U.S. Department of Labor

Office of Federal Contract Compliance Programs
200 Constitution Avenue, N.W.
Washington, D.C. 20210

February 25, 2025

MEMORANDUM FOR:	VINCENT MICONE Acting Secretary of Labor
THROUGH:	MICHELE HODGE Deputy Director Office of Federal Contract Compliance Programs
FROM:	MICHAEL SCHLOSS Acting Director Office of Federal Contract Compliance Programs
SUBJECT:	Reorganization of the Office of Federal Contract Compliance Programs

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The Office of the Secretary instructed the Office of Federal Contract Compliance Programs OFCCP to develop a plan to reduce its workforce by 90 percent. This memorandum outlines OFCCP's proposed strategy.

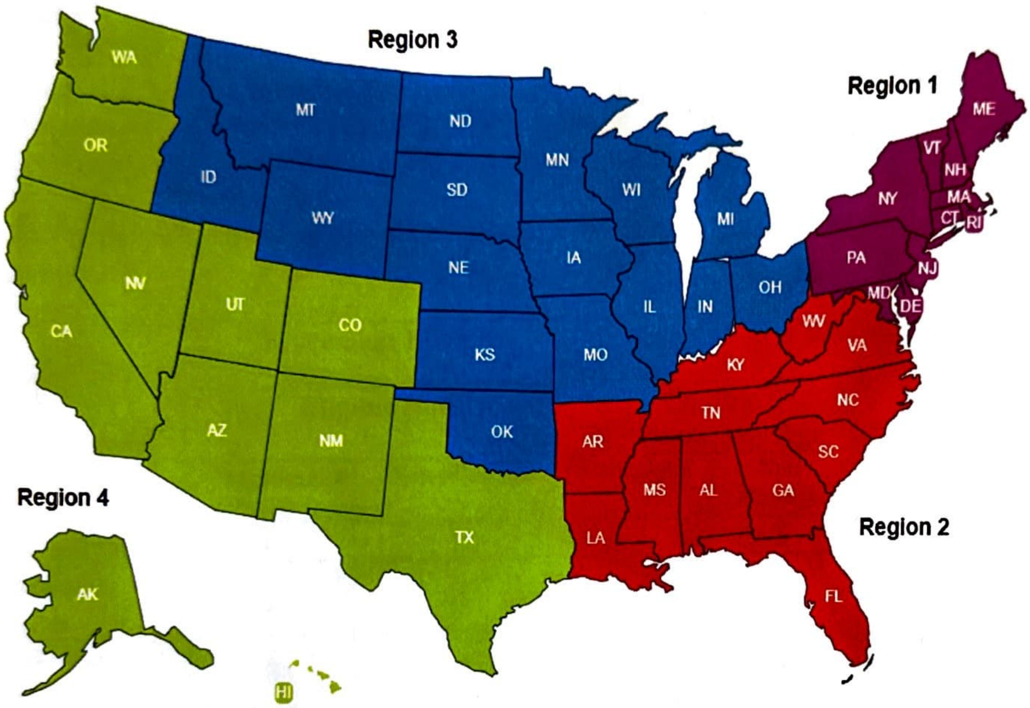
As of February 12, 2025, OFCCP had 479 onboards, including 317 investigators. This number includes 110 National Office employees and 369 employees in regional and field offices. With the elimination of Executive Order 11246, OFCCP will focus its mission to the work required by Section 503 of the Rehabilitation Act (Section 503) and the Vietnam Era Veterans Readjustment Assistance Act (VEVRAA). This proposal seeks to reorganize the agency to meet these statutory provisions within a fiscally efficient and effective organizational structure.

Please note that OFCCP remains under a Continuing Resolution through March 14, 2025. Any reorganization will require, in addition to the funds necessary to operate OFCCP at the projected reduced level, additional funds necessary to downsize (i.e., buyouts, annual leave lump sum payments, severance pay, relocation expenses, office closures, etc.)

