



NATIONAL
LABOR
RELATIONS
BOARD

Fiscal Year (FY) 2025

JUSTIFICATION OF
PERFORMANCE
BUDGET FOR THE COMMITTEE
ON APPROPRIATIONS

March 11, 2024



Contents

I. Foreword4

II. Mission Statement.....4

III. Agency Role and Functions4

IV. Appropriation Language8

V. Legislative Proposal.....8

VI. Use of Evidence and Evaluation.....9

VII. Overview of the FY 2025 Budget Request9

 Funding Level.....11

 Program Activities12

VIII. Information Technology Investment Strategy.....19

IX. Attachments20

Attachment 1 - Amounts Available for Obligation.....20

Attachment 2 - Budget Authority by Object Class21

Attachment 3 - Major Workload and Output Data.....22

Attachment 4 – Status of Open Audit Recommendations.....23

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FY 2025 Congressional Budget Justification

I. Foreword

The National Labor Relations Board (NLRB, Board, or Agency) is a mid-sized independent federal agency that was established by Congress in 1935 to administer and enforce the National Labor Relations Act (NLRA or Act). The NLRB promotes and protects workers' rights by investigating, prosecuting, and adjudicating alleged labor law violations involving private sector employees, labor organizations, and employers throughout the United States. The NLRB also investigates and resolves questions concerning representation among employees to determine whether the employees wish to be represented by a labor organization.

The NLRB fiscal year (FY) 2025 Budget Request seeks \$320 million to support the mission of the NLRA. The request consists of a base increase of \$20.8 million above the FY 2023 enacted level of \$299.2 million. This increase would allow the Agency to maintain current operations by funding the anticipated costs associated with the FY 2025 cost of living and inflationary increases in labor and non-labor activities, along with the annualization of the January 2024 5.2 percent pay raise. In addition, to funding these inflationary increases, these additional funds would also allow the Agency to rebuild staffing levels on a limited basis, especially in the Field Offices where the vast majority of the work is done.

II. Mission Statement

Vigorously advance the policies of the NLRA to promote collective bargaining by ensuring that workers can freely express their wishes regarding union representation and protecting workers' fundamental right to act together for their mutual aid or protection.

III. Agency Role and Functions

The NLRB administers and enforces the NLRA, the primary federal statute governing labor relations in the private sector. The purposes of the NLRA are to promote collective bargaining among employers, labor organizations, and employees, and to protect employees' rights to freely express their wishes regarding collective-bargaining representation and to take other concerted action for their mutual aid or protection. The statute incorporates these policy goals by expressly providing employees the rights to self-organization; to form, join, or assist labor organizations; to bargain collectively through representatives of their own choosing; and to engage in other concerted activities for their mutual aid or protection. It also establishes that employees have the right to refrain from those activities. The NLRB in turn protects these rights through the

administration, interpretation, and enforcement of the Act, both in prosecuting unfair labor practices and in conducting representation elections to determine employees' desires regarding collective-bargaining representation. Significantly, there is no private right of action under the NLRA; thus, the Agency is the only recourse for an employee, employer, or labor organization to seek redress of a violation of the NLRA or to obtain a certification of whether a labor organization is the representative of a group of employees. Consequently, the Agency is essential for the enforcement of rights under the NLRA. Its processing of cases also assists in easing the burden on the court systems across the United States and promotes industrial stability nationwide.

The NLRB's authority is divided by law and by delegation. The Board has five members, when at full strength, and primarily acts as a quasi-judicial body in deciding cases based on formal records in administrative proceedings. The NLRA also grants the Board rulemaking authority. One Board member is designated as the Chairman. Independent from the Board, the General Counsel is responsible for investigating and prosecuting unfair labor practice charges, and for overseeing the NLRB's Regional Offices, which process representation petitions on behalf of the Board, in addition to managing many of the day-to-day administrative, financial, personnel, human capital, and operational responsibilities of the Agency by delegation from the Board. These positions are appointed by the President and confirmed by the Senate.

The Board and the General Counsel are located in the Agency's Headquarters in Washington, D.C. The Agency also has a nationwide network of Administrative Law Judges who are administratively assigned to one of three offices located in Washington, D.C., New York, and San Francisco. There are 26 Regional Offices located in major cities across the United States, and an additional 22 offices, giving the Agency a network of 48 field offices nationwide.

To fulfill the Agency's first primary function, prosecuting and remedying unfair labor practices, the General Counsel has responsibility for: investigating charges alleging unfair labor practices; approving withdrawals of or dismissing non-meritorious charges; facilitating or obtaining settlements or issuing and prosecuting complaints in meritorious cases; and obtaining court enforcement of Board remedial orders in unfair labor practice cases.

