AGENCY

FINANCIAL REPORT

FISCAL YEAR 2024

UNITED STATES
DEPARTMENT OF LABOR

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This report can be found on the Internet at:

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Office of the Chief Financial Officer
U.S. Department of Labor
200 Constitution Avenue, NW, Room S-4030
Washington, DC 20210
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Message from the Acting Secretary of Labor

At the Department of Labor (the Department), we are playing a leading role in the most pro-worker, pro-union administration in history. Under President Biden's leadership, we're building a worker-centered economy from the middle out and bottom up by creating pathways to good jobs and expanding equitable opportunities, while empowering and protecting workers and their families. Ensuring the economic security of working families is at the heart of what the Department does.

Julie A. Su
U.S. Acting Secretary of Labor

The Department of Labor's Mission:
"To foster, promote, and develop the welfare of the wage earners, job seekers, and retirees of the United States; improve working conditions; advance opportunities for profitable employment; and assure work-related benefits and rights."

Through our Good Jobs Initiative, the Department has embedded job quality and equity incentives into nearly $100 billion in Bipartisan Infrastructure Law funds. And we're laser-focused on ensuring that these investments help create good quality jobs that expand pathways to the middle class, particularly in communities that need them the most. In furtherance of that goal, the Department is working hand-in-hand with our partners at the federal, state, and local level to ensure that workers, families, and communities who have historically been left behind can now benefit from these historic investments. Through our workforce development initiatives, we're focused on making sure all workers have equitable access to opportunities – including individuals without college degrees, those in rural communities and urban centers, veterans, workers of color, LGBTQIA+ workers, workers with disabilities, and those formerly incarcerated. And we are meeting workers where they are by better supporting underserved communities through increased outreach, including on tribal lands, and by breaking down communication barriers through improved language access, including translating multi-lingual resources.

Additionally, we are prioritizing enforcement in order to better protect workers' rights, wages and safety on the job. For example, the Department is aggressively fighting wage theft, thereby ensuring workers get the wages they've earned - especially those in low-wage and historically underrepresented communities. And by safeguarding workers' hard-earned benefits and pensions, we are ensuring the long-term retirement security of America's workers. This focus on enforcement has the added benefit of leveling the playing field for law-abiding employers by holding bad employers accountable for skirting the law.

In FY 2024, the Department has received a qualified opinion from an independent audit of our financial statements. This Agency Financial Report provides the auditors an unqualified statement of reasonable assurance in the Department's internal controls, as required by the Federal Manager's Financial Integrity Act (FMFIA) of 1982 and Office of Management and Budget (OMB) Circular A-123, except for the material weakness identified by the auditors. DOL takes this issue very seriously and will work to resolve the matter in the coming year. For detailed information, please see Management's Response in the Independent Auditors' Report. The Management's Discussion and Analysis section of DOL's AFR provides a further, detailed assessment of internal controls and compliance within the Department's financial management systems. The financial data and summary performance results provided in DOL's AFR are reliable and complete in accordance with federal requirements.

At the Department of Labor, we are committed to empowering workers and building equity into everything we do, from making it easier to join a union, to expanding labor-management partnerships, to ensuring workers get the education and training they need to get good-paying jobs - including jobs that don't require a 4-year degree.

As President Biden says, a job is about more than just a paycheck. It's about dignity and peace of mind that comes with knowing you can put food on the table, support loved ones and plan for your future. Good jobs build up families and communities. At the Department of Labor, we are committed to growing our economy in a way that benefits all workers in America.

Sincerely,

JULIE A. SU
Acting U.S. Secretary of Labor
November 14, 2024

Management's Discussion and Analysis

Our Mission:

To foster, promote, and develop the welfare of the wage earners, job seekers, and retirees of the United States; improve working conditions; advance opportunities for profitable employment; and assure work-related benefits and rights.

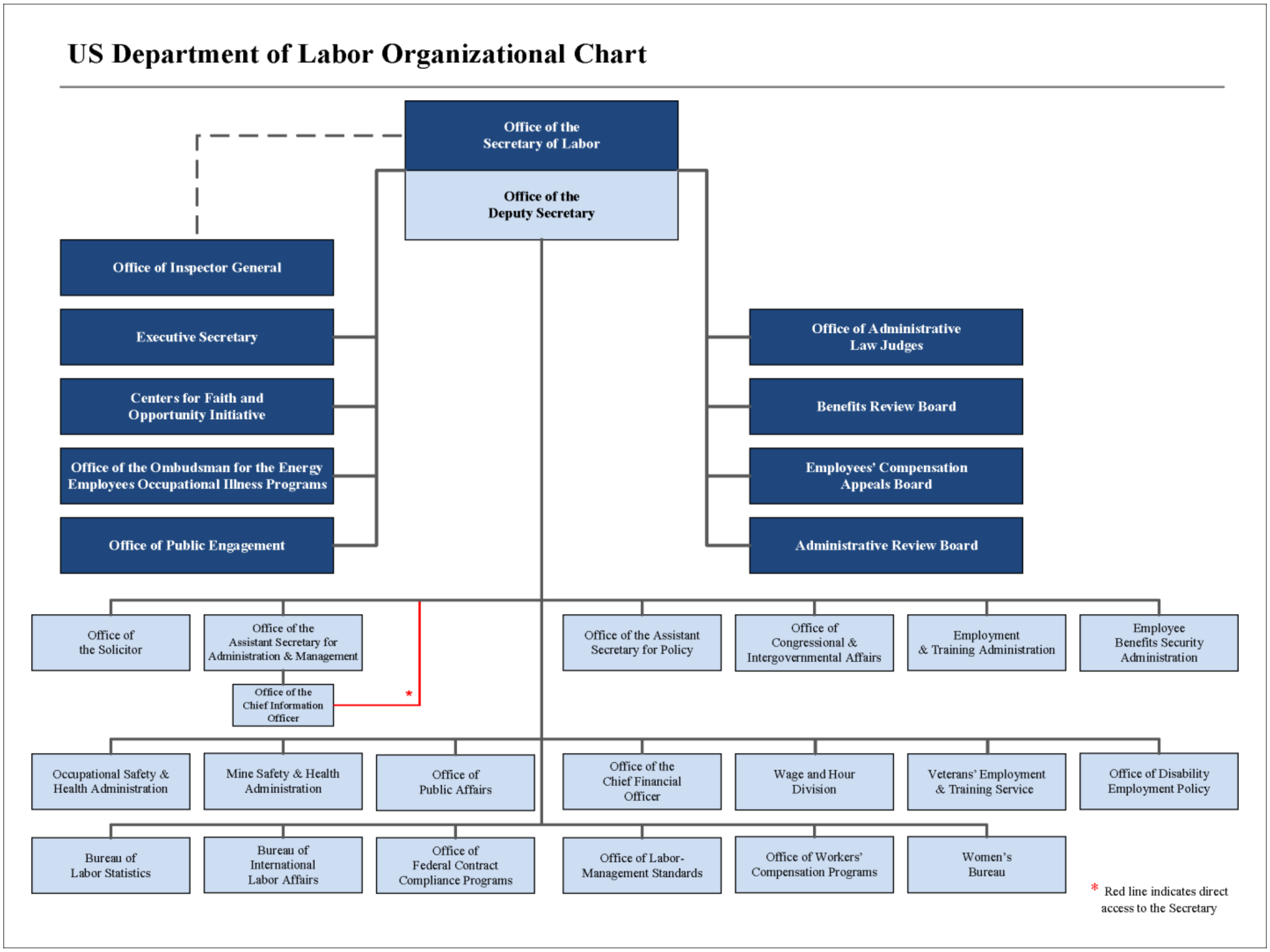
The U.S. Department of Labor's (DOL or the Department) annual Agency Financial Report (AFR) provides financial data and summary performance results that enable the President, Congress, and American people to assess the Department's accomplishments for each fiscal year (October 1 through September 30). This Report provides an overview of programs, accomplishments, challenges, and management's accountability for the resources entrusted to the Department. The AFR is prepared in accordance with the requirements of Office of Management and Budget (OMB) Circular A-136, *Financial Reporting Requirements* (05/30/2024).

Mission Statement and Organizational Structure

DOL's mission remains as relevant today as at the Department's founding in 1913:

> *"To foster, promote, and develop the welfare of the wage earners, job seekers, and retirees of the United States; improve working conditions; advance opportunities for profitable employment; and assure work-related benefits and rights."*

The Department accomplishes this mission through component agencies and offices that administer various statutes and programs. These programs are carried out through a network of regional offices and smaller field, district, and area offices, as well as through grantees and contractors.



For text links and additional information, visit the Agencies and Programs page on DOL.gov.

Program Performance Overview

Performance Goals, Objectives, and Results

The Department's performance is led with results-driven management through strategic planning, and performance reporting in accordance with the Government Performance and Results Modernization Act of 2010 (GPRAMA). FY 2024 performance results for outcome measures reported under GPRAMA are included in the *Annual Performance Report*, which is currently scheduled to be published by January 20, 2025, with the FY 2025 Congressional Budget Justification. This and previous reports can be found at https://www.dol.gov/general/aboutdol#budget.

Strategic Planning

The Department's FY 2022-2026 Strategic Plan meets the requirements of the GPRAMA and is the foundation for DOL's performance, planning and budget activities. As identified below, four overarching Strategic Goals (Goal 1, etc.) encompass seven Strategic Objectives (1.1, etc.), and support the realization of Acting Secretary Su's vision and achievement of the Department's mission.

- **Goal 1: Build Opportunity and Equity for All**
  - Objective 1.1: Advance training, employment, and return-to-work opportunities that connect workers to higher-wage jobs, especially in ways that address systemic inequities.
- **Goal 2: Ensure Safe Jobs, Essential Protections and Fair Workplaces**
  - Objective 2.1: Secure safe and healthful workplaces, particularly in high-risk industries.
  - Objective 2.2: Protect workers' rights.
  - Objective 2.3: Improve the security of retirement, health, and other workplace related benefits for America's workers and their families.
  - Objective 2.4: Strengthen labor rights, improve working conditions, promote racial and gender equity, and empower workers around the world.
- **Goal 3: Improve Administration of and Strength Worker Safety Net Programs**
  - Objective 3.1: Ensure timely and accurate income support when work is unavailable by strengthening benefits programs and program administration.
- **Goal 4: Produce Gold Standard Statistics and Analyses**
  - Objective 4.1: Provide timely, accurate, and relevant information on labor market activity, working conditions, price changes, and productivity in the U.S. economy.

Strategic Goals and Objectives

The Department's strategic goals and objectives serve as the performance framework for programs and functions administered by fourteen DOL subagencies. The following chart is categorized by DOL's strategic goals and objectives, and presents a brief description of each supporting subagency, and forward-looking information.

GOAL 1: Build Opportunity and Equity for All

1.1 Advance training, employment, and return-to-work opportunities that connect workers to higher-wage jobs, especially in ways that address systemic inequities.

The American economy must work for all workers. The DOL subagencies supporting this goal oversee programs and develop policy as part of the nation's public workforce system, providing support to workers and employers. In the coming years, these agencies will strengthen their efforts to expand opportunities to address equity and inclusiveness.

Supporting DOL subagencies:

- **Employment and Training Administration (ETA)** creates customer-focused workforce solutions that serve all workers, including underserved communities. **Visit** here**,** for more information.

- **Veterans' Employment and Training Service (VETS)** provides veterans, service members, and military spouses with resources and tools to gain and maintain employment. **Visit** here**,** for more information.

- **Women's Bureau (WB)** formulates policies and initiatives to promote the interests of working women. **Visit** here**,** for more information.

- **Office of Disability Employment Policy (ODEP)** develops evidence-based policies, practices, and tools to foster a more inclusive workforce to increase quality employment opportunities for individuals with disabilities. **Visit** here**,** for more information.

GOAL 2: Ensure Safe Jobs, Essential Protections, and Fair Workplaces

2.1 Secure safe and healthful workplaces, particularly in high-risk industries.

All workers have a right to a safe and healthful work environment. The DOL subagencies supporting this goal recognize that some workers are more vulnerable than others and that some workplaces are more hazardous than others. In the coming years, by strategically scheduling inspections and outreach in high-risk areas, in addition to completing mandated enforcement activity, DOL expects to have the greatest effect on overall compliance.

Supporting DOL subagencies:

- **Occupational Safety and Health Administration (OSHA)** secures safe and healthful working conditions for America's workers. **Visit** here**,** for more information.

- **Mine Safety and Health Administration (MSHA)** prevents fatalities, disease, and injury from mining, and secure safe and healthful working conditions for America's miners. **Visit** here, for more information.

2.2 Protect workers' rights

All workers have the right to be paid properly and treated equitably. The DOL subagencies supporting this goal promote fair pay, worker rights, equal opportunity, and serve as the voice of the American workforce. These agencies enforce laws and provide compliance assistance that address worker pay and leave, equal rights, and labor-management transparency. In years ahead, these agencies will continue to refine their strategies, specifically by expanding efforts in areas and industries that impact historically underserved communities.

Supporting DOL subagencies:

- **Wage and Hour Division (WHD)** enforces labor standards to protect and enhance the welfare of the nation's workforce. **Visit** here, for more information.

- **Office of Federal Contract Compliance Programs (OFCCP)** promotes equitable and diverse workplaces for America's federal contractor employees. **Visit** here, for more information.

- **Office of Labor Management Standards (OLMS)** promotes union financial integrity, transparency, and democracy. **Visit** here**,** for more information.

2.3 Improve the security of retirement, health, and other workplace related benefits for America's workers and their families.

Workers must have confidence in, and understanding of, their retirement and health benefits. Employee Benefits Security Administration's (EBSA) mission is to assure the security of the retirement, health and other workplace related benefits of America's workers and their families. In the coming years, EBSA's enforcement program will continue to use a wide variety of approaches such as the establishment of national and regional priorities, voluntary compliance programs, civil and criminal litigation, regulations and guidance, and research-based analysis to accomplish its mission.

Supporting DOL subagency:

- **EBSA** administers an integrated program of regulation, compliance assistance, public education, civil and criminal enforcement, and research analysis. **Visit** here, for more information.

2.4 Strengthen labor rights, improve working conditions, promote racial and gender equity, and empower workers around the world.

The Bureau of International Labor Affairs (ILAB) works to strengthen global labor standards, enforces labor commitments among trading partners, promotes racial and gender equity, and combats international child labor, forced labor, and human trafficking. ILAB's efforts position the United States as a leader on international labor rights by demonstrating U.S. commitment to work with governments, workers, civil society organizations, and other actors to achieve its mission.

Supporting DOL subagency:

- **ILAB** benefits workers from all backgrounds and experiences. ILAB supports inclusive trade policy that advances economic security and racial and gender equity. **Visit** here, for more information.

GOAL 3: Improve Administration of and Strengthen Worker Safety Net Programs

3.1 Ensure timely and accurate income support when work is unavailable by strengthening benefits programs and program administration.

America's economy must have a strong safety net to support unemployed, injured, and ill workers. The DOL subagencies supporting this goal will leverage evidence-based strategies and strengthen the oversight of new and/or existing programs to accelerate delivery of benefits, reemployment, and return-to-work outcomes for workers.

Supporting DOL subagencies:

- **Office of Workers' Compensation Programs (OWCP)** provides workers' compensation benefits for certain qualified workers who are injured or become ill on the job and improve return-to-work outcomes for injured workers. **Visit** here**,** for more information.

- **Employment and Training Administration, Office of Unemployment Insurance (ETA/OUI)** supports states' timely and accurate benefit payments for unemployed workers. **Visit** here, for more information.

GOAL 4: Produce Gold Standard Statistics and Analyses

4.1 Provide timely, accurate, and relevant information on labor market activity, working conditions, price changes, and productivity in the U.S. economy.

