencies and their employees for inspection services rendered, \$294,901,000, to remain available until September 30, 2026.

Note.--A full-year 2024 appropriation for this account was not enacted at the time the Budget was prepared; therefore, the Budget assumes this account is operating under the Continuing Appropriations Act, 2024 and Other Extensions Act (Division A of Public Law 118-15, as amended). The amounts included for 2024 reflect the annualized level provided by the continuing resolution.

WAGE AND HOUR DIVISION

ANALYSIS OF APPROPRIATION LANGUAGE

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.

WAGE AND HOUR DIVISION

AMOUNTS AVAILABLE FOR OBLIGATION						
(Dollars in Thousands)						
	FY 2023 Enacted		FY 2024 Estimate		FY 2025 Request	
	FTE	Amount	FTE	Amount	FTE	Amount
A. Appropriation	1,267	\$260,000	1,211	\$260,000	1,398	\$294,901
Reimbursements (CMP's)	0	\$2,800	0	\$2,800	0	\$2,800
H-1B L Fraud Fees (Collected)	207	\$50,000	190	\$55,000	190	\$55,000
Unexpired Unobligated Balances Carried Forward from Prior Year (P.L. 117-2)	65	\$8,141	0	\$0	0	\$0
<i>Subtotal</i>	<i>1,539</i>	<i>\$320,941</i>	<i>1,401</i>	<i>\$317,800</i>	<i>1,588</i>	<i>\$352,701</i>
B. Gross Budget Authority	1,539	\$320,941	1,401	\$317,800	1,588	\$352,701
Reimbursements (CMP's)	0	-\$2,800	0	-\$2,800	0	-\$2,800
H-1B L Fraud Fees (Collected)	-207	-\$50,000	-190	-\$55,000	-190	-\$55,000
Unexpired Unobligated Balances Carried Forward from Prior Year (P.L. 117-2)	-65	-\$8,141	0	\$0	0	\$0
<i>Subtotal</i>	<i>1,267</i>	<i>\$260,000</i>	<i>1,211</i>	<i>\$260,000</i>	<i>1,398</i>	<i>\$294,901</i>
C. Budget Authority Before Committee	1,267	\$260,000	1,211	\$260,000	1,398	\$294,901
Unexpired Unobligated Balances Carried Forward from Prior Year (P.L. 117-2)	65	\$8,141	0	\$0	0	\$0
Reimbursements (CMP's)	0	\$2,800	0	\$2,800	0	\$2,800
H-1B L Fraud Fees (Actual)	147	\$42,616	190	\$55,000	190	\$55,000
<i>Subtotal</i>	<i>1,479</i>	<i>\$313,557</i>	<i>1,401</i>	<i>\$317,800</i>	<i>1,588</i>	<i>\$352,701</i>
D. Total Budgetary Resources	1,479	\$313,557	1,401	\$317,800	1,588	\$352,701
FTE Overage and Unobligated Balance Expiring	17	-\$149	0	\$0	0	\$0
FTE Overage (P.L 117-2)	24	\$0	0	\$0	0	\$0
<i>Subtotal</i>	<i>1,520</i>	<i>\$313,408</i>	<i>1,401</i>	<i>\$317,800</i>	<i>1,588</i>	<i>\$352,701</i>
E. Total Estimated Obligations	1,520	\$313,408	1,401	\$317,800	1,588	\$352,701

WAGE AND HOUR DIVISION

SUMMARY OF CHANGES

(Dollars in Thousands)

	FY 2024 Estimate	FY 2025 Request	Net Change
Budget Authority			
General Funds	\$315,000	\$349,901	+\$34,901
Total	\$315,000	\$349,901	+\$34,901
Full Time Equivalents			
General Funds	1,401	1,588	187
Total	1,401	1,588	187