In connection with its second primary function, investigating and resolving questions concerning representation, the Agency enforces the right of employees to choose whether to be represented by a labor organization. Representation cases are initiated by the filing of a petition by employees, labor organizations, or employers. The Agency evaluates the petition and, if appropriate, conducts an election to determine if employees wish to have, or continue to have, a labor organization as their collective-bargaining representative. Thereafter, the Agency addresses challenges and/or objections to the election, if filed, and ultimately certifies that the

participating labor organization either does or does not serve as the exclusive collective-bargaining representative of the employees in the bargaining unit.

Strategic Plan FY 2022 – 2026

The NLRB’s FY 2022-2026 Strategic Plan (Strategic Plan), which guides the agency’s program and budget decisions, contains five (5) goals designed to guide and objectively measure the Agency’s success in achieving its mission. The Plan guides the Agency to timely and effectively enforce the NLRA for employees, unions, and employers; to build, support, and retain a talented and diverse workforce; to effectively manage its budgetary resources; and to ensure public awareness of and equitable access to the Agency’s services. The Strategic Plan includes objectively measurable time targets for both unfair labor practice and representation cases to ensure a high level of responsiveness to the public as well as efficiencies within the organization.

NLRB MISSION

Vigorously advance the policies of the NLRA to promote collective bargaining by ensuring that workers can freely express their wishes regarding union representation and by protecting workers’ fundamental right to act together for their mutual aid or protection.

NLRB VISION

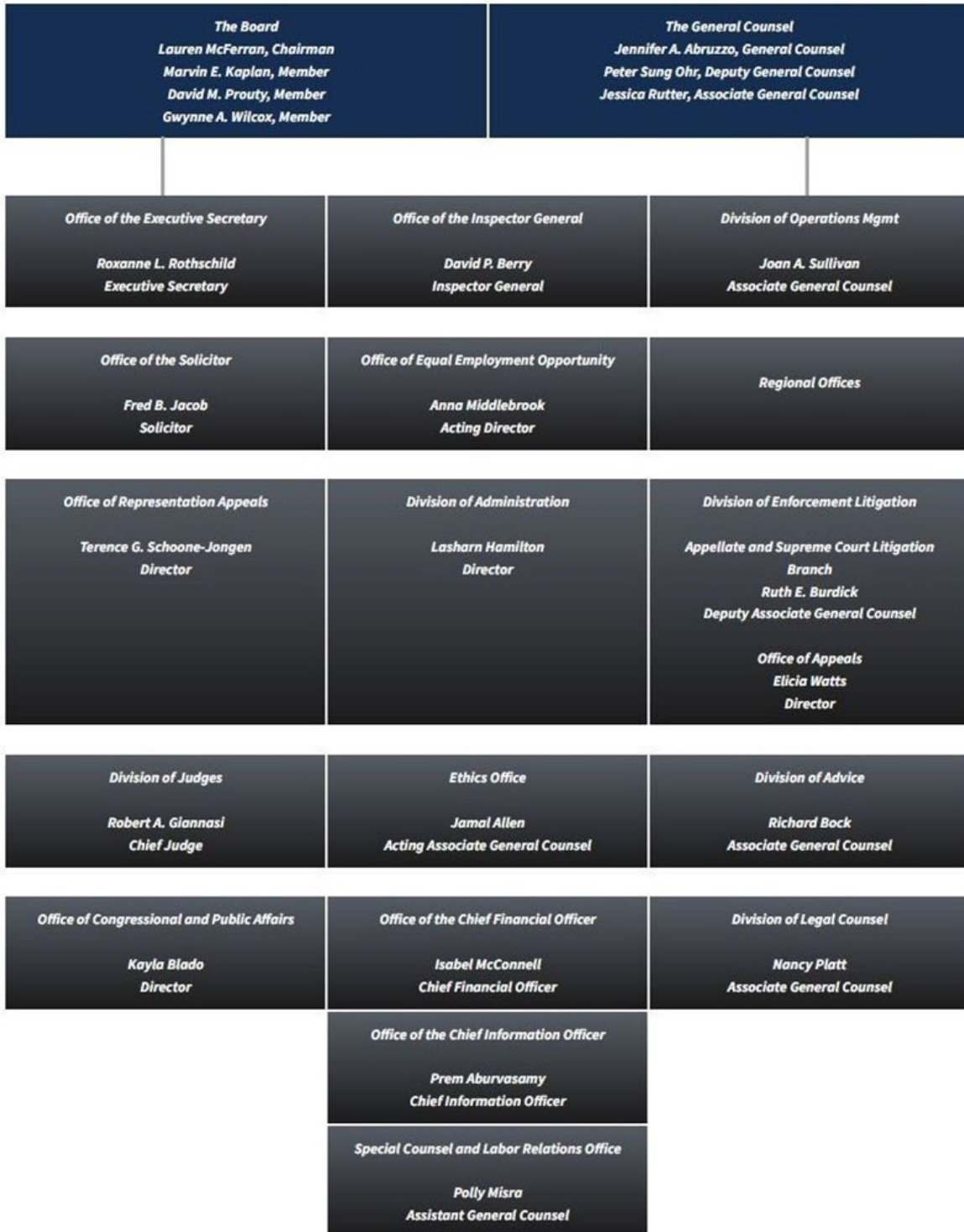
Achieving our mission by broadening public awareness and understanding of the NLRA, effectively allocating resources, and ensuring productivity, diversity, equity, inclusivity, and accessibility among the Agency’s highly talented current and future workforce.