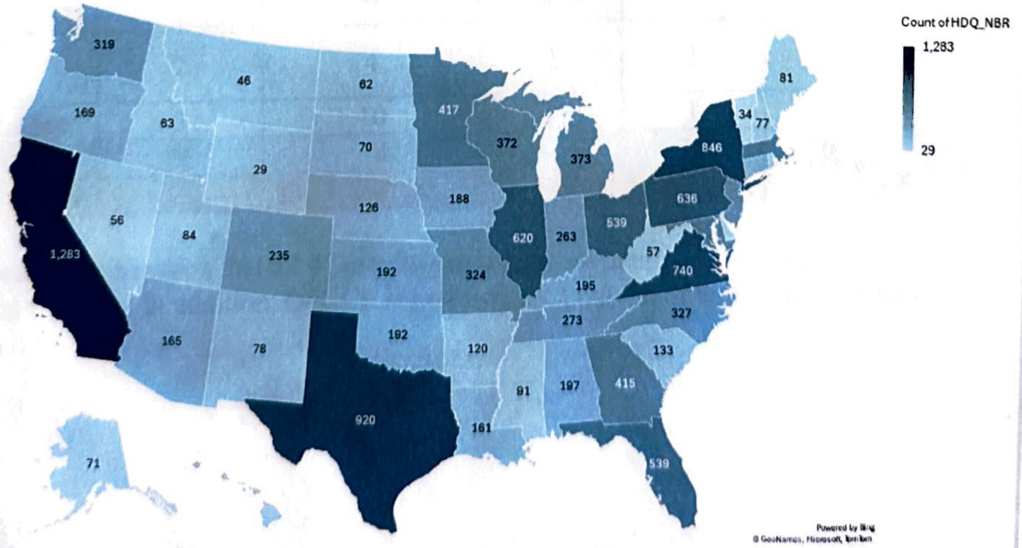
BACKGROUND

Presently, OFCCP has 55 offices throughout the country, including the national office, six regional offices, and 48 district offices (see below regional map). With Section 503 and VEVRAA reviews, there is still a need to conduct onsites. Therefore, OFCCP would maintain a limited field presence to support such efforts outside of the National Capital Region.

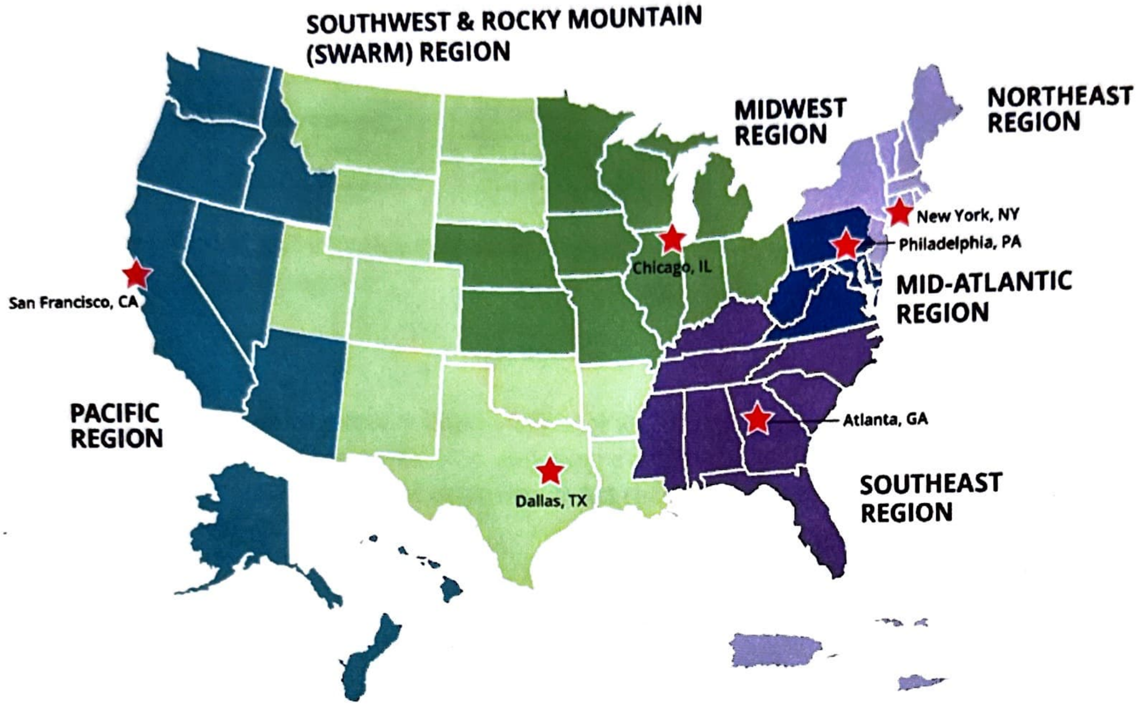
OFCCP will realign the four regional offices to equitably reflect the contractor universe in the corresponding states.