The Bureau of Labor Statistics (BLS) measures labor market activity, working conditions, price changes, and productivity in the U.S. economy to support public and private decision making. BLS executes its mission with independence and strives to meet the needs of a diverse set of customers for accurate, objective, relevant, timely, and accessible information.

Supporting DOL subagency:

- BLS adheres to a set of values and principles that guide it in fulfilling its mission. **Visit** here**,** for more information.

Performance Management

The Department regularly assesses Departmental and subagency progress in the implementation of the FY 2022-2026 Strategic Plan DOL Strategic Plan priorities. The goals laid out in DOL's Strategic Plan are cascaded down to agency management plans for each DOL agency, and ultimately to the individual performance plans of DOL's approximately 23,421 staff. The performance management process is led by the Performance Management Center in the Office of the Assistant Secretary for Administration and Management.

Through routine reviews with the Deputy Secretary, executives assess program performance, both quarterly and year-to-date, against targets established in each subagencies annual agency management plan.

Performance Outcomes

A detailed breakdown of DOL performance results can be found in the FY 2024 Annual Performance Report.

Highlighted measures:

Measure	FY 2024 Target	FY 2024 Result	Percent Achieved
Percent of wage-loss claims timely processed within 14 days: claims not requiring further development	92%	95%	103%
Total Annual Number of Apprentices Served (Rolling 4 Quarters)	900,000	948,166	105%

Looking Forward

DOL's work stabilizes the economy, and DOL will continue to invest in the country's workers. The most impacted workers in these situations are the most vulnerable and underserved communities. DOL will continue to focus efforts on these worker populations, prioritizing communities most affected by poverty. The Department will continue to be bold, unleashing our full power to serve and protect all workers; and build a DOL team and culture in which all are valued, heard, and developed into leaders now and in the future. The Department will continue to effectively target resources and use performance data to make evidence-based policy decisions and partner with all levels of government and private employers to ensure the greatest possible impact and opportunities for all workers.

DOL continues to assess, plan, and prepare for climate-related risks in support of Executive Order (E.O.) 14008, "Tackling the Climate Crisis at Home and Abroad," and E.O. 14057, "Catalyzing Clean Energy Industries and Jobs Through Federal Sustainability." This includes addressing facility and supply chain requirements for mission stability and improving best practices to ensure clean, healthy, and resilient workplaces. Further information can be found on Agency's public Sustainability webpage (https://www.dol.gov/open/sustainability) and the FY2024-202-DOL-Climate-Adaptation-Plan.pdf.

DOL continues to mature its Organizational Health Framework in support of the Office of Management and Budget (OMB) Memo M-23-15, "Measuring, Monitoring, and Improving Organizational Health and Organizational Performance in the Context of Evolving Agency Work Environments." In FY 2025, DOL is tracking indicators to improve organizational health and organizational performance. DOL is focusing on understanding workforce data, increasing agency training and feedback sessions, participation in mentoring, and employee engagement.

Financial Performance Overview

Sound financial management is an integral part of the Department's efforts to deliver services and administer programs. With the Department's emphasis on internal controls, accurate financial information delivery to key decision makers, and transparent and accountable reporting, the Department's stakeholders can be confident that resources are used efficiently and effectively.

DOL implemented the requirements of OMB Circular A-123, *Management's Responsibility for Enterprise Risk Management and Internal Control (revised July 15, 2016)* and the Government Accountability Office's (GAO) *Standards for Internal Control in the Federal Government (published September 10, 2014)*. DOL's internal control program and centralized processes for reporting financial data help to ensure the relevance and reliability of financial performance data, including compliance with the Digital Accountability and Transparency Act of 2014 (the DATA Act) and Circular A-123's Appendix A, *Management and Reporting of Data Integrity Risk (revised June 6, 2018)*. Through its Data Quality Plan, DOL has tailored its control structure to address risks to data quality in Federal spending data and the system of controls that manage such risks. DOL's comprehensive internal control program has the objective of providing, on a continuing basis, reasonable assurance that all financial, non-financial, performance, statistical records, and related reports are reliable. DOL's internal control program helps ensure that appropriate internal controls are in place for financial performance management and that agencies institute sound, effective internal control policies and procedures for financial performance measurement and regular evaluation of their processes. Financial performance is evaluated during comprehensive ongoing financial management reviews and corrective actions are implemented as required to resolve audit findings and increase efficiency. One of these evaluations is DOL's assessment of its internal controls over financial reporting conducted in accordance with the requirements of Appendix A. As a result, management was able to provide reasonable assurance, with the exception of the material weakness, on the effectiveness of its internal controls over reporting as of September 30, 2024. These business processes help to ensure that reported financial performance information is relevant and reliable.

In FY 2024 and FY 2023, DOL used managerial cost accounting for costing programs and performance indicator results in accordance with the Federal Accounting Standards Advisory Board's (FASAB) Statement of Federal Financial Accounting Standards (SFFAS) 4, "Managerial Cost Accounting Standards and Concepts," as amended. The statement outlines the standards for Federal entities to provide "reliable and timely information on the full cost of Federal programs, their activities, and outputs." This information can be used to allocate resources and evaluate program performance. Managerial cost accounting directly supports the sections of the AFR that address Net Program Cost in the Statement of Net Cost (SNC). Total Net Cost of DOL activities were $60.9 billion for FY 2024 and $68.0 billion for FY 2023.

Analysis of Financial Statements and Stewardship Information

The principal financial statements summarize the Department's financial position, net cost of operations, and changes in net position, and provide information on budgetary resources and social insurance.

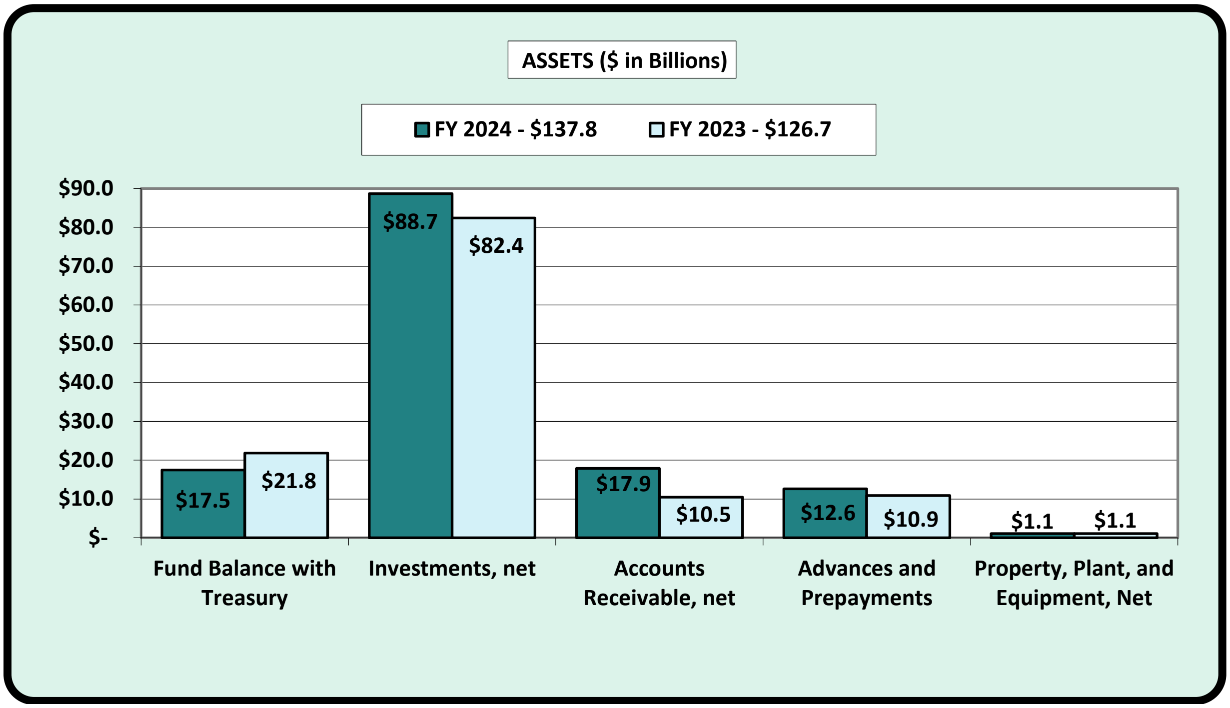
Figure 1: Summary of Selected Financial Data for FY 2024 and FY 2023

(Dollars in Billions)	2024	2023	Change Amount	Change Percent
Financial Position				
Total Assets	$ 137.8	$ 126.7	$ 11.1	8.8%
Fund Balance with Treasury	17.5	21.8	(4.3)	(19.7%)
Investments, Net	88.7	82.4	6.3	7.6%
Accounts Receivable, Net	17.9	10.5	7.4	70.5%
Advances and Prepayments	12.6	10.9	1.7	15.6%
Property, Plant, and Equipment, Net	1.1	1.1	-	0.0%
Total Liabilities	$ 139.0	$ 125.7	$ 13.3	10.6%
Debt	35.4	38.2	(2.8)	(7.3%)
Post-Employment Benefits Payable	6.6	6.3	0.3	4.8%
Benefits Due and Payable	10.6	10.9	(0.3)	(2.8%)
Other Liabilities: Energy Employees Occupational Illness Compensation Benefits	84.3	67.8	16.5	24.3%
Remaining Liabilities	2.1	2.5	(0.4)	(16.0%)
Net Cost of Operations				
Net Cost of Operations	$ 60.9	$ 68.0	$ (7.1)	(10.4%)
Income Maintenance	51.0	58.2	(7.2)	(12.4%)
Employment and Training	6.8	6.8	-	0.0%
Other	3.1	3.0	0.1	3.3%
Budgetary Resources				
Total Budgetary Resources	$ 71.1	$ 63.9	$ 7.2	11.3%
New Obligations and Upward Adjustments (Total)	66.2	58.3	7.9	13.6%
Appropriations (Discretionary and Mandatory)	56.2	46.6	9.6	20.6%
Agency Outlays, Net (Discretionary and Mandatory)	53.0	47.3	5.7	12.1%

Financial Position

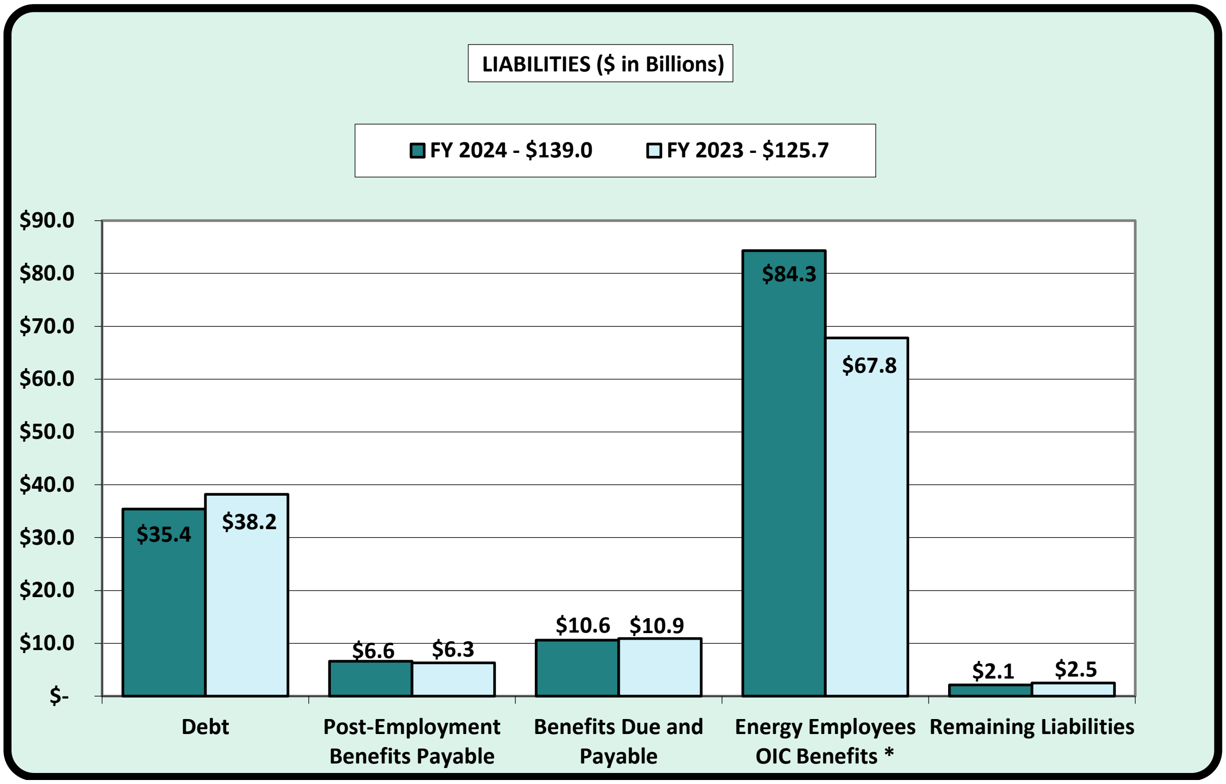
The Department's balance sheet presents DOL's financial position through the identification of agency assets, liabilities, and net position, as shown below. The Department's total assets increased from $126.7 billion at the end of FY 2023 to $137.8 billion at the end of FY 2024, an increase of $11.1 billion or 8.8%, primarily due to an increase in Investments, Net and Accounts Receivable, Net. (See Figure 2 on the next page for reported Assets by Type for FY 2024 and FY 2023). DOL's Fund Balance with Treasury decreased by $4.3 billion [(19.7%)] from $21.8 billion at the end of FY 2023 to $17.5 billion at the end of FY 2024 due to decreased funding as a result of the expiration of the coronavirus pandemic-related unemployment programs. It represents obligated and unobligated balances available to finance DOL's expenditures. Investments, net comprise the largest portion of total assets. DOL's Investments, net, increased from $82.4 billion at the end of FY 2023 to $88.7 billion at the end of FY 2024, an increase of $6.3 billion or 7.6%, due to increased purchases of Treasury Securities from the Unemployment Trust Fund (UTF).

Figure 2: Assets by Type for FY 2024 and FY 2023



The Department's total liabilities increased from $125.7 billion at the end of FY 2023 to $139.0 billion at the end of FY 2024, an increase of $13.3 billion or 10.6%. (See Figure 3 on the next page for reported Liabilities by Type for FY 2024 and FY 2023). The increase was due to a combination of factors, including: an increase in the actuarial liability for the Energy Employees Occupational Illness Compensation (EEOIC) benefits [$16.5 billion or 24.3%] was driven by estimated home health care costs, projected medical costs, medical inflation rates, and future Energy Part B benefit payments. The EEOIC benefits comprise the largest component of DOL's total liabilities. DOL records a liability for all unpaid disability benefits as of September 30, 2024. This was offset by a decrease in debt [$2.8 billion or (7.3%)] in the UTF from borrowing from the General Fund of the Treasury as states are repaying balances that they had accumulated during the peak of the coronavirus pandemic. The debt component of $35.4 billion at the end of FY 2024 and $38.2 billion at the end of FY 2023 in DOL's total liabilities relates to advances from U.S. Treasury to the UTF and Black Lung Disability Trust Fund.