STRATEGIC GOALS

1. Ensure effective enforcement of the National Labor Relations Act through timely and quality consideration and resolution of unfair labor practices with appropriate remedies.
2. Protect employee free choice with timely and effective mechanisms to resolve questions concerning representation.
3. Achieve organizational excellence and serve as a model employer.
4. Manage Agency resources efficiently and in a manner that instills public trust.
5. Improve public awareness of the Agency’s mission and its activities.

The complete NLRB FY 2022-2026 Strategic Plan, including objectives, initiatives and management strategies, can be viewed/downloaded at: <https://www.nlr.gov/reports-guidance/reports/government-performance-and-results>

Organizational Structure



IV. Appropriation Language

Appropriation Language	Explanation of Changes
<p style="text-align: center;">NATIONAL LABOR RELATIONS BOARD SALARIES AND EXPENSES</p> <p><i>For expenses necessary for the National Labor Relations Board to carry out the functions vested in it by the Labor-Management Relations Act, 1947, and other laws, [\$299,224,000] \$320,002,000, of which \$1,860,000 shall be for the Office of the Inspector General: Provided, That no part of this appropriation shall be available to organize or assist in organizing agricultural laborers or used in connection with investigations, hearings, directives, or orders concerning bargaining units composed of agricultural laborers as referred to in section 2(3) of the Act of July 5, 1935, and as amended by the Labor-Management Relations Act, 1947, and as defined in section 3(f) of the Act of June 25, 1938, and including in said definition employees engaged in the maintenance and operation of ditches, canals, reservoirs, and waterways when maintained or operated on a mutual, nonprofit basis and at least 95 percent of the water stored or supplied thereby is used for farming purposes.</i></p> <p style="text-align: center;">[ADMINISTRATIVE PROVISION</p> <p><i>Sec. 408. None of the funds provided by this Act or previous Acts making appropriations for the National Labor Relations Board may be used to issue any new administrative directive or regulation that would provide employees any means of voting through any electronic means in an election to determine a representative for the purposes of collective bargaining.]</i></p> <p><i>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.</i></p>	<p>The FY 2025 Budget Request includes a proposal to add language identifying how much appropriation is available to support the Office of the Inspector General.</p> <p>The FY 2025 Budget Request includes a proposal to remove the Section 408 Administrative Provision.</p>

V. Legislative Proposal

The NLRB is not making any legislative proposals.

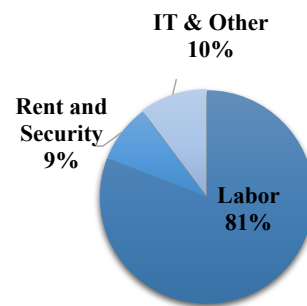
VI. Use of Evidence and Evaluation

The NLRB continues to improve program performance by using data and analytics to evaluate and develop methods and processes that promote innovation and improve program delivery. The Agency will strive to build up programs in areas of policy, budget, operation, regulation, management, and decision-making.

VII. Overview of the FY 2025 Budget Request

The NLRB’s FY 2025 Budget Request of \$320 million represents a 6.9 percent (\$20.8 million) base adjustment over the FY 2024 annualized Continuing Resolution rate of \$299.2 million. The NLRB’s FY 2025 Budget Request would allow the Agency to maintain current services, including by covering the anticipated pay raise, and allow the Agency to rebuild its workforce on a limited basis. This level of funding would support the Agency’s statutory mission of resolving labor disputes

FY 2025 Expenses by Category



■ Labor ■ Rent and Security ■ IT and Other

through investigation, settlement, litigation, adjudication, education, and compliance. This mission relies primarily on skilled and experienced professionals and administrative employees. The annual staff compensation (salaries and benefits) accounts for approximately 81 percent (\$259 million) of the Agency’s overall fiscal year budget; 9 percent (\$28.2 million) is required for rent and security expenses for the NLRB Headquarters and other offices across the country; and the remaining 10 percent (\$32.8 million) is allocated to a host of core operational costs and activities that include, but are not limited to: information technology, cybersecurity, outreach and inter-agency activities, court reporting, case-related travel, witness fees, interpreters, legal research systems, case management systems, training, compliance with government-wide statutory and regulatory mandates, and mission support offices.