Explanation of Change	FY 2025 Change							
	FY 2024 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	1,401	\$157,666	0	\$0	0	\$7,953	0	\$7,953
Personnel benefits	0	\$0	0	\$0	0	\$0	0	\$0
Employee health benefits	0	\$59,882	0	\$0	0	\$5,085	0	\$5,085
Moving allowance	0	\$0	0	\$0	0	\$0	0	\$0
Federal Employees' Compensation Act (FECA)	0	\$0	0	\$0	0	\$0	0	\$0
Benefits for former personnel	0	\$0	0	\$0	0	\$0	0	\$0
Travel and transportation of persons	0	\$1,600	0	\$0	0	\$0	0	\$0
Transportation of things	0	\$8	0	\$0	0	\$0	0	\$0
Rental payments to GSA	0	\$12,700	0	\$0	0	\$0	0	\$0
Rental payments to others	0	\$3	0	\$0	0	\$0	0	\$0
Communications, utilities, and miscellaneous charges	0	\$640	0	\$0	0	\$0	0	\$0
Printing and reproduction	0	\$570	0	\$0	0	\$0	0	\$0
Advisory and assistance services	0	\$1,805	0	\$0	0	\$0	0	\$0
Other services from non-Federal sources	0	\$1,779	0	\$0	0	\$0	0	\$0
Working Capital Fund	0	\$76,969	0	\$0	0	\$1,319	0	\$1,319
Other Federal sources (DHS Charges)	0	\$0	0	\$0	0	\$0	0	\$0
Other goods and services from Federal sources	0	\$0	0	\$0	0	\$0	0	\$0
Research & Development Contracts	0	\$0	0	\$0	0	\$0	0	\$0
Operation and maintenance of facilities	0	\$10	0	\$0	0	\$0	0	\$0
Operation and maintenance of equipment	0	\$0	0	\$0	0	\$0	0	\$0
Supplies and materials	0	\$425	0	\$0	0	\$0	0	\$0
Equipment	0	\$270	0	\$0	0	\$0	0	\$0

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FY 2025 Change

Explanation of Change	FY 2024 Base		Trust Funds		General Funds		Total	
	FTE	Amount	FTE	Amount	FTE	Amount	FTE	Amount
Grants, subsidies, and contributions	0	\$0	0	\$0	0	\$0	0	\$0
Insurance claims and indemnities	0	\$673	0	\$0	0	\$0	0	\$0
Built-Ins Subtotal	1,401	+\$315,000	0	\$0	0	+\$14,357	0	+\$14,357
B. Programs:								
Maintain FTE at FY 2023 Level	169	\$15,757	0	\$0	137	\$13,318	137	\$13,318
Enforcement to Combat Exploitative Child Labor	236	\$35,000	0	\$0	50	\$7,500	50	\$7,500
Programs Subtotal			0	\$0	187	+\$20,818	187	+\$20,818
Total Increase	1,401	+\$315,000	0	\$0	187	+\$35,175	187	+\$35,175
Decreases:								
A. Built-Ins:								
To Provide For:								
Costs of pay adjustments	0	\$0	0	\$0	0	-\$208	0	-\$208
Federal Employees' Compensation Act (FECA)	0	\$0	0	\$0	0	-\$66	0	-\$66
Built-Ins Subtotal	0	\$0	0	\$0	0	-\$274	0	-\$274
B. Programs:								
Total Decrease	0	\$0	0	\$0	0	-\$274	0	-\$274
Total Change	1,401	+\$315,000	0	\$0	187	+\$34,901	187	+\$34,901

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SUMMARY BUDGET AUTHORITY AND FTE BY ACTIVITY¹								
(Dollars in Thousands)								
	FY 2023 Enacted		FY 2024 Estimate		FY 2025 Request		Diff. FY25 Request/ FY24 Estimate	
	FTE	Amount	FTE	Amount	FTE	Amount	FTE	Amount
Wage and Hour Division	1,284	260,000	1,211	260,000	1,398	294,901	187	34,901
General Funds	1,284	260,000	1,211	260,000	1,398	294,901	187	34,901
Wage Hour H-1B	147	50,000	190	55,000	190	55,000	0	0
General Funds	147	50,000	190	55,000	190	55,000	0	0
Total	1,431	310,000	1,401	315,000	1,588	349,901	187	34,901
General Funds	1,431	310,000	1,401	315,000	1,588	349,901	187	34,901

NOTE: FY 2023 reflects actual FTE.

¹ Note: H-1B Fees - This account is not appropriated.

