

White House's 2019 budget tips administration's labor policy priorities

On Feb. 12, the White House released its fiscal year 2019 budget plan and sent it to Capitol Hill.

The budget was unveiled just a week after President Trump signed a two-year budget deal that lifted previous spending caps for 2018 and reopened the federal government, which had been temporarily shut down. For that reason, the budget cuts in the FY2019 proposal have little chance of enactment by Congress, which is loath to give back money it has already approved.

While the proposed 2019 budget is needed to fund higher spending for the military, as well as to pay for the construction of a border wall and infrastructure repairs—and the administration now has more money to spend—there were few surprises in the FY2019 budget plan for cutting the budgets of federal labor and employment agencies.

Funding for every labor and employment agency was cut, although not as drastically as expected. However, a closer look at the detail in the FY2019 budget proposal provides a sense of where the administration's policy reforms priorities lie. In other words, follow the money.

A broad theme: Most programs saw requests for more funding of "compliance assistance," less for strictly enforcement actions. Many functions reduced spending by eliminating or consolidating programs.

Department of Labor

At the U.S. Department of Labor, the budget proposes overall cuts of \$2.6 billion, a hefty 21%. However, the budget adds offsets of \$1.5 billion so the proposal would actually result in net cuts of \$1.1 billion, or 9%, reducing the overall DOL budget to \$10.9 billion.

One of the administration's priorities—paid leave—is reflected in the DOL's FY2019 budget. The administration's proposal would provide for up to six weeks of paid leave for the birth or adoption of a child to be paid for through state unemployment insurance.

A short summary of other budget priorities and proposals affecting the DOL's enforcement agencies:

- The Employee Benefits Security Administration is responsible for one of the administration's other priorities: the promotion of association health plans. This is reflected in EBSA's proposed FY2019 budget.
- The Wage and Hour Division actually received a slight increase in the FY2019 proposal to \$230.1 million, up from \$227 million in 2017. Much of the proposed increases at WHD are for "compliance assistance" for employers. For example, \$4 million would go to educate employers and trade associations on compliance. In the past, that might have been spent on enforcement.
- The Office of Federal Contract Compliance Programs faces a proposed budget of \$91.1 million, down from \$104.4 million in 2017. Staff would be reduced to 450 full-time employees, compared with 563 in 2017. There is no mention of merging OFCCP into the EEOC as had once been contemplated.

- The Office of Labor-Management Standards (OLMS) also received a slight funding increase to \$46.6 million (from \$38.1 million in 2017) in areas related to enforcement of the Labor-Management Reporting and Disclosure Act, in order to maintain union financial compliance and internal union democracy. The 2019 budget proposal would restore the International Compliance Audit program to safeguard union members from theft and embezzlement. The program had been abolished by the Obama administration.
- The Occupational Safety and Health Administration funding falls only slightly, from \$552 million in 2017 to \$549 million in FY2019. Staffing would increase to 2,024 full-time employees, up from 2,011 in 2017. The largest increase is in compliance assistance and OSHA's Voluntary Protection Programs.
- The Bureau of International Labor Affairs budget is slashed by 80% from \$86.1 million in 2017 and \$85.5 million in 2018, down to \$18.5 million in 2019.

National Labor Relations Board

The FY2019 budget would cut the National Labor Relations Board's budget by 9% The requested budget is \$249 million, down by \$25 million. Full-time employees would be reduced to 1,250, down from the current 1,320. NLRB General Counsel Peter Robb apparently has already begun exploring budget reductions through a suggested consolidation of regional offices and the creation of district offices.

EEOC

At the EEOC, the FY2019 budget request is a slight decline: \$363.8 million, down from \$364.5 million.

Overall, it remains to be seen whether Congress will use the administration's FY 2019 budget proposal as a starting point, or scrap it and draft its own budget. However, the administration's proposal should be taken seriously—as an accurate reflection of the administration's priorities for labor and employment policy.

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