Base Adjustments +\$20,778,000 / +50 FTE

Mandatory Personnel Pay Inflation +\$7,733,704

Funds are requested for annualization of the January 2024 5.2 percent pay raise (requiring \$2.9 million to cover the first quarter of FY 2025) and for a 2 percent pay raise effective January 2025 (requiring \$4.8 million to cover the remaining three quarters of FY 2025). This percentage is based on the inflation factor that was provided by the Office of Management and Budget.

Promotion and Within Grade Increases +\$1,000,000

Funds requested to support internal promotions and within grade increases for personnel that have met the performance requirement. These funds will also pay for an increase in employee performance awards spending.

Non-Pay Inflation +\$1,196,896

Funds are requested to support the increase in prices of non-labor goods and services that are not directly related to personnel compensation and benefits.

Other Non-Labor Costs +\$1,469,665

The FY 2025 base begins at the FY 2023 Enacted level of \$299.2 million. The non-labor base was adjusted by \$1.5 million to maintain current operating funding levels for the NLRB's public websites, information technology (IT), and cybersecurity requirements.

Address Regional Offices Staffing Crisis +\$9,377,735 / +50 FTE

The funding request of \$9.377 million would allow for the partial backfilling of critical field staff who are the Agency's frontline workers for case processing and public engagement. Alleviating some of the staffing shortage would facilitate prompt resolution of labor-related disputes, and reduce delays and backlogs, thereby ensuring that both employees and employers receive timely and fair resolutions to labor concerns. A better staffed NLRB would foster increased public trust in the Agency's ability to safeguard employee rights and maintain fair labor practices, increase awareness among stakeholders regarding their rights and responsibilities under the NLRA, and help the agency enhance its outreach efforts to underserved communities.

Funding Level

National Labor Relations Board			
(Dollars in Thousands)			
Detail	FY 2023 Actual	FY 2024 Annualized CR Rate	FY 2025 Budget Request
Appropriation	\$299,224	\$299,224	\$320,002
FTE	1,196	1,258	1,308

Program Activities

The NLRB has five (5) Program Activities that can be thought of as major mission functions for reporting. The Program Activities are Casehandling, Administrative Law Judge Hearings, Board Adjudication, Mission Support, and the Inspector General.

Program Activity	FY 2023 Actual		FY 2024 Annualized CR Rate		FY 2025 Budget Request		\$ Change from FY 2024 Annualized CR Rate		% Change from FY 2024 Annualized CR Rate	
	Amount	FTE	Amount	FTE	Amount	FTE	Amount	FTE	Amount	FTE
Casehandling	\$158	856	\$166.6	888	\$180.7	938	\$14.1	50	8%	6%
Administrative Law Judges	\$9.1	39	\$11.2	44	\$11.4	44	\$0.2	0	2%	0%
Board Adjudication	\$23.2	105	\$24.7	110	\$25.4	110	\$0.7	0	3%	0%
Mission Support	\$107.5	191	\$95	209	\$100.6	209	\$5.6	0	6%	0%
Inspector General	\$1.4	5	\$1.7	7	\$1.9	7	\$0.2	0	11%	0%
Total Budgetary Resources	\$299.2	1,196	\$299.2	1,258	\$320.0	1,308	\$20.8	50	7%	4%

Casehandling

+\$180.7 million / +938 FTE

Net Change +\$14.1 million / +50 FTE

The casehandling program activity is the processing of unfair labor practice and representation cases. The Agency employees who work in the offices/branches/divisions involved in these processes include: The Office of the General Counsel, Regional Offices, Office of Appeals, Division of Advice (including Injunction Litigation Branch), Division of Operations-Management, Appellate and Supreme Court Litigation Branch, and Division of Legal Counsel.

The Agency is not authorized to initiate cases on its own accord, so the casehandling process starts with Regional Office personnel processing unfair labor practice charges and representation

petitions filed by employees, labor organizations, or employers. These charges and petitions are filed in the Agency's Regional and satellite offices across the United States, which are staffed by professional and administrative employees. Each unfair labor practice charge is investigated by contacting and taking evidence from witnesses and requesting and reviewing relevant evidence from all parties involved.

Once an initial investigation is completed, Regional Directors, who are charged with overseeing effective and efficient investigations in field offices, determine preliminarily whether a charge has merit. Historically, Regional Directors nationwide have found approximately 35 to 41 percent of filed charges to be meritorious at this level. In the event of a dismissal, the Charging Party is entitled to appeal that decision to the General Counsel through the Office of Appeals located at Headquarters, where a determination will be made whether the investigation was sufficient and thorough, and the legal conclusion sound. If the Office of Appeals determines that the appeal lacks merit, the Charging Party may seek reconsideration from the General Counsel through the Office of Appeals, but there is no further appeal right. If the General Counsel finds the appeal has merit, the case will be remanded to the Region for the issuance of a complaint, absent settlement. Historically, the Regional Offices settle over 90 percent of meritorious charges filed. These resolutions (i.e., dismissals, withdrawals, or settlements) occur at an extremely early stage, typically within three months after the case has been filed.