Count of Contractor Headquarters from 2020 EEO1 (Consolidated Report)



OFCCP's Current Regional Structure



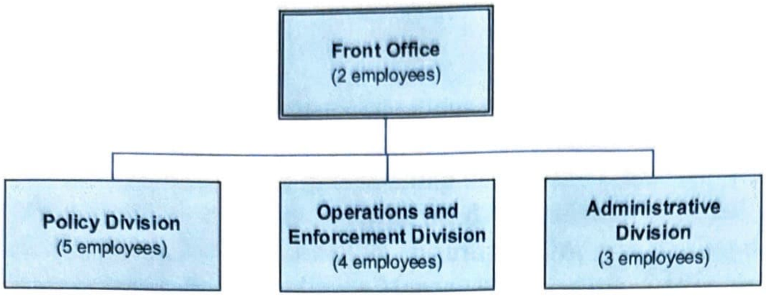
REDUCTION IN FORCE

With this proposal, OFCCP would maintain a total workforce of 50 employees to ensure that OFCCP carries out the requirements under the two statutes – Section 503 and VEVRAA – at a level of effort consistent with OFCCP's past practices relating to those statutes.

OFCCP NATIONAL OFFICE STRUCTURE

The National Office establishes all policy and program operations implemented by the regions. The National Office also houses the Career Deputy Director who acts as the OFCCP Director during periods of transition. OFCCP would reduce the National Office to 14 employees[1].

[1] The numbers in this proposal do not account for non-career employees.



The National Office will continue to lead and support all policy, operations and administrative matters on behalf of the agency.

Front Office

The Front Office includes a career Deputy Director and a Staff Director (GS-0301-15). The Front Office handles all correspondence, including executive and Congressional correspondence, and will administer the Freedom of Information Act (FOIA) program and agency records management program.

Policy Division

The Policy Division oversees the development, formulation, coordination, and promulgation of program policies, regulations, directives, and procedures; oversees and coordinates impact analyses of regulatory options; develops, presents, and evaluates courses through the OFCCP Training Academy and provides training materials to the regions for localized courses. The Division also reviews, measures, and evaluates training program accomplishments and implements and oversees special projects. The Policy Division develops, coordinates, and plans agency communication, outreach, and public engagement efforts, and coordinates agency responses and involvement in studies conducted by GAO and other entities.

In addition, the Policy Division will be responsible for reviewing and suggesting changes to OFCCP regulations designed to reflect the removal of EO 11246 and focus on 503 and VEVRAA. The agency may be tasked with operationalizing additional directives related to federal contractors such as Executive Order 14173.

The Policy Division includes one senior executive as well as a Supervisory Program Specialist (GS-0301-15), a Program Analysis Officer (GS-0343-14), a Supervisory Program Specialist (GS-0301-14), and a Regulatory Analysts (GS-0301-13).

Operations and Enforcement Division

The Operations and Enforcement Division (previously Division of Program Operations) reviews complaints and appeals, as required by program regulations and policy, which are submitted by the field to the OFCCP Director for decision; provides overall operational guidance and coordinate policy implementation and program operations in all regions to ensure uniformity and consistency; and conducts quality assurance audits of field operations to ensure quality and consistency in compliance reviews, complaint investigations, and technical and compliance assistance.

OFCCP will rename the Division of Program Operations to the Division of Operations and Enforcement. This name change provides transparency to the historic functions of this division and clarifies the roles and responsibilities in supporting the agency's mission. The Operations and Enforcement Division will continue monitoring the daily operations and enforcement activities of the field including, but not limited to, ensuring quality and guiding the field through the investigative process within the Compliance Management System (CMS).

The Operations and Enforcement Division will be led by one senior executive and include a Supervisory Program Specialist (GS-0301-15), a Program Specialist (GS-0301-14), and a Program Analyst (GS-0343-13).

Administrative Division

The Administrative Division (previously Division of Management and Administration Programs) provides advice on budget, administration, management, personnel, and labor/management relations to the OFCCP Director and Deputy Directors; and reviews and investigates all administrative and management support services for OFCCP programs.

The Administrative Division will continue managing all administrative matters. However, the Division will consolidate all administrative functions in the national office instead of bifurcating functions within each region.