Figure 3: Liabilities by Type for FY 2024 and FY 2023

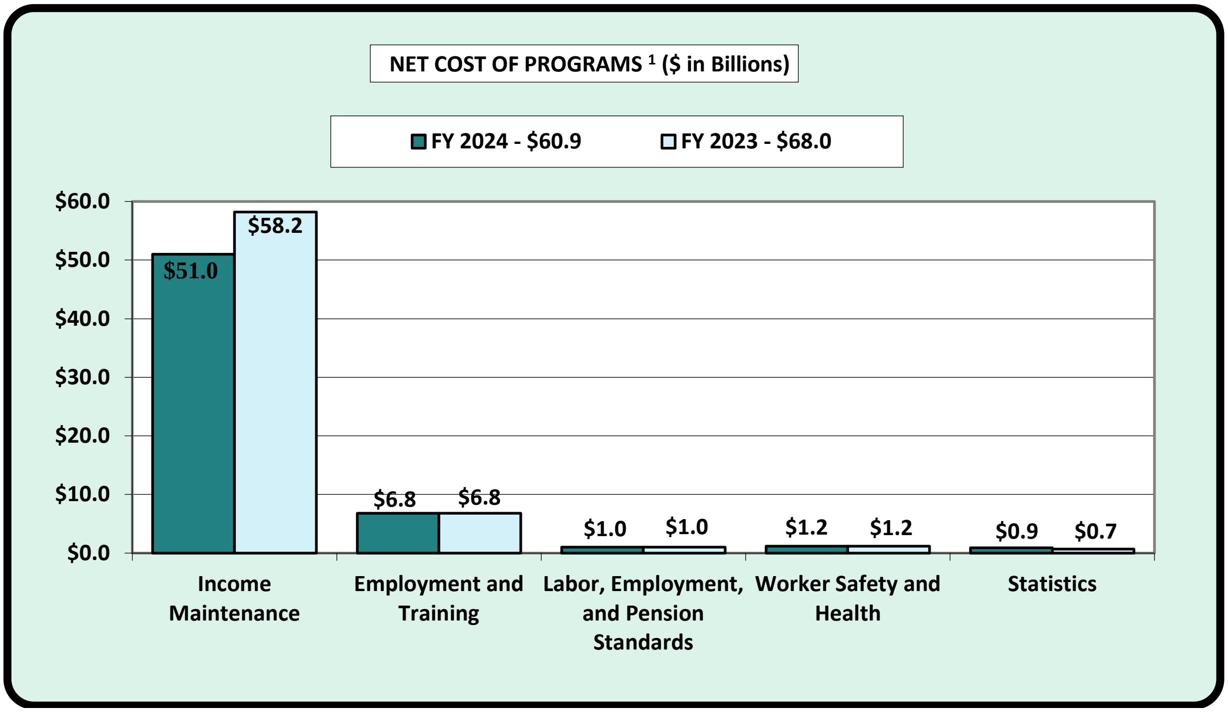


* OIC = Occupational Illness Compensation.

Net Cost of Operations

The Department's net cost of operations for the year ended September 30, 2024 was $60.9 billion, a decrease of $7.1 billion or (10.4%) from $68.0 billion for the year ended September FY 2023. This decrease was attributable to decreases in program costs discussed on the next page.

Figure 4: Net Cost of Operations by Program for FY 2024 and FY 2023



[1] The Department's Net Cost of Programs include costs not assigned to specific programs, which were $85.3 million and $108.3 million for FY 2024 and FY 2023, respectively.

Income Maintenance programs continue to comprise the major portion of departmental costs. These programs include unemployment benefits paid to covered individuals who are out of work and seeking employment, as well as payments to individuals who qualify for disability benefits due to injury or illness suffered on the job, and the costs to administer these programs. Income maintenance net costs were $51.0 billion in FY 2024 compared to $58.2 billion in FY 2023, a decrease of $7.2 billion or 12.4% from FY 2023. This decrease is primarily due to the expiration of the pandemic related unemployment programs, and EEOIC and Federal Employees' Compensation Act (FECA) actuarial benefits liabilities.

Employment and Training programs comprise DOL's second largest cost. These programs are designed to help individuals deal with the loss of a job, identify new occupational opportunities, find training to acquire different skills, start a new job, and make long-term career plans, as well as connect employers to workers with the skills they need. Employment and training costs were unchanged, $6.8 billion in FY 2024 and FY 2023, respectively.

Budgetary Resources

The Statements of Budgetary Resources report the budgetary resources available to DOL to effectively carry out the activities of the Department during FY 2024 and FY 2023, as well as the status of these resources at the end of each fiscal year. During FY 2024, total budgetary resources increased by $7.2 billion [11.3%] from $63.9 billion to $71.1 billion, primarily due to an increase in budgetary authority available to the UTF, and increased funding available to EEOIC for new Part B awards, and the increase in FECA reimbursements for War Hazards Compensation Act (WHCA) claims.

Impact of COVID-19

The Coronavirus Aid, Relief, and Economic Security (CARES) Act, as amended by the Continued Assistance for Unemployed Workers (CAUW) Act of 2020 and the American Rescue Plan (ARP) Act, funded several programs which were administered by DOL. In FY 2024, the Department's funding was utilized to finance administrative aspects of the COVID-19 unemployment related programs. There was also a significant recovery of prior-year obligations in FY 2024. All the major DOL programs were funded by indefinite authority.

DOL received $341.0 million and $400.8 million in administrative funding in FY 2024 and FY 2023. As of September 30, 2024, obligations incurred were $24.4 million and $316.7 million was unobligated. As of September 30, 2023, obligations incurred were $244.5 million and $156.3 million was unobligated. In FY 2024 and FY2023, DOL deobligated funds for various COVID-19 programs in the amount of $1.8 billion and $2.6 billion, respectively, as a result of changes in the estimated future benefit costs related to these programs.

COVID-19 has a significant impact to DOL's assets, liabilities, costs, and net position. In FY 2024 and FY 2023, Accounts Receivable, Net with the public related to COVID-19 increased by $10.0 billion and $3.4 billion, respectively, as a result of receivables with the states for benefit overpayments.

DOL still has debt of $28.5 billion in FY 2024 and $31.5 billion in FY 2023, as a result of the repayable advances received to fund regular unemployment benefits and extended unemployment benefits attributed to the increased costs related to COVID-19.

Social Insurance and the Black Lung Disability Benefit Program

FASAB has classified the Black Lung Disability Benefit Program as a social insurance program that is required to report a Statement of Social Insurance (SOSI) and a Statement of Changes in Social Insurance Amounts (SCSIA) for the Black Lung Disability Trust Fund (BLDTF); these are sustainability financial statements.

The SOSI reports for the projection period (which begins on the September 30 valuation date of the reporting year) for current and new participants (the open group), the open group measure, which is the present value of estimated future coal excise tax income, less the present value of estimated future administrative costs and the actuarial present value of future benefit payments. The SOSI also reports the closed group measure, which is measured in a similar manner, for the current participants only (the closed group). The difference between the open group measure and the closed group measure is the inclusion of new participants that will be added to the rolls after the valuation date; new participants include participants for whom the BLDTF has an adjudicated liability as of September 30 (due to, among other things, bankruptcy of the responsible mine operator), but had not yet been added to the rolls. DOL uses a rolling 25-year projection period that begins on the September 30 valuation date. For the September 30, 2024 valuation date, the rolling 25-year projection period ends September 30, 2049.

For the five years presented in the SOSI, the open group measure at the 2020 measurement date improved from a negative $(1.97) billion as of September 30, 2020 to a negative $(912.7) million as of September 30, 2024. There was a large decrease in the open group measure between September 30, 2022 and September 30, 2023 primarily because the September 30, 2023 open group measure included the effects of the Inflation Reduction Act (IRA) tax credits and incentives that support, in general, energy industries that compete with the coal industry; as coal production decreases, this in turn, decreases the coal excise tax collections on domestic sales of coal. For the SOSI with a valuation date of September 30, 2023, the lower excise tax collections due to the large decrease in projected coal production offset the IRA's permanent increase in the coal excise tax rates which went into effect on October 1, 2022. For the SOSI with a valuation date of September 30, 2024, the lower excise tax collections continued due to lower projections on coal production.

The long-term trend for the decrease in the open group measure was primarily due to the decrease in the present value of estimated future coal excise tax income, which depends on, among other things, the business and regulatory environment of the coal industry. Assumptions that, among other things, lead to favorable conditions for energy sources that compete with coal will reduce coal's market share; lower demand for coal will lead to lower collections of excise taxes. The open group measure as of September 30, 2022 improved primarily because of a higher present value of estimated future tax income due to the permanent increase in coal excise tax rates that were immediately effective on October 1, 2022; however, the September 30, 2022 open group measure did not include the effects of the IRA's tax credits and incentives on coal production because those projections were not available until March 2023. The increase in the coal excise tax rates was immediate, whereas the IRA's tax credits and incentives are implemented over future years.

Figure 5: Black Lung Disability Benefit Program - Table of Key Measures for FY 2024 and FY 2023

(Dollars in Millions)	2024	2023	Change Amount	Change Percent
Financial Position				
Total Assets	$ 290.2	$ 311.5	$ (21.3)	(6.8)%
Less: Total Liabilities	(6,926.5)	(6,667.1)	(259.4)	(3.9)%
Net Position (Assets net of Liabilities)	$ (6,636.3)	$ (6,355.6)	$ (280.7)	(4.4)%
Costs and Changes in Net Position				
Net Cost of Operations	$ (445.2)	$ (314.8)	$ (130.4)	(41.4)%
Net Financing Sources	164.5	220.6	(56.1)	(25.4)%
Change in Net Position	$ (280.7)	$ (94.2)	$ (186.5)	(198.0)%
Social Insurance				
Open Group Measure, Beginning of Year	$ (527.7)	$ 792.0	$ (1,319.7)	(166.6)%
Open Group Measure, End of Year	$ (912.7)	$ (527.7)	$ (385.0)	(73.0)%

The decrease in the total assets of $21.3 million [(6.8)%] was due to lower Fund Balance with Treasury (FBWT) and receivables from benefit overpayments. The BLDTF FBWT represents immediate needs to cover benefits and other expenses. The increase in net cost of operations of $130.4 million [(41.4)%] was due primarily to increases in costs for benefits and interest. The FY 2024 net financing sources decreased $56.1 million [(25.4)%] from FY 2023 primarily because of lower excise tax revenues.

The coal excise tax rates have fluctuated year-to-year, between **higher rates** of $1.10 per ton of underground-mined coal and $0.55 per ton of surface-mined coal sold, with a cap of 4.4 percent of sales price, and **lower rates** of $0.50 per ton of underground-mined coal and $0.25 per ton of surface-mined coal sold, with a limit of 2.0 percent of sales price. P.L. 116-94, Further Consolidated Appropriations Act 2020, temporarily increased the excise tax rates back to the higher rates for the period January 1, 2020 through December 31, 2020. In accordance with the laws in effect as of September 30, 2020, the tax rates would revert to the lower rates on January 1, 2021 and these assumptions were used for the SOSI as of September 30, 2020.

On December 27, 2020, after the SOSI as of September 30, 2020 was published, P.L. 116-260, Division EE, Taxpayer Certainty and Disaster Tax Relief Act of 2020, temporarily extended the higher rates for the period January 1, 2021 through December 31, 2021. In accordance with the laws in effect as of September 30, 2021, the tax rates reverted to the lower rates on January 1, 2022 and these assumptions were used for the SOSI as of September 30, 2021.

The Inflation Reduction Act (enacted in August 2022) permanently raised the coal excise tax rates to the higher rates on domestic sales of coal on or after October 1, 2022 and these assumptions were used for the SOSI as of September 30, 2022, 2023, and 2024.

Total liabilities increased $259.3 million [3.9%] at the end of FY 2024. The BLDTF paid maturing debt and interest on September 30, 2024, but borrowed again on that date. The increase in the debt level is important because it demonstrates that although the BLDTF repaid debt of $3.13 billion on September 30, 2024, the debt level increased due to additional borrowing of $3.03 billion and accrued interest of $1.9 billion on the zero-coupon bonds as of September 30, 2024. The FY 2024 open group measure decreased by $385.0 million primarily because of changes in assumptions about coal excise tax revenues of $(154.0) million, changes in assumptions in administrative costs of $(117.8) million, and changes in assumptions about beneficiaries, including costs, number type, age, and life expectancy of $(90.6) million, offset by the net effect of other changes in assumptions about Federal civilian pay raises for income benefits, medical inflation for medical benefits, and interest rates. The open group measure as of September 30, 2023 decreased $1.32 billion, primarily because of the changes in assumptions about coal excise taxes of $(1.43) billion due to lower projections for coal production.

The total of open group measure plus fund assets as of September 30, 2024 represents a projected net cash flow that may be used to liquidate the liabilities of the BLDTF. As of September 30, 2024, the open group measure plus fund assets is $(622.6) million due to a decrease in the open group measure of $(385.0) million, which continues to contribute to the fund's poor financial condition caused by its existing debt; for the BLDTF debt, the principal and interest that will mature on September 30, 2025 will be more than $3.4 billion, which will contribute to a higher debt level and continuing poor financial condition of the fund; the carrying value of the debt as of September 30, 2024 is $6.9 billion, an increase in debt of $219.9 million which contributed to the continuing poor financial condition of the fund; and the fund deficit was $(6.6) billion, a decline in the financial condition of the fund of $280.7 million. Together, the excess of BLDTF debt over the open group measure plus fund assets, the fund deficit, and the continuing poor financial condition of the fund represent risks and conditions with unfavorable effects on the long-term sustainability of the BLDTF. Refer to Notes 1-W, 1-Y, and 21, Required Supplementary Information (RSI), as well as the FY 2024 AFR, for additional information on the SOSI, including the summary section; SCSIA; the Black Lung Disability Benefit Program; its reported activity and balances; and projections and sensitivity analysis in constant dollars through 2049.

Education and Training Programs

Education and training programs are maintained by DOL on behalf of the nation, providing long-term benefits that cannot be measured in traditional financial reports. These programs are created for the general public and are intended to maintain or increase national economic productive capacity. DOL's education and training programs are reported as employment and training expenses in DOL's net cost of operations. Within DOL, the Employment and Training Administration (ETA), including the Office of Job Corps (OJC), and the Veterans' Employment and Training Service (VETS) administer training programs. Below is a discussion of ETA programs. Please refer to the Other Information section for a discussion of VETS programs.

Employment and Training Administration

ETA's total net costs for education and training programs were $6.3 billion, which provided services to nearly 1.6 million participants in FY 2024. These costs consisted of job training programs authorized by the Workforce Innovation and Opportunity Act (WIOA) of 2014, Title V of the Older Americans Act, as amended, the Trade Act of 1974, as amended, the Health Care and Education Reconciliation Act of 2010, the National Apprenticeship Act of 1937, and other legislation.

Within ETA, the OJC also invests in education and training through WIOA's Job Corps training program. OJC's costs in FY 2024 were $1.8 billion, providing services to nearly 62,000 participants in primarily residential settings at more than 120 Job Corps centers. The job training programs authorized by WIOA and other legislation are discussed below.

<u>Adult, Dislocated Worker, Youth, and Job Corps Programs</u>
<u>Authorized by the Workforce Innovation and Opportunity Act (WIOA) of 2014</u>

- **WIOA Adult Program** – The WIOA Title I Adult Program helps prepare adult job seekers, particularly those who are low income, for good jobs, through formula grants to states. States use the funds to provide employment and training services through a network of approximately 2,200 American Job Centers. WIOA funds career services and training services to jobseeker customers. These services are provided at a level that most effectively meets their needs to achieve gainful employment. The program is also designed to assist employer customers in meeting their needs for hiring skilled workers. The WIOA Adult program provides priority of service to recipients of public assistance, individuals who are "basic skills deficient" (including English language-learners), and low-income individuals, to help them enter or re-enter the workforce and gain a pathway to economic stability. The WIOA Adult program, and all job training programs funded by the Department, also provides priority of service for employment and training services to veterans and eligible spouses. ETA's FY 2024 costs through the WIOA Adult programs were $885 million.
- **WIOA Dislocated Worker Program** – The WIOA Dislocated Worker Program funds services to support the reemployment of laid-off workers. The Department allots formula funds to states to operate the Dislocated Worker program. The Department also awards National Dislocated Worker Grants to provide employment services and other assistance to workers laid off due to emergencies and major disasters, mass layoffs of at least

50 workers, or circumstances where at least 50 individuals relocate from a disaster area. These specially targeted funds can infuse resources to areas suffering most from plant closings, mass layoffs, or job losses due to natural disasters or military base realignment and closures. States allocate their Dislocated Worker funds to their local workforce development areas to provide career and training services to individuals who have lost their jobs through no fault of their own, including separating service members, military spouses, and displaced homemakers. Additionally, the program allows for states to reserve up to 25 percent of their Dislocated Worker funds for Rapid Response activities. Rapid Response is a proactive, business-focused, and flexible strategy to assist both growing companies seeking skilled workers and businesses and workers affected by layoffs through coordinated and quickly provided services. ETA's FY 2024 costs for the WIOA Dislocated Worker programs were $1.5 billion.