Regional Offices seek legal advice from the General Counsel through the Division of Advice located at Headquarters. Cases presenting complex or novel issues, or otherwise dealing with topics the General Counsel has determined require a centralized approach, are submitted by the Regions to the Regional Advice Branch in the Division of Advice, which furnishes guidance and direction. The Regional Advice Branch also prepares and files briefs and statements of position on behalf of the General Counsel as requested by the Board in certain cases, as well as guideline memoranda to aid Regional Offices in dealing with developments in certain areas of the law.

If there are alleged violations of the NLRA requiring immediate relief to maintain or restore the status quo and prevent irreparable harm to employee rights because obtaining a remedy in due course would be too late to effectuate the purposes of the Act, the General Counsel may seek authorization from the Board through the Injunction Litigation Branch of the Division of Advice under Section 10(j) of the Act to seek temporary injunctive relief from a U.S. District Court. In other cases, involving certain alleged violations by labor organizations, the Regional Offices will, on behalf of the Board, petition a U.S. District Court for injunctive relief under Section 10(l) of the Act. If a respondent does not comply with the court order, the Injunction Litigation Branch will consider whether contempt proceedings are appropriate. The Injunction Litigation Branch also represents the Agency in appeals to the U.S. Courts of Appeals in cases arising

under Sections 10(j) and 10(l) of the Act. In FY 2023, the Agency's litigation success rate in district courts for Section 10(j) cases was 100 percent.

The Agency strives to achieve voluntary prompt resolutions of disputes between employees, employers, and labor organizations in the workplace, which also avoids costly and time-consuming litigation. In FY 2023, the Agency's settlement program was very successful, and a total of 5,598 meritorious unfair labor practice cases were settled. For the same period, the Agency issued 743 complaints, and those not settled are or will be litigated before an Administrative Law Judge, who has or will issue a decision and recommended order subject to review by the Board. For FY 2024 and 2025, as additional workers seek protection under the NLRA and the Agency's case intake increases, it is estimated that the Agency may issue over 850 complaints and successfully resolve, through its settlement program, over 6,500 meritorious unfair labor practice cases per fiscal year.

When the Board issues a Decision and Order, the Regional Office will seek to obtain voluntary compliance with the Board Order. Because Board Orders are not self-enforcing, if the respondent does not voluntarily comply with a Board Order, the case is referred to the Appellate and Supreme Court Litigation Branch to seek enforcement of the Order in an appropriate circuit of the Court of Appeals. The Appellate and Supreme Court Litigation Branch also defends challenges to Board Orders filed by the parties in the Court of Appeals, and occasionally the Supreme Court. All Supreme Court litigation is handled together with the Solicitor General of the United States in the Department of Justice. After a Board Order is enforced by a Court of Appeals, the General Counsel may initiate contempt proceedings in the event the respondent still refuses to comply. These cases proceed to the Contempt, Compliance, and Special Litigation Branch for contempt or other post-enforcement proceedings. Further, in some cases, while the case is in litigation, the respondent's financial status may change, requiring Agency personnel to be proficient in bankruptcy laws. Compliance with Board Orders and court judgments are overseen by the Regional Offices in accordance with policies and procedures.

The merit, settlement, litigation, and appeal rates for cases handled by the Agency can vary over time. Further, although the number of cases can be accurately counted, those raw numbers do not reflect the reality of casehandling because the cases vary greatly in the amount of time and effort Agency staff must devote to prevent and remedy unfair labor practices and resolve questions concerning representation. The NLRB tracks the total time taken to resolve a case through the investigation, prosecution, and compliance stages. This process includes capturing the timeliness and quality of case processing.

As for representation cases, the Regional Offices process petitions and conduct elections on behalf of the Board. As a result, the General Counsel, who supervises the Regions, develops

procedures for conducting representation proceedings in accordance with Board precedent and regulations. The Board ultimately determines contested matters, such as the appropriateness of the proposed bargaining unit, and rules on any challenges to ballots or objections to the conduct of an election.

Administrative Law Judges (ALJs)

+\$11.4 million / +44 FTE

Net Change +\$0.2 million /+ 0 FTE

Meritorious charges are litigated before the Agency's ALJs, who travel around the country to conduct hearings and render decisions and recommended orders. The parties may accept and comply with a judge's decision. Alternatively, any party may appeal those decisions and recommended orders to the Board, which then reviews the case and issues a final Board Decision and Order. In FY 2023, the Division of Judges closed 150 hearings, issued 135 decisions, and achieved 288 settlements. Based on the most recent disposition and inventory projections, the NLRB will set a target of 160 closed hearings and 130 decisions for FY 2024 and 170 closed hearings and 140 decisions for FY 2025.