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BUDGET AUTHORITY BY OBJECT CLASS					
(Dollars in Thousands)					
		FY 2023 Enacted	FY 2024 Estimate	FY 2025 Request	Diff. FY25 Request / FY24 Estimate
	Full-Time Equivalent				
	Full-time Permanent	1,474	1,401	1,588	187
	Total	1,474	1,401	1,588	187
	Average ES Salary	\$199,312	\$207,937	\$210,382	\$2,445
	Average GM/GS Grade	12	12	12	0
	Average GM/GS Salary	\$99,213	\$100,957	\$102,550	\$1,593
11.1	Full-time permanent	149,752	152,802	170,316	17,514
11.3	Other than full-time permanent	898	898	898	0
11.5	Other personnel compensation	3,966	3,966	3,966	0
11.8	Special personal services payments	0	0	0	0
11.9	Total personnel compensation	154,616	157,666	175,180	17,514
12.1	Civilian personnel benefits	57,932	59,882	75,950	16,068
13.0	Benefits for former personnel	0	0	0	0
21.0	Travel and transportation of persons	1,600	1,600	1,600	0
22.0	Transportation of things	8	8	8	0
23.0	Rent, Communications, and Utilities	0	0	0	0
23.1	Rental payments to GSA	12,700	12,700	12,700	0
23.2	Rental payments to others	3	3	3	0
23.3	Communications, utilities, and miscellaneous charges	640	640	640	0
24.0	Printing and reproduction	570	570	570	0
25.1	Advisory and assistance services	1,805	1,805	1,805	0
25.2	Other services from non-Federal sources	1,779	1,779	1,779	0
25.3	Other goods and services from Federal sources 1/	76,969	76,969	78,288	1,319
25.4	Operation and maintenance of facilities	10	10	10	0
25.5	Research and development contracts	0	0	0	0
25.7	Operation and maintenance of equipment	0	0	0	0
26.0	Supplies and materials	425	425	425	0
31.0	Equipment	270	270	270	0
41.0	Grants, subsidies, and contributions	0	0	0	0
42.0	Insurance claims and indemnities	673	673	673	0
	Total	310,000	315,000	349,901	34,901
	1/Other goods and services from Federal sources				
	Working Capital Fund	76,969	76,969	78,288	1,319

WAGE AND HOUR DIVISION

SIGNIFICANT ITEMS IN APPROPRIATIONS COMMITTEES' REPORTS

“Preventing Exploitative Child Labor.—The Committee recommendation supports further efforts to combat exploitative child labor and violations of child labor provisions of the FLSA and work with employers on removing illegal child labor from their supply chains. WHD should utilize strategic enforcement in industries known to have high incidents of child labor violations. The Committee supports the improved collaboration and information sharing established between the Department of Labor, WHD, and the Department of Health and Human Services Administration for Children and Families, including through the interagency taskforce to combat child labor exploitation and recently signed memorandum of agreement. The Committee expects the fiscal year 2025 CJ to describe WHD accomplishments in preventing exploitative child labor in the prior year and plans for the budget year.”

In FY 2023, WHD launched a national strategic enforcement initiative on child labor focused on identifying and addressing egregious violations across industries and among workers from underserved communities. WHD concluded 955 investigations identifying child labor violations affecting nearly 5,800 children. Penalties assessed for these violations exceeded \$8,000,000.

The FY 2025 Budget seeks programmatic increases of \$7,500,000 and 50 FTE to further expand staffing to better combat exploitative child labor. The increased resources would allow WHD to maintain progress in rebuilding enforcement staff responsible for carrying out mission-critical, evidence-based strategies. A strengthened workforce is better able to advance priorities, particularly around vulnerable worker populations, and deliver high impact cases.

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AUTHORIZING STATUTES

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

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	the Consolidated Appropriations Act, (2005).		
PUB. L. 89-209	National Foundation for the Arts and Humanities Act, Sections 5(i) and 7(g) (1965).	20 U.S.C. 954 (i) and 956 (g)	N/A

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APPROPRIATION HISTORY					
(Dollars in Thousands)					
	Budget Estimates to Congress	House Allowance	Senate Allowance	Appropriations	FTE
2015					
Base Appropriation	\$265,766			\$227,500	1,332
2016					
Base Appropriation	\$277,100	\$215,500	\$210,000	\$227,500	1,376
2017					
Base Appropriation	\$276,599			\$227,500	1,404
2018					
Base Appropriation	\$230,068	\$217,500		\$227,500	1,355
2019					
Base Appropriation...1/	\$230,068		\$229,000	\$229,000	1,297
2020					
Base Appropriation...2/3/	\$232,568	\$298,131		\$242,000	1,382
2021					
Base Appropriation...3/	\$244,283			\$246,000	1,340
2022					
Base Appropriation...4/	\$276,500	\$300,000		\$251,000	1,260
2023					
Base Appropriation	\$307,678	\$312,678		\$260,000	1,267
2024					
Base Appropriation...5/	\$340,953		\$264,500		1,211
2025					
Base Appropriation	\$294,901				1,398

1/ 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.

