

Administration's Budget Reveals Priorities

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President Obama's \$3.8 trillion FY 2014 budget request has been released. In this era of cutbacks and fiscal cliffs, special funds earmarked for certain types of enforcement activities – as well as funds removed from other functions – give a clear picture of the Obama administration's workplace priorities.

Although the total budget request for OSHA increases only about \$1.5M over last year's budget for a total of \$570.5M, there is a \$5.9M increase in the budget for OSHA's whistleblower enforcement program (\$21.8M from \$15.9M the previous year). This 37 percent increase in the whistleblower enforcement budget would result in the hiring of 47 additional staff members for the program, despite an overall total loss of 33 full-time OSHA employees. One of the main areas receiving a cut from last year's funding levels is the agency's compliance assistance program (including OSHA's Voluntary Protection Program), which is slated to receive \$2.8M less than last year. The agency also plans to consolidate down to seven regional offices from the current number of 10.

As expected, unions have generally lauded the budget plan, especially the increased emphasis on whistleblower protection programs. Business leaders,

on the other hand, have criticized the cutback in compliance assistance as antagonistic to business interests and job creation.

Elsewhere in the Department of Labor, the Wage and Hour Division has requested a \$243.2M budget, up from the \$227M spent on the division last year. As part of this increase, Wage and Hour would receive a \$3.4M budget increase to pursue violations under the Fair Labor Standards Act and the Family and Medical Leave Act. Further, the President has earmarked an additional \$3.8M increase to be used for misclassification cases, meaning the misclassification enforcement budget now totals \$14M, also up 37 percent over last year's level.

Much to the chagrin of many businesses, the current administration's budget priorities plainly favor the stick over the carrot when it comes to enforcing our nation's labor and employment laws. Although perhaps not exactly a surprising revelation, businesses should brace themselves for more of the same this coming year.