- **WIOA Youth Program** – The WIOA Youth Formula Program provides employment and education services to eligible in-school youth, ages 14-21, and eligible out-of-school youth, ages 16-24, who face barriers to employment. The program serves high school dropouts, foster youth, homeless youth, offenders, youth with disabilities, youth with low literacy rates, as well as others who may require additional assistance to complete an educational program and acquire an industry-recognized credential or enter employment. Additionally, the YouthBuild program addresses the challenges faced by unemployed youth and those who left high school prior to graduation by providing them with an opportunity to gain the education and occupational skills that will prepare them for quality employment. ETA's FY 2024 costs for the WIOA Youth programs were $1.1 billion.
- **Job Corps program** – ETA's Office of Job Corps awards contracts to support a system of primarily residential centers providing academic education, career technical training, service-learning, and social skills training for low-income young people. There are more than 120 Job Corps centers including 24 centers that are operated through interagency agreements between DOL and the U.S. Department of Agriculture, Forest Service. OJC's FY 2024 costs for the Job Corps program were $1.8 billion.
- **Reentry Employment Opportunities programs** – The Reentry Employment Opportunities Adult (REO-Adult) program serves young adults (18-24), and adults (18+) who were formerly incarcerated. The program connects current or formerly incarcerated adults and youth involved in the justice system with occupational skills training and Registered Apprenticeships, which can reduce the significant barriers to employment that justice-involved individuals face. The REO-Adult Program assists offenders returning home from prison find employment and access job training. It promotes collaboration and communication between community-based organizations, foundations, state and local justice agencies, community colleges, the workforce system, and employers. Adult core services focus on pre- and post-release, and include apprenticeships, case management, supportive services, employer connections, mentoring, and occupational training. ETA also administers the Federal Bonding Program which provides fidelity bonds to employers for the first six months of employment, at no cost to the job applicant or employer. Thousands of employers across the country have integrated the Federal Bonding Program into their hiring practices. The Reentry Employment Opportunities Youth (REO-Youth) program provides grants to serve youth (ages 15-18) and young adults (18-24) who have been involved in the justice system or are at risk of justice involvement. Young adult core services include providing work experience, job placement, occupational skills training, and supportive services to young people living amid poverty and violence in their communities. Grants support programs to prepare justice-involved youth and young adults for employment through education and training, paid work experiences, mentorship, and leadership development, and contributes to community violence intervention among youth and young adults. ETA's FY 2024 costs for the Reentry Employment Opportunities programs were $91 million.
- **National programs** – ETA also administers programs authorized by WIOA title I to serve specific communities, including grants to federally recognized Indian tribes and other Native American governments or non-profit organizations, and to migrant and seasonal farmworker service organizations. ETA's FY 2024 costs for the WIOA National Programs were $153 million.

Community Service Employment for Older Americans (CSEOA) Program

Authorized by the Older Americans Act of 1965, the Senior Community Service Employment Program (SCSEP) is designed to foster individual economic self-sufficiency and promote useful work experience opportunities in the community for unemployed low-income persons (particularly persons who have poor employment prospects) who are age 55 or older, and to increase the number of persons who may benefit from unsubsidized employment in the public and private sectors. ETA's FY 2024 costs for the CSEOA's SCSEP were $417 million.

Trade Adjustment Assistance for Workers Program

The Trade Adjustment Assistance (TAA) Program is a vital part of the workforce development system as it helps workers dislocated by foreign trade to adjust to changing market conditions and shifting skill requirements. Addressing the needs of trade-affected workers is a unique challenge, as they are typically dislocated from relatively outdated-skill, high-wage employment. In many cases, dislocations occur via mass layoffs or plant closures in single-industry regions, which makes finding comparable employment in the same geographic area difficult. Furthermore, many of these jobs are permanently lost from the domestic economy, requiring affected workers to completely retool their skills. TAA provides these affected workers with opportunities to obtain the skills, credentials, resources, and case management support necessary to become reemployed. On July 1, 2022, the termination provision under Section 285(a) of the Trade Act of 1974, as amended, took effect. Until further notice, the Department may not issue any determinations and may not accept any new petitions or requests for reconsideration. ETA's FY 2024 TAA training costs were $85 million.

National Apprenticeship Program

The Office of Apprenticeship (OA) provides direction and national leadership for the apprenticeship system nationwide. OA, in collaboration with industry and states, facilitates business, industry, and labor participation in these innovative work-based learning and post-secondary earn-and-learn models that increase business efficiency and provide workers with a solid path to the middle class. ETA's FY 2024 costs in Apprenticeship programs were $273 million.

Program Costs and Outputs

The cost of ETA education and training programs and the participants served are shown in the chart below for FY 2023 and FY 2024.

ETA Education and Training Programs
Program Costs (in Millions) and Participants Served [1] (in Thousands)
For FY 2023 and FY 2024

	2024		2023	
Program	**Costs**	***Part. Served***	**Costs**	***Part. Served***
WIOA				
Adult	$885	280.0	$952	303.0
Dislocated Worker[2]	1,471	214.8	1,390	272.4
Youth[3]	1,075	137.5	1,104	137.4
Job Corps	1,779	62.0	1,844	47.8
Reentry Employment Opportunities Programs[4]	91	16.3	90	13.3
National Programs[5]	153	27.1	170	29.4
CSEOA				
SCSEP	417	41.9	395	41.5
TAA for Workers[7]	85	3.9	150	8.5
Apprenticeship	273	673.5	219	656.7
Other[6]	119	175.9	122	118.4
TOTAL	$6,348	1,632.9	$6,436	1,628.4

(1) Participant numbers are from grantee reports submitted for the Program Year (PY) ending on June 30 of the corresponding fiscal year, unless otherwise noted. The number of participants for 2023 may be affected due to the COVID-19 pandemic.
(2) Dislocated Worker programs include the National Dislocated Worker Grants program.
(3) Youth programs include the YouthBuild program.
(4) Reentry Employment Opportunities Programs includes the REO-Adult and REO-Youth programs
(5) National Programs include the Native American and Migrant and Seasonal Farmworker programs.
(6) Other includes training programs for highly skilled occupations funded through H1-B fees. The H-1B program added their current grants for future year reporting.
(7) On July 1, 2022, the termination provision under Section 285(a) of the Trade Act of 1974, as amended, took effect.

Program Outcomes

Outcomes for training programs comprising ETA's education and training programs are presented in the Department's Annual Performance Report for FY 2024, available on the DOL website in February 2025 at https://www.dol.gov/general/aboutdol#budget.

Limitations of the Principal Financial Statements

As required by the Government Management Reform Act of 1994 (31 U.S.C. 3515(b)), the principal financial statements report the Department's financial position and results of operations. While the statements have been prepared from the Department's books and records in accordance with U.S. Generally Accepted Accounting Principles (GAAP) for Federal entities and the formats prescribed by OMB, the statements are in addition to the financial reports used to monitor and control budgetary resources, which are prepared from the same books and records. The statements should be read with the realization that they are a component of the U.S. Government, a sovereign entity, and that liabilities reported in the financial statements cannot be liquidated without legislation providing resources to do so.

Analysis of Systems, Controls, and Legal Compliance

New Core Financial Management System (NCFMS) is the financial system of record for the Department of Labor (DOL). It supports the Office of the Chief Financial Officer's (OCFO) mission to uphold strong financial management principles and accountability by providing timely, accurate, and reliable financial information. As a crucial component supporting DOL's finance and accounting activities, NCFMS plays a pivotal role in facilitating invoicing and payments, budget execution, fixed assets management, accounts receivables, general ledger, and project accounting.

In FY2024, DOL continued making necessary changes to NCFMS, approved through its established Change Control Process, to support DOL's mission. DOL successfully completed the NCFMS Data Encryption project (covering 'Data at Rest' and 'Data in Transit'), in alignment with the Executive Order (EO 14028) on 'Improving the Nation's Cybersecurity'. The Department is integrating Treasury's G-Invoicing System with NCFMS for new intragovernmental (IGT) Buy/Sell transactions and Performance. The previous completion of the 7600A process in FY 2022 will be integrated with the upcoming completion of the 7600B portion of the G-Invoicing initiative to ensure DOL is fully compliant by the target date of FY 2025 Q2. Additionally, as a part of the IT Modernization efforts, DOL made progress with the NCFMS User Interface (UI) Framework Modernization Project to meet modern browser standards, increase Section 508 Compliance, improve defense against cybersecurity risks, and to enhance user experience (UX). This project is scheduled to be completed by Q3 FY2025.

Furthermore, DOL has been collaborating with the Treasury-led, Financial Management Quality Service Management Office (FM QSMO), initiative. DOL performed an initial high-level pre-discovery of the only approved FM Core Solution. Given the limited number of approved FM Core Solutions available, and DOL's consultations with the FM QSMO DOL is planning to recompete the existing NCFMS O&M contract, that ends in September 2026.

Management Assurances

Federal Managers' Financial Integrity Act of 1982

The Federal Managers' Financial Integrity Act of 1982 (FMFIA) requires that agencies establish internal controls and financial systems that provide reasonable assurance that the integrity of Federal programs and operations is protected. It requires the agency head to provide an annual assurance statement whether the agency has met this requirement or not.

OMB Circular A-123 provides specific requirements for conducting management's assessment of internal control over reporting and requires the agency head to provide an assurance statement on the effectiveness of internal controls over reporting.

Federal Financial Management Improvement Act of 1996

The Federal Financial Management Improvement Act of 1996 (FFMIA) requires that agencies implement and maintain financial management systems that comply substantially with Federal financial management system requirements, applicable Federal accounting standards, and the United States Government Standard General Ledger at the transaction level. The agency head makes an annual determination whether the financial systems substantially comply with FFMIA.

Federal Managers' Financial Integrity Act of 1982

The Department of Labor management is responsible for managing risks and maintaining effective internal control to meet the objectives of Sections 2 and 4 of the Federal Managers' Financial Integrity Act. DOL conducted its assessment of risk and internal control in accordance with OMB Circular No. A-123, Management's Responsibility for Enterprise Risk Management and Internal Control. Based on the results of the assessment, the Agency can provide reasonable assurance that internal control over operations, reporting, and compliance were operating effectively as of September 30, 2024, except for the following material weakness reported:

Improvements Needed in Controls Over Financial Reporting Related to Unemployment Trust Fund Balances and Activity

Federal Financial Management Improvement Act of 1996

The Federal Financial Management Improvement Act of 1996 (FFMIA) requires agencies to implement and maintain financial management systems that are substantially in compliance with Federal financial management systems requirements, Federal accounting standards, and the United States Government Standard General Ledger at the transaction level. All DOL financial management systems substantially comply with FFMIA as of September 30, 2024.

Julie A. Su
Acting Secretary of Labor

Nikki McKinney
Associate Deputy Secretary of Labor

Kevin L. Brown
Deputy Chief Financial Officer

Carolyn Angus-Hornbuckle
Assistant Secretary for Administration and Management

November 14, 2024

Financial Section

Message from the Deputy Chief Financial Officer

This FY 2024 Agency Financial Report (AFR) provides detailed financial and high-level performance information to enable the Department's stakeholders and the American public to understand and evaluate our programs. This Report provides a comprehensive, transparent window for the American public into how the Department is utilizing the taxpayer dollars we've been entrusted with and fulfills several statutory requirements, including the Reports Consolidation Act of 2000, the Chief Financial Officers Act, the Federal Managers' Financial Integrity Act (FMFIA), and the Government Management Reform Act.

In FY 2024, the independent auditors reported a qualified opinion on our consolidated financial statements. OCFO's top priority will be to address findings raised by the audit and return to an unmodified opinion. More information regarding this audit opinion and our ongoing efforts may be found in *Management's Response* in the *Independent Auditors' Report* of this AFR.

With our work, OCFO is focused on implementing and continually improving DOL Strategic Goals through investments in strong fiscal integrity, risk-based decision making, and innovative solutions in managing tax dollars wisely. With that in mind, OCFO is constantly focused on maintaining the New Core Financial Management System (NCFMS) to provide decision makers with accurate and reliable information. In addition to the work on the root causes of the qualified opinion, significant actions taken by OCFO to best serve the Department include:

Kevin L. Brown
Deputy Chief Financial Officer
Department of Labor

OCFO's Mission

"The Office of the Chief Financial Officer (OCFO) is responsible for the financial leadership of DOL and its primary duty is to uphold strong financial management and accountability while providing timely, accurate, and reliable financial information and enhancing internal control."

NCFMS Data Encryption Implementation Project: OCFO and the Department prioritized the data encryption requirements detailed in Executive Order (EO) 14028: Improving the Nation's Cybersecurity in section 3.0 and FISMA encryption guidelines to be completed by September 30, 2024. This required all NCFMS data-at-rest and data-in-transit to be encrypted with appropriate, approved versions of encryption algorithms. Benefits of data encryption include:

- Data-at-rest infrastructure hardware is fully encrypted and non-readable.
- Data-in-transit traveling over the NCFMS network is encrypted by using secure communication protocols to protect the traffic in flight.
- Application secrets credentials used to access NCFMS to appropriately limit privileges is encrypted, secured, and stored.
- File transfers with external systems (e.g., GrantSolutions, UMS, Treasury) are encrypted.
- NCFMS system is in compliance with the data encryption requirements detailed in the EO 14028 mandate.

Framework Modernization Project: The current NCFMS custom graphical user interface (GUI) framework was developed over 15 years ago before the advent of modern web browsers. The primary objective of the implementation effort is to modernize all existing, custom NCFMS screens. Benefits of the new NCFMS GUI framework include:

- Adheres to Section 508 compliance standards.
- Increases user satisfaction through improved accessibility and usability.
- Reduces risk associated with potential incompatibility with modern web browsers.

- Reduces complexity associated with supporting NCFMS custom screens.
- Improves the technical posture of NCFMS to provide better defense against cyber risks DOL may face in the future.

SkillSpark Training: To promote skill development and enhanced operations across the Department, OCFO offered six informational sessions to share best practices and provide resources to the financial community at DOL. These sessions are intended to provide tips, tools, and insight into critical financial functions within the Department that can be applied to daily tasks for financial staff across the Department. Over 600 people attended these trainings in FY24. An additional set of trainings are scheduled for FY25.

This AFR provides decision makers, taxpayers, and other stakeholders extensive financial information outlining the important work being done by OCFO and all DOL staff. I hope that you find it useful and an informative showcase of our commitment to transparency and strong financial management and accountability.

Kevin L. Brown
Deputy Chief Financial Officer
November 14, 2024

KPMG LLP
Suite 12000
1801 K Street, NW
Washington, DC 20006

Independent Auditors' Report

Acting Secretary and Inspector General
United States Department of Labor:

Report on the Audit of the Financial Statements

Qualified Opinion on the Consolidated Financial Statements and Opinion on the Sustainability Financial Statements

We have audited the financial statements of the United States (U.S.) Department of Labor (DOL), which comprise the consolidated financial statements and the sustainability financial statements. The consolidated financial statements comprise the consolidated balance sheets as of September 30, 2024 and 2023, and the related consolidated statements of net cost, and changes in net position, and combined statements of budgetary resources for the years then ended, and the related notes to the consolidated financial statements.