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

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

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

5/ The full-year FY 2024 appropriation was not enacted at the time the budget was prepared.

NOTE: FTE shown only includes FTE funded from the WHD annual appropriation.

WAGE AND HOUR DIVISION

OVERVIEW

The mission of the Wage and Hour Division (WHD) is to promote and achieve compliance with labor standards to protect and enhance the welfare of the nation's workforce. WHD enforces federal wage protections, child labor laws other labor standards and laws under 29 U.S.C. 201, et seq., so that America's workers receive the wages they earn as required by law and enable responsible and compliant businesses to fairly compete in the marketplace. Collectively, these laws cover most private, state, and local government employment and protect more than 165 million of America's workers in more than 11 million workplaces throughout the United States and its territories.

WHD enforces and administers:

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

Given the scope of the agency's mission, WHD prioritizes resources to achieve the greatest impact on compliance. WHD strengthens enforcement results through comprehensive, industry-based, and worker-focused strategies, which include outreach and worker education, stakeholder engagement, strategic partnerships, and effective cross-agency collaborations to address the exploitation of the most vulnerable workers, including children.

The Administration has requested \$50,000,000 in supplemental FY 2024 funding to conduct robust child labor investigations and enforcement.

The FY 2025 budget request seeks a total increase of 187 FTE and \$34,901,000 to maintain current enforcement levels while strengthening the agency's capacity to address the most vulnerable worker populations and combat illegal child labor. To deter employers from violating workers' rights, ensure those who do violate their rights are held accountable, and safeguard fair

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competition for responsible employers, this Budget proposes meaningfully increasing penalties at the Department of Labor for employers that violate workplace safety, health, wage and hour, and child labor laws.

Over the last decade, WHD enforcement capacity has decreased from more than 1,000 on-board investigators to just over 720 investigators—one of the lowest levels in fifty years. WHD is seeking an increase totaling \$13,318,000 and 137 FTE to prevent further erosion from the FY 2023 enforcement FTE level and to strengthen critical enforcement to protect the most vulnerable workers and combat exploitative child labor. WHD is also seeking increases of \$7,500,000 and 50 FTE in FY 2025 for enforcement to protect the most vulnerable workers and combat exploitative child labor. The total increase in resources would allow WHD to rebuild the enforcement staff needed to carry out mission-critical, evidence-based strategies in a complex, changing economy.

Constrained and uncertain funding coupled with escalating costs are the most significant contributors to the decline in FTE, creating a situation where the agency is unable to keep pace with attrition. Significant declines in agency workforce levels introduce a range of risks to effectively carrying out the WHD mission. Impactful and strategic enforcement requires a robust enforcement workforce equipped with the knowledge, techniques, and tools to enforce the full scope of WHD laws. While WHD piloted innovative practices during the pandemic, most investigations, particularly those involving vulnerable worker populations such as children, require visiting worksites, conducting extensive interviews, and reviewing and potentially reconstructing complex or incomplete records. This budget request would ensure consistent ongoing investments in these mission-critical activities.

Rebuilding enforcement staff is critical for addressing labor standards compliance systemically. WHD uses strategic initiatives to effectively deploy all available resources—including media, enforcement, stakeholder outreach, strategic partnerships at the, and education—towards deterring violations and improving compliance. Strategic initiatives are protecting essential workers across the economy, including care industries, food services, residential construction, agriculture, building services, warehousing, and government contracts. Cross-sector strategies are focused on reaching populations vulnerable to violations, including workers that are least likely to complain, who experience retaliation, may be misclassified as independent contractors, experiencing child labor violations, or are working under temporary visas. Additional resources would position WHD to undertake coordinated strategies that engage industries at multiple levels, cultivate strategic partnerships focused on compliance problems, and develop strategies for more effectively reaching underserved communities.

