

Is a 20% budget cut coming for the Department of Labor?

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The White House Office of Management Budget has tendered its proposed budgets for various government agencies in 2018, which includes a proposed cut of \$2.5 billion to the Department of Labor. That amount represents approximately 21% of the DOL's annual budget, making it the third highest percentage reduction of any agency (trailing only the EPA and State Department). Such a cut would drastically change the landscape of the DOL and the activities it conducts.

The OMB's proposed budget includes only a few specifics on how it intends to accomplish the significant reduction, but does state that it intends to eliminate the Senior Community Service Employment Program at a savings of over \$400 million. The remaining specifics only account for around another \$100 million, meaning that almost \$2 billion of the proposed budget cuts could come out of the general operating budget. This would undoubtedly affect staffing levels, which would in turn mean a reduction in enforcement levels. For employers, that means fewer DOL audits, OSHA inspections, OFCCP audits, and litigation and administrative actions brought by the DOL (note that the EEOC is an independent agency that is not affected by the DOL's proposed budget reduction).

The final budget proposals from the OMB are not due until May, and then Congress must approve the budgets, so what will actually happen remains uncertain. But it is clear that the Trump administration is looking to significantly reduce the budgets of many federal government agencies, and the DOL will be among the agencies that is most significantly affected by this initiative.