The sustainability financial statements comprise the statements of social insurance as of September 30, 2024, 2023, 2022, 2021, and 2020, the statements of changes in social insurance amounts for the years ended September 30, 2024 and 2023, and the related notes to the sustainability financial statements.

In our opinion, except for the possible effects on the 2024 and 2023 consolidated financial statements of the matters described in the Basis for Qualified Opinion on the Consolidated Financial Statements and Basis for Opinion on the Sustainability Financial Statements section of our report, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of the United States Department of Labor as of September 30, 2024 and 2023, and its net costs, changes in net position, and budgetary resources for the years then ended in accordance with U.S. generally accepted accounting principles.

Also, in our opinion, the accompanying sustainability financial statements present fairly, in all material respects, the United States Department of Labor's social insurance information as of September 30, 2024, 2023, 2022, 2021, and 2020, and its changes in social insurance amounts for the years ended September 30, 2024 and 2023 in accordance with U.S. generally accepted accounting principles.

Basis for Qualified Opinion on the Consolidated Financial Statements and Basis for Opinion on the Sustainability Financial Statements

For the years ended September 30, 2024 and 2023, DOL reported remaining obligations from the prior year related to the unemployment insurance programs enacted during the COVID-19 pandemic in the amount of $7.0 billion and $7.5 billion, respectively. These remaining obligations are reflected in the unobligated balance from prior year budget authority, net, caption of the combined statements of budgetary resources. DOL also included information related to these obligations in notes 18.A, 18.C, 18.D, 18.E, and 25. We were unable to obtain sufficient appropriate audit evidence about the methodology and certain underlying assumptions used to estimate the balances in fiscal years 2024 and 2023. Consequently, we were unable to determine whether any adjustments to these amounts were necessary.

KPMG

In addition, DOL reported COVID-19 related unemployment insurance benefit overpayments of $10.0 billion and $3.4 billion, net of allowance for uncollectible accounts, in the accounts receivable, net (with the public) caption in the consolidated balance sheets as of September 30, 2024 and 2023, respectively. DOL also included information related to the accounts receivable and the allowance for uncollectible accounts in notes 4, 15, 19, 21, and 25. We were unable to obtain sufficient appropriate audit evidence about the methodology and certain underlying assumptions used in developing the estimated components of the related account balances in fiscal years 2024 and 2023, including the related bad debt expense. Consequently, we were unable to determine whether any adjustments to these amounts were necessary.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS), the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, and Office of Management and Budget (OMB) Bulletin No. 24-02, *Audit Requirements for Federal Financial Statements*. Our responsibilities under those standards and OMB Bulletin No. 24-02 are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of DOL and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified audit opinion on the consolidated financial statements and audit opinion on the sustainability financial statements.

Emphasis of Matter

As discussed in Notes 1-W and 1-Y to the financial statements, the sustainability financial statements are based on management's assumptions. These sustainability financial statements present the actuarial present value of DOL's estimated future income to be received and future expenditures to be paid using a projection period sufficient to illustrate long-term sustainability. The sustainability financial statements are intended to aid users in assessing whether future resources will likely be sufficient to sustain public services and to meet obligations as they come due. The statements of social insurance and changes in social insurance amounts are based on income and benefit formulas in current law and assume that scheduled benefits will continue after any related trust funds are exhausted. The sustainability financial statements are not forecasts or predictions. The sustainability financial statements are not intended to imply that current policy or law is sustainable. In preparing the sustainability financial statements, management considers and selects assumptions and data that it believes provide a reasonable basis to illustrate whether current policy or law is sustainable. Assumptions underlying such sustainability information do not consider changes in policy or all potential future events that could affect future income, future expenditures, and sustainability, for example, implementation of policy changes to avoid trust fund exhaustion or unsustainable debt levels. Because of the large number of factors that affect the sustainability financial statements and the fact that future events and circumstances cannot be estimated with certainty, even if current policy is continued, there will be differences between the estimates in the sustainability financial statements and the actual results, and those differences may be material. Our opinion on the sustainability financial statements is not modified with respect to this matter.

Other Matter - Interactive Data

Management has elected to reference to information on websites or other forms of interactive data outside the Agency Financial Report to provide additional information for the users of its financial statements. Such information is not a required part of the financial statements or supplementary information required by the Federal Accounting Standards Advisory Board. The information on these websites or the other interactive data has not been subjected to any of our auditing procedures, and accordingly we do not express an opinion or provide any assurance on it.

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Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with U.S. generally accepted accounting principles, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, and OMB Bulletin No. 24-02 will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, Government Auditing Standards, and OMB Bulletin No. 24-02, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of DOL's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

Required Supplementary Information

U.S. generally accepted accounting principles require that the information in the Management's Discussion and Analysis and Required Supplementary Information sections be presented to supplement the financial statements. Such information is the responsibility of management and, although not a part of the financial statements, is required by the Federal Accounting Standards Advisory Board who considers it to be an essential part of financial reporting for placing the financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with GAAS, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the financial statements, and other knowledge we obtained during our audits of the financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Management is responsible for the other information included in the *Agency Financial Report*. The other information comprises the Message from the Acting Secretary of Labor, Message from the Deputy Chief Financial Officer, and Other Information sections but does not include the financial statements and our auditors' report thereon. Our opinions on the financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by *Government Auditing Standards*

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements as of and for the year ended September 30, 2024, we considered DOL's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of DOL's internal control. Accordingly, we do not express an opinion on the effectiveness of DOL's internal control. We did not test all internal controls relevant to operating objectives as broadly defined by the *Federal Managers' Financial Integrity Act of 1982*.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as described in Exhibit I, we identified certain deficiencies in internal control that we consider to be a material weakness.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider the deficiencies described in Exhibit I to be a material weakness.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether DOL's financial statements as of and for the year ended September 30, 2024 are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* or OMB Bulletin No. 24-02.

KPMG

We also performed tests of DOL's compliance with certain provisions referred to in Section 803(a) of the *Federal Financial Management Improvement Act of 1996* (FFMIA). Providing an opinion on compliance with FFMIA was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances in which DOL's financial management systems did not substantially comply with the (1) Federal financial management systems requirements, (2) applicable Federal accounting standards, and (3) the United States Government Standard General Ledger at the transaction level.

DOL's Response to Findings

Government Auditing Standards requires the auditor to perform limited procedures on DOL's response to the findings identified in our audit and described in Exhibit II. DOL's response was not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

Purpose of the Other Reporting Required by Government Auditing Standards

The purpose of the communication described in the Report on Internal Control Over Financial Reporting and the Report on Compliance and Other Matters sections is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of DOL's internal control or compliance. Accordingly, this communication is not suitable for any other purpose.

KPMG LLP

Washington, DC
November 14, 2024

1. Improvements Needed in Controls Over Financial Reporting Related to Unemployment Trust Fund (UTF) Balances and Activity

The United States Department of Labor (DOL) operates the Unemployment Insurance (UI) program which provides benefit payments, including enhanced UI benefits in response to COVID-19, to eligible individuals. The UI benefit disbursements and activities are reported in DOL's Fiscal Year (FY) 2024 financial statements and related notes. Consistent with prior years, the preparation of DOL's financial statements requires management to make certain estimates and assumptions related to the UI programs that affect the reported amounts of assets, liabilities, and obligations as of September 30, 2024, and the associated expenses for the year then ended. These estimates include the UTF obligations of COVID-19 funding, the UTF COVID-19 benefit overpayment receivables, net, and a portion of the UTF expenses, among others.

In FY 2023, we found that management's controls over the estimates related to the obligation of UTF COVID-19 funding and the UTF COVID-19 benefit overpayment accounts receivable were not sufficiently designed and documented to support the methodology, assumptions, and data used to develop these estimates. In FY 2023, we also found that management did not have sufficient controls in place over the UTF expenses to ensure that benefit expenses reported in DOL's financial statements were timely reconciled to the state workforce agencies' (SWA) actual expense information.

In FY 2024, we noted that management did not remediate the prior year deficiencies over the UI program estimate methodologies for the obligation of funding and the benefit overpayment accounts receivable, and UTF expenses. The deficiencies noted increase the risk that material misstatements in DOL's financial statements could occur and not be prevented or detected and corrected in a timely manner. We have included below a summary of the specific issues noted:

UTF Obligation of COVID-19 Funding

Management did not have sufficient processes and controls in place to properly validate the reasonableness of the methodology, assumptions, and underlying data used to support the estimate of the remaining obligated amounts for UTF COVID-19 programs. This resulted in management's inability to properly support the completeness, existence, and accuracy of the $7.0 billion in remaining obligations reflected in the Unobligated balance from prior year authority, net, reported in the combined statement of budgetary resources for the fiscal year ended September 30, 2024, and the related information in notes 18.A, 18.C, 18.D, 18.E, and 25.

UTF COVID-19 Benefit Overpayment Accounts Receivables and Related Allowances

Management developed an estimate for the UTF benefit overpayment accounts receivable related to the UI pandemic programs for those SWAs that had not reported any benefit overpayment receivables to DOL. However, management did not have sufficient processes and controls in place to validate the relevance and reliability of the data and assumptions used in developing the estimate, such as the assumption related to the ratio of benefit overpayments accounts receivable to total benefit payments applied to those states who had not reported, or potentially underreported, its benefit overpayment receivables.

We also noted that management's review controls over the UI pandemic programs benefit overpayment allowances were not operating effectively. Specifically, management did not have sufficient processes and controls in place to validate the relevance and reliability of the historical collection data used to estimate the benefit payment allowances.

The above matters resulted in management's inability to properly support the completeness, existence, and accuracy of accounts receivable, net, reported in the consolidated balance sheet as of September 30, 2024, and the related information disclosed in notes 4, 15, 19, 21, and 25.

Although management took certain steps in FY 2024 to develop corrective action plans to address prior year findings, the above deficiencies related to the UTF obligation of funding and benefit overpayment accounts receivables continued to exist because management was not able to complete the appropriate analyses and other procedures to validate the relevance and reliability of certain assumptions and underlying data used in the estimates.

Unemployment Benefit Expenses

DOL management reports benefit expenses in DOL's financial statements using a combination of the daily cash drawdown data and actual expenses information submitted by the SWAs in the monthly financial summary reports. In response to the prior year's finding, management implemented a control to complete a monthly reconciliation of SWA expense data submitted in the monthly financial summary reports to the general ledger. However, we noted that the reconciliation control was not sufficiently designed and implemented to ensure that the reconciliation was performed at the appropriate level of precision. As a result, management initially did not identify and resolve a difference in the amount of $176 million that was reported in DOL's financial statements as expenses while the SWAs reported such amount as advances. Management subsequently made corrections for the $176 million.

This deficiency occurred because management did not develop policies and procedures at a sufficient level of detail to respond to the risks associated with the completeness, existence and accuracy of benefit expenses reported in DOL's financial statements.

The following criteria are relevant to the conditions noted above:

> The Government and Accountability Office's *Standards for Internal Control in the Federal Government* (the Standards), Section 7.04 states:
>
> Management considers all significant interactions within the entity and with external parties, changes within the entity's internal and external environment, and other internal and external factors to identify risks throughout the entity. Internal risk factors may include the complex nature of an entity's programs, its organizational structure, or the use of new technology in operational processes. External risk factors may include new or amended laws, regulations, or professional standards; economic instability; or potential natural disasters. Management considers these factors at both the entity and transaction levels to comprehensively identify risks that affect defined objectives. Risk identification methods may include qualitative and quantitative ranking activities, forecasting and strategic planning, and consideration of deficiencies identified through audits and other assessments.
>
> Section 10.02 of the Standards states:
>
> Management designs control activities in response to the entity's objectives and risks to achieve an effective internal control system. Control activities are the policies, procedures, techniques, and mechanisms that enforce management's directives to achieve the entity's objectives and address related risks.
>
> Section 13.04 of the Standards states:
>
> Management obtains relevant data from reliable internal and external sources in a timely manner based on the identified information requirements. Relevant data have a logical

connection with, or bearing upon, the identified information requirements. Reliable internal and external sources provide data that are reasonably free from error and bias and faithfully represent what they purport to represent. Management evaluates both internal and external sources of data for reliability. Sources of data can be operational, financial, or compliance related. Management obtains data on a timely basis so that they can be used for effective monitoring.

Section 17.06 of the Standards states:

Management completes and documents corrective actions to remediate internal control deficiencies on a timely basis. These corrective actions include resolution of audit findings. Depending on the nature of the deficiency, either the oversight body or management oversees the prompt remediation of deficiencies by communicating the corrective actions to the appropriate level of the organizational structure and delegating authority for completing corrective actions to appropriate personnel.

To address the deficiencies noted above, we recommend that the Deputy Chief Financial Officer and the Assistant Secretary for Employment and Training:

1. Design and implement controls over their respective estimates to ensure management's review of the estimates are performed at a sufficient level of detail, and includes the review of the methodology, relevance and reliability of the underlying data, and assumptions used to develop the estimates;

2. Maintain documentation of the reviews performed to assess the reasonableness of the methodology, underlying data, and assumptions used to develop the estimates that is sufficiently detailed to evidence the specific items reviewed, analysis performed, and conclusions reached; and

3. Update DOL's policies and procedures to provide sufficient details on the performance of the reconciliation of the SWAs monthly financial summary report to the general ledger, including the required level of precision.

Management's Response:

See Exhibit II for management's response.

Auditors' Response

We will conduct follow-up procedures in FY 2025 to determine whether corrective actions have been developed and implemented.

U.S. Department of Labor

Office of the Chief Financial Officer
Washington, D.C. 20210

NOVEMBER 8, 2024

MEMORANDUM FOR: CAROLYN R. HANTZ
Assistant Inspector General for Audit

FROM: KEVIN L. BROWN
Deputy Chief Financial Officer

SUBJECT: FY 2024 Independent Auditors' Report on DOL's Consolidated Financial Statements, Report # 22-25-002-13-001

Please find the attached management's response to FY 2024 Independent Auditors' Report on DOL's Consolidated Financial Statements, Report # 22-25-002-13-001.

We appreciate the opportunity to provide input and look forward to continued collaboration with the OIG audit team.

Please contact me if you have any questions.

cc: José Javier Rodríguez, Assistant Secretary, Employment and Training Administration

Jim Garner, Director, Unemployment Insurance

Management's Response
Fiscal Year 2024 Independent Auditors' Report

1. Improvements Needed in Controls Over Financial Reporting Related to Unemployment Trust Fund (UTF) Balances and Activity

The temporary, emergency unemployment insurance programs created by the Coronavirus Aid, Relief, and Economic Security (CARES) Act expired on September 6, 2021. As has been thoroughly documented in numerous OIG and Government Accountability Office (GAO) reports, these programs, and the COVID-19 pandemic overall, put an enormous and unprecedented strain on the unemployment insurance (UI) system. Due to the challenges associated with these new programs and especially concerning the unique Pandemic Unemployment Assistance (PUA) program in particular, state UI agencies experienced an abnormally high amount of ongoing activity well beyond the expiration date of these programs. At this time, many states continue to process adjudication backlogs, address the Employment and Training Administration's (ETA) monitoring review findings, many of which may have impacted claimant eligibility, and detect and recover overpayments, among other ongoing activities.

We agree with the finding and that improvements are needed to the Department of Labor's (the Department) controls over the estimates related to the UTF balances and activities. The Department offers the following in response to the three key areas identified in this finding:

1. Obligation of COVID-19 funding:

   As outlined in Management's response to the Fiscal Year 2023 Independent Auditor's Report, the Department and the Office of Management and Budget (OMB) agree that under the special, temporary UI programs authorized under Title II of Division A of the CARES Act (PL 116-136), the obligation to pay benefits to claimants arose no later than the applicable weeks of unemployment for which the benefits were payable and prior to the expiration of the programs on September 6, 2021. Under the Department's and OMB's interpretation, all budget authority and obligations for the expired programs' benefits thus occurred in FY 2021 at the latest, and any reimbursements to States for benefit payments in FY 2022 or beyond are considered outlays against those obligations. This treatment of funds is warranted by the fact that the claimants' entitlement (and the Department's corresponding liability) arose from the weeks of unemployment in FY 2021 for which the claimants were eligible for benefits. The expiration of these UI programs on September 6, 2021, makes recording obligations in FY 2021 appropriate, since agencies generally cannot incur new obligations whose authorizations have lapsed.