Board Adjudication

+\$25.4 million / +110 FTE

Net Change +\$0.7 million / +0 FTE

Board Adjudication encompasses the activities of the Board, Board Member staff offices, the Office of the Executive Secretary, the Office of the Solicitor, and the Office of Representation Appeals. In an unfair labor practice case, the Board adopts an ALJ's decision if no exceptions are filed. Historically, approximately 35 percent of ALJ decisions are not excepted to by the parties and are complied with voluntarily. The remaining cases, where exceptions are filed, require review and issuance of a Board decision. This review and writing process depends on each Board Member's office being sufficiently staffed with a full complement of attorneys. In representation cases, the Board has delegated the initial processing of these cases to the Regional Offices. Any party may request Board review of matters arising from the Regional Offices' handling of representation cases, including decisions issued by Regional Directors in such cases.

The Board-side attorneys are primarily responsible for assisting the Members in reviewing both unfair labor practice and representation cases and play an integral role in the drafting of decisions. In addition, Board-side staff are called upon to handle the Board's rulemaking activities, including drafting notices of proposed rulemaking, reviewing comments, and drafting final rules. In short, the staff attorneys are integral to all of this work, and it could not get done without them. In FY 2023, the Board issued 246 decisions in contested cases — 161 decisions in unfair labor practice cases and 85 decisions in representation cases. For FY 2024 and FY 2025,

it is estimated that the Board will far exceed those numbers and issue 300 or more decisions in contested cases each fiscal year. That number could be even higher given the downstream effects of recent increases in both unfair labor practice and representation case intake in the Agency's field offices. However, other factors could potentially drive down the number of decisions. For example, the Board currently has an open rulemaking, and there is always the possibility of future rulemaking, whether on the Board's own initiative or in response to petition for rulemaking, which may be filed by any member of the public, which would add significantly to the Board-side attorneys' overall duties. Adequate funding is necessary to ensure capacity to handle both additional adjudications and rulemakings.

The Executive Secretary is the chief administrative and judicial management officer of the Board. The functions and responsibilities of the Office of the Executive Secretary ("ES Office") are similar to those of a Clerk of the Court — to receive and docket all formal documents filed with the Board and issue and serve on all parties the Board's decisions, orders, rulings, and other case documents. The ES Office is the exclusive point of contact for communications by the parties to cases pending before the Board and, particularly regarding questions about Board procedure and case status inquiries, is the principal point of contact for employers, unions, employees, other Federal agencies, and the public. In its role of facilitating case management, the ES Office relies upon the Board's electronic case management system to ensure that documents filed and those issued are included in the case record, and to monitor case progress and overall Board case production.

The Solicitor serves as the chief legal adviser and consultant to the Board on all questions of law arising in connection with the Board's general operations and on major questions of law and policy arising in connection with enforcing, defending, and achieving compliance with Board orders in the Courts of Appeals and the U.S. Supreme Court. The Office of the Solicitor processes, reviews, researches, provides written recommendations to the Board, and drafts appropriate orders with respect to various unfair labor practice case matters that require expedited consideration, including motions for summary and default judgment, special appeals, formal settlement agreements, and petitions to revoke investigative subpoenas. The Office of the Solicitor serves as the Board's legal representative and liaison in contacts with the General Counsel's office and other offices within the Board's organization. The Solicitor's Office reviews and researches relevant case law, precedent, Board policy, and provides written recommendations for action to the Board with respect to requests from the General Counsel to institute various types of litigation requiring authorization by the Board, such as seeking injunctions, intervention, contempt, and petitioning for certiorari with the Supreme Court.

Mission Support

+\$100.6 million / +209 FTE

Net Change +\$5.6 million / +0 FTE

Mission Support encompasses activities from the following offices: The Division of Administration, the Office of the Chief Financial Officer, the Office of the Chief Information Officer, the Office of Ethics, the Office of Congressional and Public Affairs, the Office of Equal Employment Opportunity, the Freedom of Information Act (FOIA) Branch, and the Office of Special Counsel and Labor Relations. Mission Support resources fund multiple functions that have a direct tie to Agency-wide activities. For example, while compensation for field attorneys is funded in the casehandling account, the facilities (and the resulting rent and physical security) and the computer and research systems that they use to conduct their work are funded by Mission Support. Without commensurate funding in Mission Support, casehandling and other critical personnel would not be able to execute their mission critical work of administering and enforcing the NLRA.