The President calls on Congress to provide the federal government with the tools it needs to ensure employers are providing workers with good jobs—including jobs with fair and equitable pay, safe and healthy workplaces, respect for the right to organize, and workplaces free from discrimination, retaliation, and harassment, including sexual harassment. To deter employers from violating workers' rights, ensure those who do violate their rights are held accountable, and level the playing field for responsible employers, the Budget proposes meaningfully increasing penalties at the Department of Labor for employers that violate workplace safety, health, wage and hour, and child labor laws.

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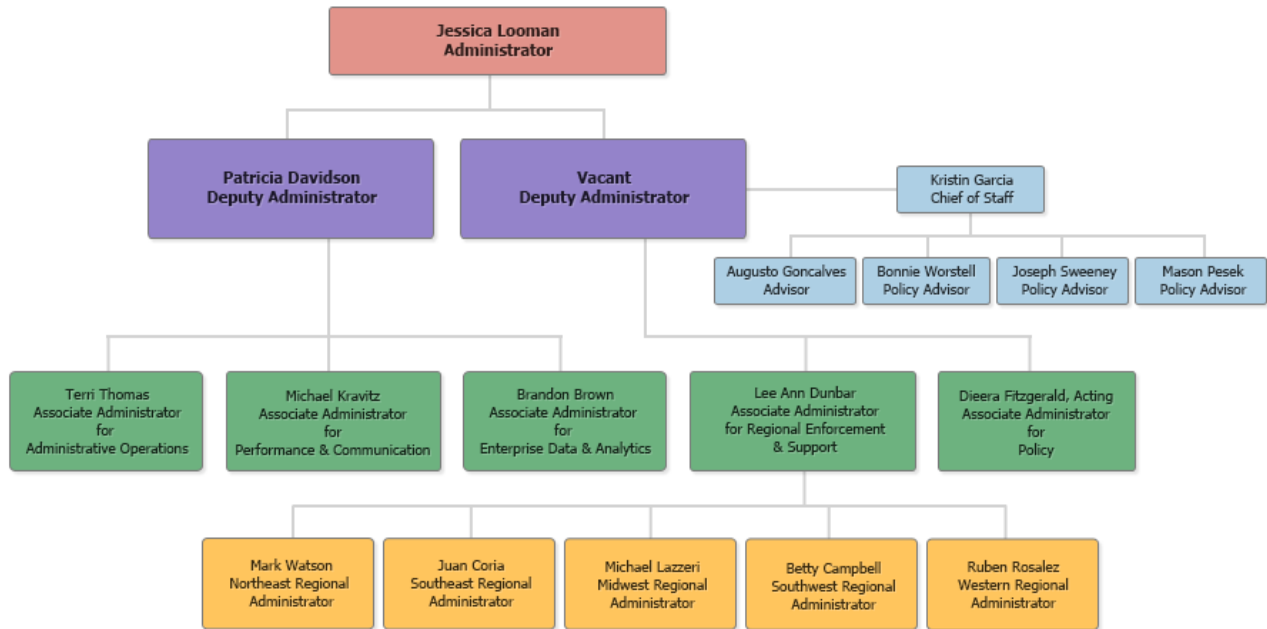
Increase and strengthen engagement with underserved communities. WHD has long prioritized reaching lower-paid workers who are most vulnerable to wage violations. However, the government-wide focus on equity challenged WHD to further evaluate its evidence-based strategies. In response, WHD has expanded its stakeholder outreach to reach a broader range of trusted intermediaries, tailored media tools and resources, and identified ways to reach workers outside settings typically used for outreach. WHD has seen promising results from these efforts, increased worker knowledge of their rights in certain communities, and stakeholder relationships that are helping to inform and strengthen strategies. The FY 2025 Budget would allow WHD to build upon this groundwork and fully integrate these practices into WHD's strategic approach to enforcement.