   Since the expiration of the CARES Act provisions and through FY 2024, states continued to pay benefits, and reconcile funding, associated with the CARES Act benefit programs. In FY 2024, the Department was unable to gain additional support or identify an alternative methodology in support of the estimated unpaid obligation. Instead, the Department utilized the same estimation methodology that was used in support of the FY 2022 and FY 2023 AFR. The Department notes that state funding draws continued to decline throughout the year and the remaining unpaid obligation at the end of FY 2024 was lower than the prior year. The Department believes that the continued steady declines in program outlays throughout the year support the continued use of the current methodology. Management controls over the estimate were once again determined insufficient by the external auditors during the FY 2024 independent audit.

As a result, the Department will continue to investigate new, more effective controls over the unexpended obligation estimate in support of the FY 2025 AFR. While the Department believes that the unpaid obligation for FY 2025 will continue to decrease, the Department will continue to seek additional supporting information for the existing methodology or, if appropriate, adjust the methodology used in support of the FY 2025 AFR. ETA will continue these efforts throughout FY 2025.

2. UTF COVID-19 Benefit Overpayment Accounts Receivables:

   The Department continues to recognize the unique challenges that the State Workforce Agencies (SWA) faced in implementing and reporting the COVID-19 pandemic unemployment insurance programs. In FY 2024, ETA continued to analyze the COVID-19 expenses and benefit accounts receivables as reported by the SWA since the inception of the pandemic programs to determine the need for additional estimates. During FY 2024, ETA developed a trend analysis to estimate additional accounts receivable for COVID-19 benefit overpayments and recoded the additional estimates for Q3 and Q4. In addition, ETA reached out to the States not reporting on the ETA 902P and 227 Reports for PUA, Pandemic Emergency Unemployment Compensation (PEUC) and Federal Pandemic Unemployment Compensation (FPUC) on a quarterly basis to obtain benefit overpayment information.

   ETA will continue to update and analyze the trend analysis based on FY 2024 and FY 2025 data reported by the states. Management will consider refining the estimation methodology based on actual data reported but also information from the states currently unable to report. Additionally, management will review the aggregated ratio used to calculate the allowance for the FPUC and PUA programs to determine the applicable ratio.

3. Unemployment Benefit Expense:

   In response to a similar finding in the FY 2023 AFR, the Department implemented a new reconciliation process to ensure expense records entered into the general ledger match those reported by state workforce agencies in the monthly financial transaction summary reports. While the reconciliation process was effective at identifying any discrepancies, the reconciliation was not applied to all programs and therefore failed to capture a discrepancy under an older unemployment compensation program which was identified during the FY 2024 independent audit. As a result, the Department expanded the reconciliation process to ensure all potential programs are included in the reconciliation process.

Annual Financial Statements

Principal Financial Statements and Notes

Principal Financial Statements Included in this Report

The principal financial statements included in this report have been prepared in accordance with the requirements of the Chief Financial Officers Act of 1990 (P.L. 101-576), the Government Management Reform Act of 1994, and Office of Management and Budget's (OMB) Circular A-136, *Financial Reporting Requirements*. The responsibility for the integrity of the financial information included in these statements rests with management of the U.S. Department of Labor (the Department or DOL). The Independent Auditors' Report accompanies the principal financial statements.

The Department's principal financial statements as of and for the years ended September 30, 2024 and 2023, consist of the following:

- The **Consolidated Balance Sheets**, which present as of September 30, 2024 and 2023, those resources owned or managed by DOL that are available to provide future economic benefits (assets); amounts owed by DOL that will require payments from those resources or future resources (liabilities); and residual amounts retained by DOL, comprising the difference (net position).
- The **Consolidated Statements of Net Cost**, which present the net cost of DOL operations for the years ended September 30, 2024 and 2023. DOL's net cost of operations include the gross costs incurred by DOL less any exchange revenue earned from DOL activities. The classification of gross cost and exchange revenue by program and program agency is presented in Note 15 to the consolidated financial statements.
- The **Consolidated Statements of Changes in Net Position**, which present the change in DOL's net position resulting from the net cost of DOL operations and financing sources for the years ended September 30, 2024 and 2023.
- The **Combined Statements of Budgetary Resources**, which present the budgetary resources available to DOL and net outlays of budgetary resources for the years ended September 30, 2024 and 2023; and the status of these resources for the years ended September 30, 2024 and 2023.
- The **Statements of Social Insurance**, which present the net present values of projected cash inflows and outflows for the current participants (closed group), new participants, and current participants and new participants (open group) of the Black Lung Disability Trust Fund (BLDTF) as of September 30, 2024, 2023, 2022, 2021, and 2020.
- The **Statements of Changes in Social Insurance Amounts**, which present the net change in the open group measure of the BLDTF for the years ended September 30, 2024 and 2023, and provide information about the change.
- The **accompanying notes**, which are an integral part of these principal financial statements.

CONSOLIDATED BALANCE SHEETS

As of September 30, 2024 and 2023

(Dollars in Thousands)

	2024	2023
Assets (Note 7)		
Intragovernmental		
Fund Balance with Treasury (Notes 1-C and 2)	$ 17,481,359	$ 21,836,053
Investments, Net (Notes 1-D and 3)	88,700,583	82,367,994
Accounts Receivable, Net (Notes 1-E and 4)	5,246,389	4,870,730
Advances and Prepayments (Notes 1-G and 6)	15,114	11,793
Total Intragovernmental	111,443,445	109,086,570
With the Public		
Accounts Receivable, Net (Notes 1-E and 4)	12,723,330	5,717,697
Property, Plant, and Equipment, Net (Notes 1-F and 5)	1,114,505	1,063,040
Advances and Prepayments (Notes 1-G and 6)	12,559,494	10,848,188
Total With the Public	26,397,329	17,628,925
Total Assets	$ 137,840,774	$ 126,715,495
Liabilities (Notes 1-I and 12)		
Intragovernmental		
Accounts Payable	$ 449,324	$ 365,973
Debt (Notes 1-J and 8)	35,408,515	38,193,208
Advances From Others and Deferred Revenue (Note 1-K)	133,609	158,141
Other Liabilities (Notes 1-N and 9)	232,244	223,574
Total Intragovernmental	36,223,692	38,940,896
With the Public		
Accounts Payable	132,381	216,172
Federal Employee Salary, Leave, and Benefits Payable (Note 1-L.1)	213,494	272,353
Post-Employment Benefits Payable (Notes 1-L.2 and 11)	6,606,998	6,304,493
Environmental and Disposal Liabilities	27,346	27,167
Benefits Due and Payable (Notes 1-M and 10)	10,562,376	10,899,873
Advances from Others and Deferred Revenue (Note 1-K)	102	101
Other Liabilities (Note 1-N)		
Energy Employees Occupational Illness Compensation Benefits (Note 1-N)	84,299,992	67,791,043
Accrued Grant Liabilities	837,152	1,214,429
Other (Note 9)	102,361	51,982
Total With the Public	102,782,202	86,777,613
Total Liabilities	139,005,894	125,718,509
Contingencies (Note 13)		
Net Position (Note 1-R)		
Unexpended Appropriations - Funds From Other Than Dedicated Collections	13,846,853	14,963,155
Total Unexpended Appropriations (Consolidated)	13,846,853	14,963,155
Cumulative Results of Operations - Funds From Dedicated Collections (Note 21)	60,174,626	48,550,490
Cumulative Results of Operations - Funds From Other Than Dedicated Collections	(75,186,599)	(62,516,659)
Total Cumulative Results of Operations (Consolidated)	(15,011,973)	(13,966,169)
Total Net Position	(1,165,120)	996,986
Total Liabilities and Net Position	$ 137,840,774	$ 126,715,495

The accompanying notes are an integral part of these financial statements.

CONSOLIDATED STATEMENTS OF NET COST

For the Years Ended September 30, 2024 and 2023

(Dollars in Thousands)

	2024	2023
Net Cost of Operations (Notes 1-S And 15)		
CROSSCUTTING PROGRAMS		
Income Maintenance		
Gross Costs	$ 54,377,395	$ 61,348,877
Less: Earned Revenue	(3,357,814)	(3,163,600)
Net Program Costs	51,019,581	58,185,277
Employment and Training		
Gross Costs	6,773,259	6,838,209
Less: Earned Revenue	(10,026)	(1,853)
Net Program Costs	6,763,233	6,836,356
Labor, Employment, and Pension Standards		
Gross Costs	1,071,120	986,730
Less: Earned Revenue	(31,469)	(33,224)
Net Program Costs	1,039,651	953,506
Worker Safety and Health		
Gross Costs	1,206,625	1,159,468
Less: Earned Revenue	(3,886)	(3,292)
Net Program Costs	1,202,739	1,156,176
Statistics		
Gross Costs	809,242	752,786
Less: Earned Revenue	(38,315)	(35,957)
Net Program Costs	770,927	716,829
Costs Not Assigned to Programs		
Gross Costs Not Assigned to Programs	134,353	147,326
Less: Earned Revenue Not Attributable to Programs	(49,063)	(39,005)
Net Costs Not Assigned to Programs	85,290	108,321
Net Cost of Operations	$ 60,881,421	$ 67,956,465

The accompanying notes are an integral part of these financial statements.

CONSOLIDATED STATEMENTS OF CHANGES IN NET POSITION

For the Years Ended September 30, 2024 and 2023

(Dollars in Thousands)

	2024			2023		
	Funds From Dedicated Collections (Note 21)	Funds From Other than Dedicated Collections	Total	Funds From Dedicated Collections (Note 21)	Funds From Other than Dedicated Collections	Total
Unexpended Appropriations (Note 1-T):						
Beginning Balance	$ -	$ 14,963,155	$ 14,963,155	$ -	$ 17,390,986	$ 17,390,986
Appropriations Received (Note 18-F)	$ -	$ 13,531,955	$ 13,531,955	$ -	$ 13,084,606	$ 13,084,606
Appropriations Transferred In/Out	-	9,672	9,672	-	3,737	3,737
Other Adjustments	-	(6,353,652)	(6,353,652)	-	(4,130,121)	(4,130,121)
Appropriations Used	-	(8,304,277)	(8,304,277)	-	(11,386,053)	(11,386,053)
Net Change in Unexpended Appropriations	$ -	$ (1,116,302)	$ (1,116,302)	$ -	$ (2,427,831)	$ (2,427,831)
Total Unexpended Appropriations	$ -	$ 13,846,853	$ 13,846,853	$ -	$ 14,963,155	$ 14,963,155
Cumulative Results of Operations (Notes 1-S and 1-U):						
Beginning Balance	$ 48,550,490	$ (62,516,659)	$ (13,966,169)	$ 33,298,269	$ (41,595,748)	$ (8,297,479)
Adjustments:						
Changes in Accounting Principles (Note 1-B)	-	(3,118)	(3,118)	-	-	-
Beginning Balance, as Adjusted	$ 48,550,490	$ (62,519,777)	$ (13,969,287)	$ 33,298,269	$ (41,595,748)	$ (8,297,479)
Other Adjustments	$ -	$ -	$ -	$ (128)	$ (92)	$ (220)
Appropriations Used	-	8,304,277	8,304,277	-	11,386,053	11,386,053
Non-Exchange Revenue (Note 16)	51,263,292	1	51,263,293	50,641,164	1	50,641,165
Transfers In/Out without Reimbursement (Note 17)	(6,944,370)	7,209,292	264,922	(5,019,944)	5,256,289	236,345
Imputed Financing	2,899	212,763	215,662	2,579	172,953	175,532
Other	-	(209,419)	(209,419)	-	(151,100)	(151,100)
Net Cost of Operations	(32,697,685)	(28,183,736)	(60,881,421)	(30,371,450)	(37,585,015)	(67,956,465)
Net Change in Cumulative Results of Operations	$ 11,624,136	$ (12,666,822)	$ (1,042,686)	$ 15,252,221	$ (20,920,911)	$ (5,668,690)
Total Cumulative Results of Operations	$ 60,174,626	$ (75,186,599)	$ (15,011,973)	$ 48,550,490	$ (62,516,659)	$ (13,966,169)
Net Position	$ 60,174,626	$ (61,339,746)	$ (1,165,120)	$ 48,550,490	$ (47,553,504)	$ 996,986

The accompanying notes are an integral part of these financial statements.

COMBINED STATEMENTS OF BUDGETARY RESOURCES

For the Years Ended September 30, 2024 and 2023

(Dollars in Thousands)

	2024	2023
Budgetary Resources (Note 18)		
Unobligated Balance from Prior Year Budget Authority, Net (Discretionary and Mandatory)	$ 6,740,247	$ 8,980,196
Appropriations (Discretionary and Mandatory)	56,187,666	46,639,979
Borrowing Authority (Discretionary and Mandatory)	176,725	56,216
Spending Authority from Offsetting Collections (Discretionary and Mandatory)	7,970,937	8,259,138
Total Budgetary Resources	$ 71,075,575	$ 63,935,529
Status Of Budgetary Resources		
New Obligations and Upward Adjustments (Total)	$ 66,163,413	$ 58,297,669
Unobligated Balance, End of Year		
Apportioned, Unexpired Accounts	2,490,828	3,715,909
Exempt from Apportionment, Unexpired Accounts	9,689	12,189
Unapportioned, Unexpired Accounts	85,989	49,641
Unexpired Unobligated Balance, End of Year	2,586,506	3,777,739
Expired Unobligated Balance, End of Year	2,325,656	1,860,121
Unobligated Balance, End of Year (Total)	4,912,162	5,637,860
Total Budgetary Resources	$ 71,075,575	$ 63,935,529
Outlays, Net		
Outlays, Net (Total) (Discretionary and Mandatory)	$ 53,922,861	$ 48,151,449
Distributed Offsetting Receipts (-)	(926,336)	(876,397)
Agency Outlays, Net (Discretionary and Mandatory)	$ 52,996,525	$ 47,275,052

The accompanying notes are an integral part of these financial statements.

STATEMENTS OF SOCIAL INSURANCE

As of September 30, 2024, 2023, 2022, 2021, and 2020

(Dollars in Thousands)

	2024	2023	2022	2021	2020
BLACK LUNG DISABILITY BENEFIT PROGRAM (Notes 1-W and 1-Y)					
Current Participants (Closed Group)					
Present Value of Estimated Future Excise Tax Income During the Projection Period	$ 1,332,784	$ 1,338,835	$ 2,381,705	$ 1,139,399	$ 1,295,220
Less the Present Value of Estimated Future Administrative Costs During the Projection Period	904,933	784,171	852,463	831,229	851,780
Less the Actuarial Present Value of Future Benefit Payments to Disabled Coal Miners and Dependent Survivors During the Projection Period	936,084	849,625	1,056,547	1,287,818	1,415,071
Excess (Deficiency) Of Present Value of Estimated Future Excise Tax Income Over (Below) Present Value of Estimated Future Administrative Costs And Actuarial Present Value of Future Benefit Payments During the Projection Period [Closed Group Measure]	(508,233)	(294,961)	472,695	(979,648)	(971,631)
New Participants					
Present Value of Estimated Future Excise Tax Income During the Projection Period	1,047,187	1,009,998	1,587,803	1,139,399	1,295,220
Less the Present Value of Estimated Future Administrative Costs During the Projection Period	711,019	591,568	568,308	831,229	851,780
Less The Actuarial Present Value of Future Benefit Payments to Disabled Coal Miners and Dependent Survivors During the Projection Period	740,682	651,201	700,166	1,280,486	1,440,636
Excess (Deficiency) of Present Value of Estimated Future Excise Tax Income Over (Below) Present Value of Estimated Future Administrative Costs and Actuarial Present Value of Future Benefit Payments During the Projection Period	(404,514)	(232,771)	319,329	(972,316)	(997,196)
Current and New Participants (Open Group)					
Present Value of Estimated Future Excise Tax Income During the Projection Period	2,379,971	2,348,833	3,969,508	2,278,798	2,590,440
Less the Present Value of Estimated Future Administrative Costs During the Projection Period	1,615,952	1,375,739	1,420,771	1,662,458	1,703,560
Less the Actuarial Present Value of Future Benefit Payments to Disabled Coal Miners and Dependent Survivors During the Projection Period	1,676,766	1,500,826	1,756,713	2,568,304	2,855,707
Excess (Deficiency) of Present Value of Estimated Future Excise Tax Income Over (Below) Present Value of Estimated Future Administrative Costs and Actuarial Present Value of Future Benefit Payments During the Projection Period [Open Group Measure]	$ (912,747)	$ (527,732)	$ 792,024	$ (1,951,964)	$ (1,968,827)
Trust Fund Net Position Deficit at Start Of Projection Period (Note 1-W and 21)	$ (6,636,295)	$ (6,355,609)	$ (6,261,393)	$ (6,078,761)	$ (5,976,255)

The accompanying notes are an integral part of these financial statements.