Mission Support includes administrative, personnel, human capital, operational, and financial management functions conducted mainly at the NLRB Headquarters. The various supportive offices, branches, and divisions develop standard operating procedures and protocols consistent with regulatory and legal guidance and promulgate necessary operating directives. Specifically, these organizational units assess and assist all business operations for the Regional Offices and Headquarters through guidance and support activities related to: administration, human resource management, government and legal ethics, training, recruitment, on/off-boarding, equal employment opportunity principles, labor and employee relations, budget, acquisition, accounting, financial management, internal control, enterprise risk management, facilities, property, security, technology infrastructure, congressional and public affairs, and privacy. The additional resources for these functions are vital to meeting the Agency's diverse hiring goals, promoting diversity, equity, inclusion, and accessibility within our workforce, and fostering broader and more productive engagement with employees and internal labor organizations. The NLRB understands the importance of a diverse, equitable, inclusive, and accessible workplace. As such, the NLRB is fully committed to supporting its Diversity Equity Inclusion and Accessibility (DEIA) Strategic Plan for 2022 – 2026. DEIA is a top priority needed to foster and cultivate a workplace culture that embraces employee differences, and promotes change through diversity awareness, communication, and education. With limited resources, the Agency was able to realize some advancement of its DEIA Strategic Goals through establishment of a Chief Diversity Officer (CDO) position, creation of DEIA Labor Management Forums to engage the Agency's stakeholders through routine communication and collaboration, creation of the Agency's first DEIA newsletter, and the launch of the Anti-Harassment Program and the Agency's first Employee Resource Group (ERG) program. Ongoing progress is crucial to meeting the goals of recruiting and retaining a diverse and inclusive workforce.

In addition, the Agency will continue to support access to Health Units to help ensure a healthy and safe in-person workforce. These efforts will in turn benefit the Agency with respect to employee productivity and retention.

Inspector General

+\$1.9 million / 7 FTE

Net Change \$0.2 million / 0 FTE

The amount of \$1.86 million was submitted by the Inspector General (IG) for the FY 2025 Budget Request for the Office of Inspector General (OIG). The IG's requested amount includes payroll salaries and benefits, \$9,600 for training of OIG personnel, \$265,000 for the Agency's Financial Statement Audit contract, and \$7,268 for support of the Council of the Inspectors General on Integrity and Efficiency (CIGIE).

VIII. Information Technology Investment Strategy

The NLRB Office of the Chief Information Officer (OCIO) is expanding its capabilities to create a dynamic Information Technology (IT) organization that not only supports Agency operations but shapes the enterprise strategy solution to deliver value and advance the Agency's broader mission as well as its efforts to improve productivity and provide greater transparency.

The Agency's NxGen Case Management System, which replaced 11 stove-piped systems, has undergone considerable changes since 2009 when it was introduced, but it is a legacy system at the end of its lifecycle. This was the Agency's first effort to migrate its technical infrastructure to a hybrid cloud environment. The transformation resulted in reduced paperwork, more efficient casehandling processes, increased telework and remote access to information, and expedited issuance of NLRB decisions.

Over the years, some enhancements to the NxGen system were performed to modernize the system to adapt to newer cloud technologies as budget permitted. These enhancements maximized system availability to support the development of a scalable data warehouse with multiple data marts for real-time case management analytics.

Since the NxGen system was originally built for 'on-premises' IT infrastructure, the core software and tools used by the system are now outdated and have reached end-of-life support. The system does not satisfy current, end-to-end cybersecurity requirements and incurs a high operations and maintenance cost. With continued funding, the NLRB would advance its efforts to replace the current NxGen case management system. Currently, the Agency is required to maintain its existing legacy IT infrastructure, which is at the end of its lifecycle. The modernization of the case management system is expected to be an expansion of the Agency's FY 2024 "proof of concept" efforts.

The Agency was selected to be part of the 'Zero Trust Architecture (ZTA)' pilot program of Department of Justice Security Operations Center directed by Cybersecurity Infrastructure Security Agency. Taking advantage of the pilot program, OCIO has begun implementing parts of Executive Order (EO) 14028 for ZTA. OCIO is striving to implement the complete requirements of EO 14028 and other Cybersecurity Executive Orders including, M-23-18. Some of the funded activities may include the following:

- Integrating artificial intelligence services to identify and label content providing a means to categorize, monitor, and control access to agency data for Data Loss Prevention cybersecurity needs.
- Establishing governance and program service indicators to identify, triage, and act on risky user system activity.
- Enhancing cyber defenses to assist the Agency in monitoring cyber threats to respond in real time and satisfy Federal Information Security Management Act (FISMA) Cybersecurity requirements. Provide the Agency with cyber defense tools that will allow identification of key metrics and remediation.

- Maintaining a zero-trust tool that is vital to achieving the Agency’s vision for zero trust architecture as required by M-22-09.