Deter violations and address the most egregious violations. Achieving sustained compliance and resolving egregious violations requires strong enforcement using all available tools, including liquidated damages, civil monetary penalties, debarment, and hot goods. Consistent, effective enforcement, particularly when followed by press, can deter violations beyond the investigated employer and improve recidivism rates. Cases involving retaliation, child labor, and other exploitative working conditions require significant time and resources to develop, including building trust with workers and managing cooperation by employers. Cases leading to litigation place additional demands on district office resources. Ensuring worker protections are enforced in these types of high impact cases sends a strong signal to employers and industries and to the communities they protect. For example, several WHD high impact enforcement cases in FY 2023 have raised awareness about child labor exploitation across the nation resulting in increased media, community, sector, and government attention on addressing the fundamental protections needed by America's most vulnerable workers – children. Additional resources would ensure WHD can consistently pursue and develop cases with the potential for high impact at the community and industry levels.

This Budget request directly supports the DOL Agency Priority Goal: An Economy for All Workers and advancing key performance outcomes. Performance impacts will be particularly strong in the out-years, as newly hired investigators gain experience and skills, and the senior investigator cohort develops their roles and approaches in delivering high impact cases. Performance improvements will result from the successful implementation of comprehensive, evidence-based strategies aimed at all levels of an industry and reaching vulnerable workers; equity-informed approaches to all aspects of strategic initiatives; high impact cases with deterrent effects at the geographic or industry level; and strategic partnerships aimed at serving distressed communities and addressing compliance problems systemically.

WAGE AND HOUR DIVISION

ORGANIZATION CHART



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BUDGET AUTHORITY BEFORE THE COMMITTEE				
(Dollars in Thousands)				
	FY 2023 Enacted	FY 2024 Estimate	FY 2025 Request	Diff. FY25 Request / FY24 Estimate
Activity Appropriation	260,000	260,000	294,901	34,901
FTE	1,284	1,211	1,398	187

NOTE: FY 2023 reflects actual FTE. Authorized FTE for FY 2023 was 1,267.

Introduction

WHD prioritizes evidence-based strategies in high-violation industries employing essential workers; outreach and education to workers, particularly those in underserved communities; and developing strategic partnerships around the shared goal of protecting workers and improving compliance.

The FY 2025 President’s Budget requests an increase of \$34,901,000 and 187 FTE to support WHD’s role in protecting the most vulnerable workers, combating exploitative child labor, ensuring access to economic equity, and unleashing the full potential of the WHD workforce.

Five-Year Budget Activity History

<u>Fiscal Year</u>	<u>Funding</u> (Dollars in Thousands)	<u>FTE</u>
2020	\$242,000	1,382
2021	\$246,000	1,340
2022	\$251,000	1,260
2023	\$260,000	1,267
2024	\$0	1,211

NOTE: A full-year 2024 appropriation for this account was not enacted at the time the budget was prepared.

FY 2025

The FY 2025 Budget request seeks programmatic increases of \$20,818,000 and 187 FTE to maintain FY 2023 staffing levels and to further expand staffing to better combat exploitative child labor. The FY 2025 total request of \$294,901,000 will support efforts focused on protecting the most vulnerable, marginalized, and underserved workers.

The FY 2025 increases will support:

- **\$13,318,000 and 137 FTE to maintain the FY 2023 FTE enforcement level and unleash the full potential of WHD’s enforcement activities.** These resources would allow WHD to increase and strengthen engagement with underserved communities, deter and address the most egregious violations through impact cases, and leverage strategic partnerships dedicated to amplifying the effects of enforcement and outreach.

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- **\$7,500,000 to support 50 FTE for enforcement including protecting the most vulnerable workers and combatting exploitative child labor.** The increased resources would allow WHD to maintain progress in rebuilding enforcement staff responsible for carrying out mission-critical, evidence-based strategies. A strengthened workforce is better able to advance priorities, particularly around vulnerable worker populations, and deliver high impact cases.

FY 2024

Figures for FY 2024 are estimated. Discretionary amounts shown for FY 2024 reflect an annualized Continuing Resolution (Division A of P.L. 118-15, as amended), as a full-year appropriation, had not been enacted at the time the budget was produced. Mandatory amounts are equal to the FY 2024 President's Budget and do not reflect sequestration.

In FY 2024, WHD is focused on addressing barriers faced by underserved communities, including developing stakeholder partnerships and worker-focused resources to reach those communities. WHD is further strengthening national initiatives focused on protecting essential workers, including care workers, warehouse and logistics workers, farm laborers, restaurant workers, residential construction workers, and the range of workers providing support services to building operations. WHD is ensuring that the labor standards protections on federally funded, and federally assisted construction projects and federal service contracts are enforced. WHD is developing and implementing stakeholder engagement strategies designed to establish and strengthen strategic partnerships around the shared goal of ensuring that workers' rights are protected. WHD is continuing to strengthen outreach efforts to stakeholders that serve historically underserved, marginalized, and adversely affected communities.