STATEMENTS OF SOCIAL INSURANCE - Continued

As of September 30, 2024, 2023, 2022, 2021, and 2020

(Dollars in Thousands)

	2024	2023	2022	2021	2020
BLACK LUNG DISABILITY BENEFIT PROGRAM (Notes 1-W and 1-Y)					
Summary Section					
Closed Group Measure	$ (508,233)	$ (294,961)	$ 472,695	$ (979,648)	$ (971,631)
Add: Fund Balance with Treasury and Receivables from					
Benefit Overpayments (Note 21)	290,172	311,498	304,571	286,868	433,074
Total of Closed Group Measure Plus Fund Assets (Note 1-W)	$ (218,061)	$ 16,537	$ 777,266	$ (692,780)	$ (538,557)
Open Group Measure	$ (912,747)	$ (527,732)	$ 792,024	$ (1,951,964)	$ (1,968,827)
Add: Fund Balance with Treasury and Receivables from					
Benefit Overpayments (Note 21)	290,172	311,498	304,571	286,868	433,074
Total of Open Group measure Plus Fund Assets (Note 1-W)	$ (622,575)	$ (216,234)	$ 1,096,595	$ (1,665,096)	$ (1,535,753)

The accompanying notes are an integral part of these financial statements.

STATEMENTS OF CHANGES IN SOCIAL INSURANCE AMOUNTS

For the Years Ended September 30, 2024 and 2023

(Dollars in Thousands)

	2024	2023
BLACK LUNG DISABILITY BENEFIT PROGRAM (Notes 1-W and 1-Y)		
The Excess (Deficiency) of Present Value of Estimated Future Excise Tax Income Over (Below) Present Value of Estimated Future Administrative Costs and Actuarial Present Value of Future Benefit Payments to Disabled Coal Miners and Dependent Survivors in the Open Group During the Projection Period [Open Group Measure], Beginning of Year	$ (527,732)	$ 792,024
Changes in The Assumptions about Beneficiaries, Including Costs, Number, Type, Age and Life Expectancy	(90,637)	94,951
Changes in Assumptions about Coal Excise Tax Revenues	(153,974)	(1,430,093)
Changes in Assumptions about Federal Civilian Pay Raises for Income Benefits	2,501	(4,165)
Changes in Assumptions about Medical Cost Inflation for Medical Benefits	(12,087)	17,308
Changes in Assumptions about Administrative Costs	(117,819)	(86,599)
Changes in Assumptions about Interest Rates	(12,999)	88,842
Net Change In Open Group Measure	(385,015)	(1,319,756)
Open Group Measure, End of Year	$ (912,747)	$ (527,732)

The accompanying notes are an integral part of these financial statements.

NOTE 1 - REPORTING ENTITY AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

The U.S. Department of Labor, DOL or the Department, is a cabinet level agency of the Executive Branch of the United States Government (the Federal Government). DOL was established in 1913 to promote the welfare of the wage earners of the United States. Today the Department's mission remains the same: to foster, promote and develop the welfare of the wage earners, job seekers, and retirees of the United States; improve working conditions; advance opportunities for profitable employment; and assure work-related benefits and rights.

DOL accomplishes this mission through the execution of its congressionally approved budget, operating under four major budget functions: (i) education, training, employment, and social services; (ii) health (protecting workers in their place of employment); (iii) income security; and (iv) veterans benefits and services (veterans employment and training). DOL is organized into program agencies, which administer the various statutes and programs for which the Department is responsible. DOL's program agencies are shown below.

1. Program Agencies

- Employment and Training Administration (ETA)
  - Office of Job Corps
- Office of Workers' Compensation Programs (OWCP)
- Occupational Safety and Health Administration (OSHA)
- Bureau of Labor Statistics (BLS)
- Mine Safety and Health Administration (MSHA)
- Employee Benefits Security Administration (EBSA)
- Veterans' Employment and Training Service (VETS)
- Wage and Hour Division (WHD)

Other Program Agencies

- Office of Federal Contract Compliance Programs (OFCCP)
- Office of Labor-Management Standards (OLMS)
- Office of Disability Employment Policy (ODEP)
- Departmental Management (DM)
  - Office of the Secretary
  - Office of the Assistant Secretary for Administration and Management (OASAM)
  - Office of the Assistant Secretary for Policy (OASP)
  - Office of Congressional and Intergovernmental Affairs (OCIA)
  - Bureau of International Labor Affairs (ILAB)
  - Office of the Deputy Secretary
  - Office of Inspector General (OIG)
  - Office of the Solicitor (SOL)
  - Office of Public Affairs (OPA)
  - Office of the Chief Financial Officer (OCFO)
  - Women's Bureau (WB)

The Pension Benefit Guaranty Corporation (PBGC), wholly owned by the Federal Government and whose Board of Directors is chaired by the Secretary of Labor, has been designated as a separate reporting entity for financial statement purposes in compliance with Federal Accounting Standards Advisory Board (FASAB) Statement of Federal Financial Accounting Standards (SFFAS) 47, "Reporting Entity," and related U.S. Department of the Treasury (Treasury or U.S. Treasury) and Office of Management and Budget (OMB) guidance and has been excluded from these financial statements.

2. The Major Programs:

- Income maintenance
- Employment and training
- Labor, employment and pension standards
- Worker safety and health
- Statistics

3. Fund Accounting Structure

DOL's financial activities are accounted for by Federal account symbol, using individual funds and fund accounts within distinct fund types to report to the Treasury's Bureau of the Fiscal Service and to OMB. For financial statement purposes, DOL funds are further classified as funds from dedicated collections, fiduciary funds, and funds from other than dedicated collections, and are discussed below:

Funds from dedicated collections

Funds from dedicated collections are financed by specifically identified revenues, which can be supplemented by other financing sources, both of which remain available over time. These revenues and financing sources are required by statute to be used for designated purposes and must be accounted for separately from the Federal Government's general revenues. DOL's funds from dedicated collections are disclosed in Note 21 and are discussed below:

Unemployment Trust Fund (UTF) was established under the authority of Section 904 of the Social Security Act of 1935, as amended, to receive, hold, invest, and disburse monies collected under the Federal Unemployment Tax Act (FUTA), as well as state unemployment taxes collected by the states and transferred to the Fund, and unemployment taxes collected by the Railroad Retirement Board and transferred to the Fund.

P.L. 117-2, section 9901, Coronavirus State and Local Fiscal Recovery Funds (Fiscal Recovery Funds or SLFRF), provided for general funds, in addition to amounts otherwise available, to respond to the public health emergency with respect to the COVID–19 pandemic or its negative economic impacts, including assistance to households, small businesses, and nonprofits, among others.

The Executive Branch established its policies on the use of these funds through, among other things, a 2021 final interim rule, Treasury guidance, and correspondence of the Secretaries of the Treasury and Labor to the Congress. Under the 2021 final interim rule, effective through April 1, 2022 authorized uses by states included transfers from its Fiscal Recovery Fund for:

- Assistance to unemployed workers, which included continuing to provide additional weeks of unemployment benefits to workers whose benefits expired on September 6, 2021, and to workers outside of regular state UI programs and

- Deposits into the state account of the UTF up to the level needed to restore the pre-pandemic balances of such account as of January 27, 2020, or to pay back advances received for the payment of benefits between January 27, 2020 and May 17, 2021.

The Executive Branch updated its policies for using the Fiscal Recovery Funds through, among other things, a 2022 final rule dated January 27, 2022 and effective April 1, 2022 and updated Treasury guidance. The 2022 final rule adopted the 2021 final interim rule, with certain amendments. The 2021 interim final rule remained in effect until April 1, 2022.

With regard to using the Fiscal Recovery Fund to make contributions to the state account of the UTF to restore prepandemic balances and repay principal on advances, the final rule, among other things,

- requires that the maximum amount that a state may use for these purposes is the

  (i) difference between the balance in the recipient's unemployment insurance trust fund as of January 27, 2020 and the balance of such account as of May 17, 2021, plus

  (ii) principal amount outstanding as of May 17, 2021 on any advances received between January 27, 2020 and May 17, 2021;

- allows the state to use the funds to pay interest on the advances in (ii) above;
- for the state which fully restores its pre-pandemic balance in (i) above, the state cannot continue to draw down below the balance and deposit more funds back up to the pre-pandemic balance; and
- through December 31, 2024, may not take action to reduce benefits available to unemployed workers by changing the computation method governing regular unemployment compensation in a way that results in a reduction of average weekly benefit amounts or the number of weeks of benefits payable (i.e., maximum benefit entitlement) unless certain exceptions apply.

On September 20, 2023, the Treasury issued a 2023 interim final rule and provided guidance that allows a State to use its Fiscal Recovery Fund to provide emergency relief from natural disasters in the form of financial assistance for lost wages. These are supplemental benefits for individuals participating in state unemployment insurance programs or the Disaster Unemployment Assistance program at the time of the disaster or following the disaster. The supplemental benefit may not exceed $400 a week for the duration of the need for emergency relief.

States are required to obligate SLFRF funds by December 31, 2024, expend obligated funds by December 31, 2026, and return unused funds to the Treasury.

Black Lung Disability Trust Fund (BLDTF) was established under Part C of the Black Lung Benefits Act to provide compensation and medical benefits to coal miners who suffer total disability due to pneumoconiosis (black lung disease), and compensation benefits to their dependent survivors for claims filed subsequent to June 30, 1973. Claims filed from the origination of the program until June 30, 1973 are paid by the Special Benefits for Disabled Coal Miners fund. (See Note 1.A.3 – Funds from other than dedicated collections)

Gifts and Bequests Fund uses miscellaneous funds received by gift or bequest to support various activities of the Secretary of Labor.

Panama Canal Commission Compensation Fund was established to provide for the accumulation of funds provided by the Commission to pay its workers compensation obligations under the Federal Employees' Compensation Act (FECA).

H-1B Funds provide demonstration grants to regional and local entities to provide technical skills training to unemployed and incumbent workers. As authorized by the American Competitiveness and Workforce Improvement Act of 1998, the funds are supported by fees paid by employers petitioning the U.S. Department of Homeland Security (DHS) for visas for foreign workers under the H-1B Program. Effective April 1, 2024, the fee paid by employers under the H-1B Program increased from $10 to $215 per visa petition.

The HIRE Vets Medallion Award Fund was established by the Honoring Investments in Recruiting and Employing American Military Veterans Act of 2017 (the HIRE Vets Act) and collects application fees from employer applicants seeking the HIRE Vets Medallion Award. The Medallion is awarded based on criteria that recognizes an employer's efforts to recruit, employ, and retain veterans and provide community and charitable services supporting the veteran community. As authorized by the HIRE Vets Act, the application fees are used to support the Medallion Program.

Fiduciary Funds

Fiduciary funds are used to account for DOL's fiduciary activities, which involve the collection or receipt and subsequent disposition of cash or other assets in which non-Federal entities have an ownership interest that the Department must uphold. Fiduciary assets are not assets of DOL or the Federal Government, and accordingly, are not recognized on the Department's Consolidated Balance Sheets. The fiduciary assets held by DOL and the fiduciary activities related to these assets are disclosed in Note 22 to these financial statements. DOL's four fiduciary funds are discussed below.

Wage and Hour and Public Contracts Restitution Fund a deposit fund established by the Fair Labor Standards Amendments of 1949, receives deposits from employers assessed by the Department for unpaid minimum wages or unpaid overtime compensation owed to employees as a result of labor law violations, and pays these wages directly to the affected employees.

Longshore and Harbor Workers' Compensation Act Trust Fund established under the authority of the Longshore and Harbor Workers' Compensation Act, provides medical benefits, compensation for lost wages, and rehabilitation services for job-related injuries and diseases or death to private sector workers engaged in certain maritime and other employment covered by extensions such as the Defense Base Act. The Act authorizes the Department to assess insurance carriers on behalf of these beneficiaries.

District of Columbia Worker's Compensation Act Trust Fund established under the authority of the District of Columbia Workmen's Compensation Act, provides compensation and medical payments to the District of Columbia employees for work-related injuries or death which occurred prior to July 26, 1982. The Act authorizes the Department to assess insurance carriers on behalf of these beneficiaries.

Davis-Bacon Act Trust Fund established under the Davis-Bacon Act, provides payment for claims relating to violations of the Davis-Bacon Act and Contract Work Hours and Safety Standards Act. The Department investigates violation allegations to determine if Federal contractors owe additional wages to covered employees.

If the Department concludes that a violation has occurred, the Department collects the amount owed from the contracting Federal agency, deposits the funds into an account with the U.S. Treasury, and remits payment to the claimant.

Funds from other than Dedicated Collections

Salaries and Expenses include appropriated funds which are used to carry out the missions and functions of the Department, except where specifically provided for from other departmental funds.

Section 73 of P.L. 118-5, Fiscal Integrity Act, enacted June 3, 2023, effected permanent rescissions of unobligated salaries and expenses funding from P.L. 117-2, American Rescue Plan (ARP) Act of 2021; affected agencies included MSHA, OSHA, OWCP, and WHD.

Training and Employment Services provides for a flexible, decentralized system of Federal and local training programs and other services for the economically disadvantaged and others, designed to lead to permanent gains in employment, through grants to states and Federal programs, authorized by the Workforce Innovation and Opportunity Act (WIOA).

Office of Job Corps supports the administration and management of the Job Corps Program, which helps at-risk youth who need and can benefit from intensive education and training services to become more employable, responsible, and productive citizens.

Payments to the Unemployment Trust Fund includes funds appropriated under P.L. 116-127, Division D, the Emergency Unemployment Insurance Stabilization and Access Act of 2020 (the EUISA Act); P.L. 116-136, the Coronavirus Aid, Relief, and Economic Security and Access Act of 2020 (the CARES Act), Title II, Subtitle A; P.L. 116-260, Division N, Title II, Subtitle A, Chapter 1, Continued Assistance to Unemployed Workers Act of 2020 (CAUW Act); and P.L. 117-2, American Rescue Plan Act of 2021 (ARP Act). The CARES Act provided for Federally-funded unemployment benefits due to the COVID-19 pandemic, including: Pandemic Unemployment Assistance (PUA); partial reimbursement of benefits paid by States to former employees of governmental entities (e.g., State and municipal governments) and nonprofit organizations; first-week benefits to those States with no waiting week; and Pandemic Emergency Unemployment Compensation (PEUC). The EUISA and CARES Acts also included appropriations to fund grants for unemployment insurance administration and administrative costs for the PUA, first week, and PEUC programs. In general, the CAUW Act and ARP Act extended the pandemic-related Federally-funded unemployment benefits provisions of the EUISA Act and CARES Act.