IX. Attachments

Attachment 1 - Amounts Available for Obligation

Amounts Available for Obligation			
(Dollars in Thousands)			
Description	FY 2023 Actual	FY 2024 Annualized CR Rate	FY 2025 Budget Request
Annual Appropriation	\$299,224	\$299,224	\$320,002

Attachment 2 - Budget Authority by Object Class

Budget Authority by Object Class			
(Dollars in Millions)			
Object Class Categories:	FY 2023 Actual	FY 2024 Annualized CR Rate	FY 2025 Budget Request
Personnel Compensation	\$164.9	\$177.2	\$188.9
Personnel Benefits	\$59.5	\$65.2	\$70.1
<i>Sub Total Personnel Compensation</i>	\$224.4	\$242.4	\$259.0
Travel and Transportation of Persons	\$1.2	\$1.0	\$1.0
Transportation of Things	\$0.0	\$0.2	\$0.2
Rental Payments to GSA	\$23.5	\$24.3	\$24.3
Communication, Utilities, and Miscellaneous Charges	\$3.2	\$2.7	\$2.7
Printing and Publications	\$0.2	\$0.2	\$0.2
Other Services	\$44.7	\$27.5	\$31.7
Supplies and Materials	\$0.2	\$0.2	\$0.2
Equipment and Furniture	\$1.7	\$0.6	\$0.6
Insurance Claims & Indemnities	\$0.1	\$0.1	\$0.1
<i>Sub-total Direct Budget Authority</i>	\$74.8	\$56.8	\$61.0
Total	\$299.2	\$299.2	\$320.0

Attachment 3 - Major Workload and Output Data

Major Activities	FY 2023 Actuals	FY 2024 Estimate	FY 2025 Estimate
1. Regional Offices			
Unfair Labor Practices (ULP) Cases	19,869	23,209	27,078
Representation Cases	2,594	3,035	3,551
Regional Director Decisions ¹	274	320	370
2. Administrative Law Judges			
Hearings Closed	150	160	170
Decisions Issued	135	130	140
3. Board Adjudication			
Contested Board Decisions Issued	246	300	300
4. Board Decisions Requirement			
Court Enforcement	44	68	68

¹ FY 2024 and FY 2025 Regional Director Decisions estimates have been updated to 320 and 370 respectively, reflecting a 16 percent increase each year. This change was made after the close of the MAX A-11 system.

Attachment 4 – Status of Open Audit Recommendations

Audit No.	Audit Title	Report Date	Agreement Date	Rec #	Recommendation	Status
FY 2022						
OIG-AMR-94-22-02	NxGen Data Accuracy	11/16/2021	11/16/2021	1	Develop and implement a quality review process at the local Regional Office level that includes review of the data at key points during the case life cycle.	The working group completed a list of recommendations that includes both changes in business practices and NxGen modifications. Operations- Management has placed service tickets for the proposed modifications
OIG-AMR-94-22-02	NxGen Data Accuracy	11/16/2021	11/16/2021	3	Develop and implement a standard methodology for documenting data in the NxGen case file.	The working group completed a list of recommendations that includes both changes in business practices and NxGen modifications. Operations- Management has placed service tickets for the proposed modifications
OIG-AMR-94-22-02	NxGen Data Accuracy	11/16/2021	11/16/2021	4	Develop and implement a training program that focuses on NxGen data quality controls and processes. This program should include new employee NxGen orientation, periodic refresher training, and supervisory data quality review.	Operations-Management is providing ongoing training. The process is now being formalized.
Total FY 2022	3					

Audit No.	Audit Title	Report Date	Agreement Date	Rec #	Recommendation	Status
FY 2023						
OIG-F-27-23-01 (ML)	Audit of NLRB Fiscal Year 2022 Financial Statements - Management Letter	12/9/2022	12/9/2022	3	Assess whether the Office of the Chief Financial Officer is adequately staffed with personnel to monitor expired contracts, initial contract close-out, and de-obligate funds in a timely manner.	The assessment is underway.
OIG-F-27-23-01 (ML)	Audit of NLRB Fiscal Year 2022 Financial Statements – Management Letter	12/9/2022	12/9/2022	4	Ensure monitoring of expired contracts is performed on a quarterly basis, contract closeout procedures are initiated, and open balances are de-obligated in a timely manner.	The FY 2023 audit of the financial statements found that the finding was not remediated.
OIG-AMR-99-23-02	Procurement Process	4/14/2023	4/14/2023	1	Develop internal controls to address deficiencies that resulted in noncompliance with the FAR and identified in the Internal Control Matrix.	The draft policy is under review.
OIG-AMR-99-23-02	Procurement Process	4/14/2023	4/14/2023	2	Provide training to AMB staff regarding its internal controls as they relate to compliance with the FAR.	Training will be developed once the policy is finalized.
Total FY 2023	4					

Audit No.	Audit Title	Report Date	Agreement Date	Rec #	Recommendation	Status
FY 2024						
OIG-F-28-24-01	Fiscal Year 2023 Financial Statements – Management Letter	12/11/2023	12/11/2023	1	We recommend the Office of the Chief Information Officer identify controls that are not covered by the SOC1 report for the system and perform assessment/analysis annually.	Drafting an Action Plan.
Total FY 2024	1					
Total Open Recommendations	8					