The Administration has also requested \$50,000,000 in supplemental FY 2024 funding to conduct robust child labor investigations and enforcement.

FY 2023

The FY 2023 Enacted level provided \$260,000,000 and 1,267 FTE for WHD to conduct worker-focused, evidence-based strategic enforcement. In FY 2023, WHD launched a national strategic enforcement initiative on child labor focused on identifying and addressing egregious violations across industries and among workers from underserved communities. WHD concluded 955 investigations identifying child labor violations affecting nearly 5,800 children. Penalties assessed for these violations exceeded \$8,000,000. WHD also continued to prioritize enforcement in industries with a prevalence of violations and that employ large numbers of lower paid workers who are most vulnerable to wage violations. WHD used a combination of data tools and analysis to guide the development of equity-informed strategies at the local, regional, and national levels. WHD also conducted over 4,500 outreach events engaging over 450,000 participants to address emerging concerns, delivering compliance assistance and workers' rights information. Additionally, WHD advanced modernization efforts to improve overall organizational efficiency and effectiveness.

WAGE AND HOUR DIVISION

WORKLOAD AND PERFORMANCE SUMMARY					
		FY 2023 Enacted		FY 2024 Estimate	FY 2025 Request
		Target	Result	Target	Target
Wage and Hour Division					
Strategic Goal 2 - Ensure Safe Jobs, Essential Protections, and Fair Workplaces					
Strategic Objective 2.2 - Protect workers' rights.					
WHD-CA-07	Percent of outreach events of a target audience size associated with strategic initiatives	60%	79%	78%	78%
WHD-E-07	Percent of compliance actions associated to a strategic initiative	67%	72%	70%	70%
WHD-SEV-01	Percent of FLSA compliance actions (excluding conciliations) with severity score of 30 or more	25%	30%	30%	30%
WHD-EQ-02	Percent of Compliance Actions in Industries with a Large Number of Workers from Underserved Communities	78%	78%	79%	79%
WHD-IMP-01	Percent of back wages paid to workers	82%	85%	85%	85%

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

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Workload and Performance Narrative

WHD manages performance using a balance of measures to advance priorities, drive evidence-based strategies, and achieve impact. Performance targets aim for continuous improvement and stretch goals.

Protecting the Most Vulnerable Workers

With increased capacity for data analytics, research, stakeholder engagement, and coordination, WHD continues to strengthen strategic initiatives protecting essential workers and addressing illegal child labor. In FY 2025, WHD is aiming for 70 percent of all compliance actions to be associated with strategic initiatives at the agency request level (WHD-E-07). WHD uses industry-level strategic initiatives to develop and implement comprehensive strategies covering enforcement, outreach, stakeholder engagement, and media communications. By establishing positions dedicated to coordinating industry-level strategies and impact cases, WHD can increase the proportion of cases with far-reaching impacts for the most vulnerable workers and sustained deterrent effects (WHD-SEV-01, WHD-SEV-02). Sustaining FTE levels will increase the ratio of investigators equipped with the skills, knowledge, and experience necessary to conduct complex cases.

Increase in Strategic Outreach

By increasing the proportion of initiative outreach events of a target audience size associated with strategic initiatives (WHD-CA-07), WHD will also ensure that outreach is impactful and focused on essential workers and underserved communities. Those activities will provide critical information for improving enforcement strategies and case selection. Outreach as part of strategic initiatives aims to increase the use of strategic partnerships focused on the shared goal of improving compliance. Increased FTE will allow WHD to develop and sustain a broader range of strategic partnerships furthering WHD outcomes.

Advance Equity-Informed Strategies

Increased resources will support the additional engagement required to break down barriers to underserved communities and develop cases involving worker populations that are least likely to complain or to know their rights. In FY 2022, WHD revised the methodology for the equity measure to strengthen the focus on reaching underserved communities as part of current strategic initiatives. This methodology also provides a more accurate and complete representation of compliance actions in industries that employ low-paid workers from underserved communities (WHD-EQ-02).

