

Labor and Employment Law are Low Budgetary Priorities

President Trump's election in 2016 brought the pace of change in the labor and employment landscape to a screeching halt. The proposed fiscal year 2019 [budget](#) plan sent to Congress shows that labor and employment issues are not a high priority. Although the President's budget will not be enacted as written, it shows that this administration wants to scale back the reach of the Department of Labor and the National Labor Relations Board. An exception to this overall trend is the administration's proposal for paid sick leave.

The Department of Labor

Many commentators note that the President proposed a 21% reduction to the DOL's budget. Although technically accurate, this figure does not account for some offsets which would make the DOL's budget cuts total 9%. Either way, the DOL's budget is a target of this administration.

Interestingly, the two DOL enforcement agencies targeted for the greatest cuts are not agencies that CCM clients generally encounter. The Office of Federal Contract Compliance Programs ("OFCCP") received a proposed budget cut from \$104.4 million to \$91.1 million, and the Bureau of International Labor Affairs ("ILAB") is scheduled for 80% cuts.

Meanwhile, the President's budget supports a policy where workers would receive up to six weeks of paid leave for the birth or adoption of a child. Under President Trump, the program would use the current unemployment insurance system to pay for the proposal. Currently, five states have publicly funded paid maternity leave and they are California, New Jersey, Massachusetts and Rhode Island. Mandatory sick leave is coming to employers across the country.

The National Labor Relations Board

Changing the policy and the composition of the NLRB is a major focus of the Trump Administration. The fiscal year 2019 budget proposes to cut the NLRB's budget 9% with full-time employees reduced from 1,320 to

1,250. If these cuts come to pass, the NLRB may merge some of their 32 regional offices like the St. Louis office with the Chicago office.

The Equal Employment Opportunity Commission

On the eve of the EEOC's publication of its strategic [plan](#) for 2018-2022, that agency's budget is essentially flat with a slight decline from \$364.5 million to \$363.8 million.

Conclusion

Congress will not adopt the President's budget verbatim, and it may not even use it as a starting point. Still, many agencies that employers interact with like the EEOC, the DOL, or OSHA are executive agencies, and the President's budget is a signal about executive priorities.

We urge all our clients to take a counter-intuitive approach to the current lull in aggressive enforcement. Employers should get "their house in order" now. Misclassification issues, safety issues, and poor or non-existent training schedules should be remedied now in a more forgiving regulatory environment. Any future presidential administration will be significantly more aggressive on those issues.

If you have any questions about the matters addressed in this *CCM Alert*, please contact the following CCM author or your regular CCM contact.

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