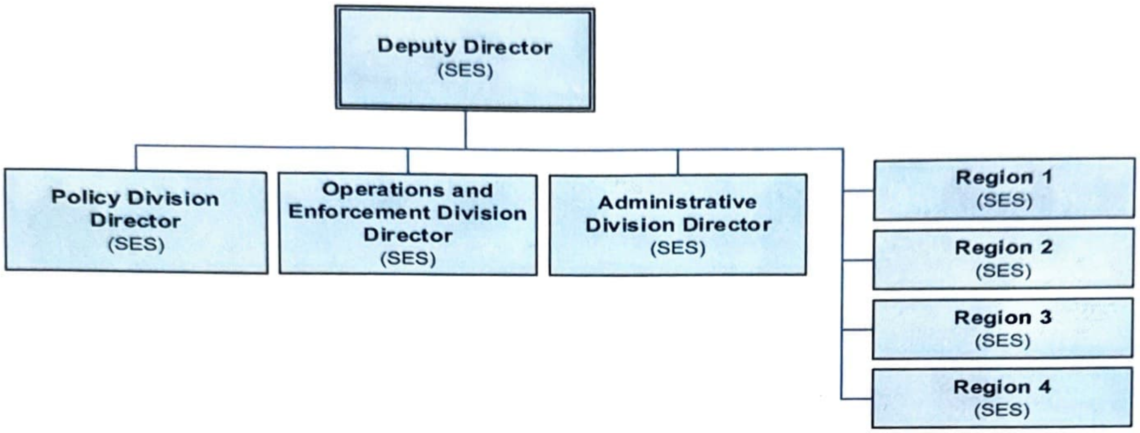
The Administrative Division will be led by a senior executive and include an Administrative Officer (GS-0341-15) and a Management and Program Analyst (GS-0343-13).

Former Division of Enforcement

The former Division of Enforcement coordinated OFCCP's enforcement-related activities across its six regions, provided subject matter expertise in OFCCP compliance evaluations with systemic findings, and led program initiatives that advanced the agency's strategic use of enforcement related resources, reviewed complaints against federal contractors for systemic discrimination issues.

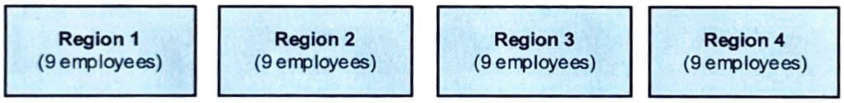
With the revocation of Executive Order (EO) 11246, OFCCP would eliminate the Division of Enforcement comprised of Labor Economist and Statisticians charged with conducting systemic statistical analyses based on EO 11246 and Title VII principles. These skillsets are no longer needed to enforce 503 and VEVRAA.

Proposed OFCCP Organizational Restructure

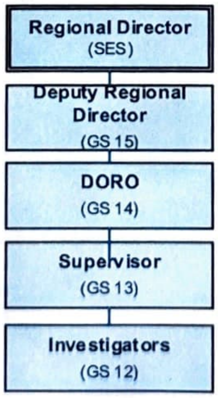


OFCCP FIELD STRUCTURE

We propose that, along with the 90 percent reduction, the number of OFCCP regional and field offices be reduced from 54 to 4. The regional offices will remain located in a major metropolitan area.



The regional office reporting structure would be truncated to include a senior executive, a Deputy Regional Director (GS-1801-15), a Director of Regional Operations (GS-1801-14), Supervisory Compliance Investigator (GS-1801-13) and Compliance Investigators (GS-1801-12).



VSIP/VERA

To achieve the desired reduction in force, OFCCP seeks permission to use the Voluntary Early Retirement Authority (VERA) and Voluntary Separation Incentive Program (VSIP).

VSIP and VERA will accomplish the agency's mission needs and the Administration's requirements. OFCCP proposes to offer VSIP to all retirement eligible and early retirement eligible employees. OFCCP does not envision success with VERA without VSIP.

The following table depicts employees eligible to retire prior to the Deferred Resignation Program.

	Retirement Eligible		Early Retirement			
	Eligible Now		Eligible 25 Years, any Age		Eligible 20 Years, Age 50	
	Manager	Non-Manager	Manager	Non-Manager	Manager	Non-Manager
National Office	4	12	3	5	2	4
Northeast Region	3	5	1	4	2	1
Mid-Atlantic Region	5	2	3	1	0	1
Southeast Region	6	15	3	0	0	2
Midwest Region	2	10	3	4	1	3
SWARM Region	2	4	2	1	0	0
Pacific Region	3	10	2	1	1	2
Sub-Total	**25**	**58**	**17**	**16**	**6**	**13**
TOTAL	**83**		**33**		**19**	

OFCCP awaits confirmation that all 42 employees confirmed their participation in the Deferred Resignation Program. In addition, OFCCP is awaiting the final list of terminated probationary employees.