Increase Back Wages to Workers

WHD is taking steps to ensure every worker due wages receives them, and to that end, will measure the percent of back wages actually paid to workers (WHD-IMP-01). The vast majority of back wages due to employees are paid directly by the employers. WHD receives those wages due to a worker that the employer was unable to locate, and those workers may be among the most vulnerable to violations. These workers may be highly mobile, and as a result, may be difficult to find if no longer employed by the business in violation. Increased resources will support agency efforts to reduce the amount of unclaimed wages. WHD will use those resources to implement steps on the front-end of the investigative process to ensure workers will be

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locatable and to strengthen back wage follow-up by increasing the number of specialists dedicated to those activities.

Effective Resource Management

By managing data as a strategic asset, WHD continues to strengthen internal monitoring and analysis of data that is critical to day-to-day decision making around programs and operations. These include a range of data and measures around productivity, efficiency, and timeliness. In FY 2021, WHD undertook a rigorous analysis of compliance actions data to understand the effects of productivity measures on outcomes, particularly given the decline in enforcement staff. The analysis revealed that cases involving more hours and expertise vastly outperformed the significantly larger subset of cases with shorter timeframes, both in terms of back wages collected and workers impacted. In other words, pressing for increasing numbers of cases does not appear to be the most effective way to improve overall compliance.

Moving forward, WHD will prioritize case quality and create opportunities for the development of high impact cases, including those involving particularly vulnerable populations and egregious working conditions, over a continued emphasis on an ever-increasing number of compliance actions. WHD's increased capacity for data analytics and reporting means decision-makers at all levels of the organization are working with better information for managing programs and operations. These tools provide managers with the needed flexibility to continually adapt and optimize resources towards the greatest impact. Also importantly, given the time required to train and develop a new investigator, compliance actions may not increase for two to three years after onboarding large numbers of additional investigators—particularly following a period of significant attrition.

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BUDGET ACTIVITY BY OBJECT CLASS					
(Dollars in Thousands)					
		FY 2023 Enacted	FY 2024 Estimate	FY 2025 Request	Diff. FY25 Request / FY24 Estimate
11.1	Full-time permanent	128,520	128,520	146,034	17,514
11.3	Other than full-time permanent	662	662	662	0
11.5	Other personnel compensation	3,184	3,184	3,184	0
11.8	Special personal services payments	0	0	0	0
11.9	Total personnel compensation	132,366	132,366	149,880	17,514
12.1	Civilian personnel benefits	49,032	49,032	65,100	16,068
13.0	Benefits for former personnel	0	0	0	0
21.0	Travel and transportation of persons	1,500	1,500	1,500	0
22.0	Transportation of things	8	8	8	0
23.0	Rent, Communications, and Utilities	0	0	0	0
23.1	Rental payments to GSA	12,700	12,700	12,700	0
23.2	Rental payments to others	3	3	3	0
23.3	Communications, utilities, and miscellaneous charges	640	640	640	0
24.0	Printing and reproduction	570	570	570	0
25.1	Advisory and assistance services	1,805	1,805	1,805	0
25.2	Other services from non-Federal sources	1,779	1,779	1,779	0
25.3	Other goods and services from Federal sources 1/	58,219	58,219	59,538	1,319
25.4	Operation and maintenance of facilities	10	10	10	0
25.5	Research and development contracts	0	0	0	0
25.7	Operation and maintenance of equipment	0	0	0	0
26.0	Supplies and materials	425	425	425	0
31.0	Equipment	270	270	270	0
41.0	Grants, subsidies, and contributions	0	0	0	0
42.0	Insurance claims and indemnities	673	673	673	0
	Total	260,000	260,000	294,901	34,901
	1/Other goods and services from Federal sources				
	Working Capital Fund	58,219	58,219	59,538	1,319

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CHANGES IN FY 2025

(Dollars in Thousands)

Activity Changes

Built-In

To Provide For:

Costs of pay adjustments	\$7,745
Personnel benefits	0
Employee health benefits	5,085
Moving allowance	0
Federal Employees' Compensation Act (FECA)	-66
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	1,319
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 **\$14,083**

Net Program **\$20,818**

Direct FTE **187**

	Estimate	FTE
Base	\$274,083	1,211
Program Increase	\$20,818	187
Program Decrease	\$0	0