Short-Time Compensation Program includes funds appropriated under the CARES Act for grants to states for implementing, improving, promoting, and increasing enrollment in the programs; fully-funded reimbursement of benefits to States with existing programs under law; partially-funded reimbursement of benefits to States under certain agreements; and administrative costs. In general, the CAUW Act and APR Act extended the pandemic-related Federally-funded provisions of the CARES Act.

Section 74 of P.L. 118-5 effected a permanent rescission of unobligated funding from the CARES Act, as amended, for grants that funded short-time compensation programs.

Federal Pandemic Unemployment Compensation (also known as the Federal Additional Unemployment Compensation), includes funds appropriated under the CARES Act for Federal Pandemic Unemployment Compensation (FPUC) benefits of $600 per week (as an amount in addition to regular unemployment benefits) and administrative costs for the program; the benefit was not payable for any week of unemployment ending after July 31, 2020. The CAUW Act reauthorized the FPUC benefits at $300 per week (as an amount in addition to regular unemployment benefits) for the period after December 26, 2020 but ending on or before March 14, 2021. The ARP Act extended the ending date of the $300 weekly payments to on or before September 6, 2021.

State Unemployment Insurance and Employment Service Operations (SUIESO) includes grants to states for administering the Unemployment Compensation (UC) and Employment Service (ES) Programs. UC Programs provide administrative grants to state agencies which pay unemployment benefits to eligible individuals and collect state unemployment taxes from employers. The ES Program is a nationwide system providing no-fee ES to individuals seeking employment and to employers seeking workers. ES funding allotments for state activities are determined upon a demographically-based funding formula established under the Wagner-Peyser Act, as amended. The CARES Act also provided funds for administrative costs of the PUA, first week, and PEUC programs.

Section 24 of P.L. 118-5 effected a permanent rescission of more than $1.0 billion of unobligated SUIESO funding from the CARES Act, as amended.

Advances to the Unemployment Trust Fund and Other Funds provides advances to other accounts within the UTF to pay UC whenever the balances in these accounts prove insufficient or whenever reimbursements to certain accounts, as allowed by law, are to be made. This account also provides loans to the BLDTF to make disability payments whenever the fund balance proves insufficient.

Federal Unemployment Benefits and Allowances provides for payment of benefits, training, job search, relocation allowances, and employment and case management services (and state administrative expenses for all benefits other than Trade Readjustment Allowances, Reemployment TAA, and Alternative TAA) as authorized by the Trade Act of 1974 and subsequent amendments.

Community Service Employment for Older Americans (CSEOA) provides part-time work experience in community service activities to unemployed, low-income persons aged 55 and over.

Federal Employees' Compensation Act Special Benefit Fund provides wage replacement benefits and payment for medical services to covered Federal civilian employees injured on the job, Federal employees and certain other workers who have incurred a work-related illness or injury, and survivors of employees whose death is attributable to a job-related injury. The Fund also provides for vocational rehabilitation of injured employees to facilitate their return to work. Under extensions of FECA, benefits are also paid to certain groups related to war hazards, non-Federal law enforcement officers, Job Corps enrollees, and certain Federally-supported volunteers. Section 10(h) of the amended Longshore and Harbor Workers' Compensation Act and the District of Columbia Worker's Compensation Act authorized payments from the Special Benefit Fund for 50 percent of the annual increase in benefits for compensation and certain related benefits.

Effective March 12, 2021, the ARP Act, section 4016, "Eligibility for Workers' Compensation Benefits for Federal Employees Diagnosed with COVID-19," mandated that accepted COVID-19 claims (or other accepted claims resulting from a coronavirus pandemic) be paid by the Fund and are not billable to other Federal agencies; related administrative costs, including the fair share costs of non-appropriated agencies, are to be paid by the fund and are not billable. However, claims for COVID-19 diagnosed after January 27, 2023 are billable to other Federal agencies.

Energy Employees Occupational Illness Compensation Fund was established to adjudicate, administer, and pay claims for benefits under the Energy Employees Occupational Illness Compensation Program Act (EEOICPA) of 2000. The Act authorizes compensation payments and the reimbursement of medical expenses to employees of the U.S. Department of Energy (DOE) or of private companies under contract with DOE, who suffer from specified diseases as a result of their work in the nuclear weapons industry. The Act also authorizes compensation to the survivors of these employees under certain circumstances. The Act was amended by the Ronald Reagan National Defense Authorization Act of 2005 to provide coverage to additional claimants. P.L. 117-139, RECA [Radiation Exposure Compensation Act] Extension Act of 2022, 136 STAT. 1258, enacted June 7, 2022, extended the program that compensates individuals who were exposed to radiation from atomic weapons testing or uranium mining or processing and who subsequently developed specified cancers or other medical conditions. P.L. 117-139 terminated the program two years after the law's enactment; only claims postmarked on and before June 10, 2024 will be filed and adjudicated.

Special Benefits for Disabled Coal Miners was established under the Federal Coal Mine Safety and Health Act to pay benefits to coal miners disabled from pneumoconiosis and to their widows, and certain other dependents. Part B of the Act assigned processing of claims filed from the origination of the program until June 30, 1973, to the Social Security Administration (SSA), after which time DOL began processing new claims under Part C. SSA continued to administer Part B claims until DOL permanently assumed responsibility effective October 1, 2003.

Working Capital Fund (WCF) maintains and operates a program of centralized services in the national office and the field. The WCF is paid in advance by the agencies, bureaus, and offices for which centralized services are provided at rates which cover the full cost of operations. The WCF may receive funding transferred from DOL funds in accordance with 29 U.S.C. 563 for the acquisition of equipment and the improvement of financial management, information technology, infrastructure technology activities related to support systems and modernization, and other support systems.

General Fund Receipt Accounts, in general, hold non-entity receipts and accounts receivable from DOL activities which by law cannot be deposited into funds under DOL control. The Treasury automatically transfers all fund balances in these receipt accounts to the General Fund of the Treasury at the end of each fiscal year.

Deposit Funds account for monies held by DOL as an agent for others or monies held temporarily by DOL until ownership is determined.

4. Inter-Departmental Relationships

DOL and Treasury are jointly responsible for the operations of the UTF and the BLDTF. DOL is responsible for the administrative oversight and policy direction of the programs financed by these trust funds. Treasury acts as custodian over monies deposited into the funds and also invests amounts in excess of disbursing requirements in Treasury securities on behalf of DOL. DOL consolidates the financial results of the UTF and the BLDTF into these financial statements.

B. Basis of Accounting and Presentation

DOL complies with FASAB SFFAS 47, “Reporting Entity,” with related guidance from the Treasury Financial Manual (TFM), Volume I, Part 2, Chapter 4700, “Federal Entity Reporting Requirements for the Financial Report of the United States Government,” and OMB Circular A-136, “Financial Reporting Requirements,” unless otherwise disclosed.

SFFAS 47 and the related guidance required, among other things, that DOL:

(1) be defined as a component reporting entity within the larger governmentwide reporting entity of the Federal Government;
(2) consolidate into its financial statements (as consolidation entities) those entities defined according to (a) SFFAS 47 requirements for administrative assignment based on budgetary and accountability criteria and (b) Treasury determinations;
(3) report as disclosure entities in its financial statements those entities defined according to (a) SFFAS 47 requirements for entities with greater autonomy (than consolidated entities) and (b) Treasury determinations; and
(4) report as related parties in its financial statements those entities defined according to (a) SFFAS 47 requirements for entities with whom DOL has a relationship with significant influence and (b) Treasury determinations.

Entities have been reported in the financial statements and accompanying notes in accordance with SFFAS 47.

These financial statements present the financial position, net cost of operations, changes in net position and budgetary resources of DOL, and estimated and actuarial projections, and changes therein, for the Department’s BLDTF of the Black Lung Benefits Program, a social insurance program, in accordance with U.S. Generally Accepted Accounting Principles (U.S. GAAP) and the presentation requirements of OMB Circular A-136; the accompanying notes are an integral part of these financial statements and are prepared in accordance with the same requirements.

In FY 2024, DOL implemented the requirements of FASAB SFFAS 54, “Leases,” as amended. SFFAS 54 defines a “lease” as a contract or agreement whereby one entity (lessor) conveys the right to control the use of property, plant, and equipment (PP&E) (the underlying asset) to another entity (lessee) for a period of time as specified in the contract or agreement in exchange for consideration. Among other things, SFFAS 54 requires recognition of (lessee) right-to-use lease assets and recognition of (lessee) lease liabilities for commercial leases (which are non-intragovernmental leases) that meet the lease term criteria (generally, longer than 24 months). DOL does not engage in activities as a lessor. In accordance with SFFAS 54, disclosures are required for

- commercial leases that meet the lease term criteria (right-to-use leases) and
- intragovernmental leases (which are leases between component reporting entities), regardless of term.

Prior to implementation of SFFAS 54, DOL reported one capital lease as of September 30, 2023: the Los Angeles Job Corps Center. Effective October 1, 2023, DOL reclassified the existing leases as of September 30, 2023 to right-to-use lease assets and lease liabilities for the following leases agreements:

- Los Angeles Los Angeles Job Corps Center capital lease asset and capital lease liability and
- commercial operating leases meeting the criteria for the right to control the use of the asset and lease term.

In accordance with SFFAS 54, DOL treated the existing leases as if the October 1, 2023 implementation date was the beginning of the leases and the resulting assets and liabilities were given prospective treatment. For the SFFAS 54 implementation, DOL reported the cumulative effect of a change in accounting principle as an adjustment to the October 1, 2023 beginning balance of net position in accordance with SFFAS 21, "Reporting Correction of Errors and Changes in Accounting Principles, Amendment of SFFAS 7, Accounting for Revenue and Other Financing Sources".
(See Note 1.F and Note 5)

As defined by SFFAS 54, "an embedded lease generally describes a contract or agreement that contains lease component(s) and nonlease components, such as service components, and serves a primary purpose attributable to the nonlease component. DOL elected a transitional accommodation that defers assessments on the portion of the embedded lease contracts that are attributed to right-to-use leases; the transitional period covers October 1, 2023 through September 30, 2025 for those embedded lease contracts that existed as of October 1, 2023 and new/modified contracts in FYs 2024 and 2025; assessments for embedded leases will begin in FY 2026 for new/modified contracts.

The recognition, amortization, and disclosures for right-to-use lease assets are presented in Note 1.F and Note 5.

The recognition, amortization, and disclosures for lease liabilities are presented in Note 1.N.2 and Note 9.

To ensure that the Department's financial statements are meaningful, other liabilities as defined by OMB Circular A-136 have been disaggregated on the Consolidated Balance Sheets, e.g., the Energy employees occupational illness compensation benefits, accrued grant liabilities, and other liabilities. Except as described in the following paragraphs, the financial statements have been prepared from the books and records of DOL and include the accounts of all funds of the DOL reporting entity. All inter-fund balances and transactions were eliminated, except in the Statements of Budgetary Resources, which are presented on a combined basis, as required by OMB Circular A-136.

DOL is a party to allocation transfers with other Federal agencies as both a transferring (parent) entity and a receiving (child) entity. Allocation transfers are delegations by one department of its authority to obligate budget authority and outlay funds to another agency as prescribed by law. OMB Circular A-136 requires the parent to report all budgetary and proprietary activity in its financial statements. DOL (parent entity) allocates appropriations to the U.S. Department of Agriculture and the U.S. Department of the Interior (child entities) to provide funds for youth training programs. Accordingly, activity for these allocation accounts is included in the DOL financial statements. DOL (child entity) receives allocated appropriations from the following parent entities for these activities: U.S. Department of State to support international HIV/AIDS relief efforts; the Treasury to support grant activity under the Social Impact Partnerships to Pay for Results Act; and the U.S. Department of Health and Human Services to support implementation of the No Surprises Act. Accordingly, activity for these allocation accounts is excluded from the DOL financial statements.

U.S. GAAP encompasses both accrual and budgetary transactions. Under accrual accounting, revenues are recognized when earned and expenses are recognized when incurred. Budgetary accounting facilitates compliance with legal constraints on, and controls over, the use of Federal funds. These financial statements are different from the financial reports, also prepared by DOL pursuant to OMB directives, used to monitor DOL's use of budgetary resources. In accordance with the requirements of OMB Circular A-136, assets, liabilities, earned revenue, and costs have been classified according to the type of entity with whom the transactions were made. Intragovernmental assets and liabilities are those from or to other Federal entities. Intragovernmental earned revenue represents collections or accruals of revenue from other Federal entities and intragovernmental costs are payments or accruals of costs to other Federal entities.

Accounting standards require all reporting entities to disclose that accounting standards allow certain presentations and disclosures to be modified, if needed, to prevent the disclosure of classified information.

C. Fund Balance with Treasury

DOL's cash receipts and disbursements are processed by the U.S. Treasury. Fund Balance with Treasury, an intragovernmental asset, represents obligated and unobligated balances available to finance allowable expenditures, and restricted balances, including amounts related to expired authority and amounts not available for use by DOL. (See Note 2)

D. Investments, Net

DOL's investments, net, are intragovernmental assets.

Funds from Dedicated Collections

The Federal Government does not set aside assets to pay future benefits or other expenditures associated with DOL's funds from dedicated collections. The cash receipts collected from the public for funds from dedicated collections are deposited in the U.S. Treasury, which uses the cash for general Federal Government purposes. Interest earning Treasury securities are issued to DOL's funds from dedicated collections as evidence of the receipts. These Treasury securities are assets to DOL and liabilities to the U.S. Treasury. Because DOL and the U.S. Treasury are each component reporting entities of the Federal Government, these assets and liabilities offset each other from the standpoint of the Federal Government as a whole. For this reason, they do not represent an asset or a liability in the Federal governmentwide financial statements. Treasury securities provide DOL with authority to draw upon the U.S. Treasury to make future benefit payments or other expenditures. When DOL requires redemption of these securities to make expenditures, the Federal Government finances those expenditures out of accumulated cash balances, by raising taxes or other receipts, by borrowing from the public or repaying less debt, or by curtailing other expenditures, just as the Federal Government finances all other expenditures.

Balances held in the UTF are invested in non-marketable, special issue Treasury securities (certificates of indebtedness and bonds) available for purchase exclusively by Federal Government agencies and trust funds. Special issues are purchased and redeemed at face value (cost), which is equivalent to their net carrying value on the Consolidated Balance Sheets. Interest rates and maturity dates vary. The UTF special issue Treasury bonds may be redeemed, in whole or in part, prior to their maturity date and continue to accrue interest until fully redeemed.

Balances held in the Panama Canal Commission Compensation Fund are invested in marketable Treasury securities. These investments are stated at amortized costs that equal their net carrying value on the Consolidated Balance Sheets. Discounts and premiums are amortized using the effective interest method. Interest rates and maturity dates vary. Management expects to hold these marketable securities until maturity; therefore, no provision is made in the financial statements for unrealized gains or losses. (See Note 3)

E. Accounts Receivable, Net

Accounts receivable, net consist of intragovernmental amounts due to DOL, as well as amounts with the public. (See Note 4)

1. Intragovernmental accounts receivable

The Federal Employees Compensation (FEC) Account within the UTF provides unemployment compensation to eligible Federal employees (UCFE) and ex-service members (UCX). DOL recognizes as intragovernmental accounts receivable amounts due from other Federal agencies for unreimbursed UCFE and UCX benefits. DOL's FECA

Special Benefit Fund provides workers' compensation benefits to eligible Federal workers on behalf of other Federal agencies. DOL recognizes as intragovernmental accounts receivable amounts due from other Federal agencies to the Special Benefit Fund for unreimbursed FECA benefits.

DOL also has intragovernmental receivables from other Federal agencies for work performed on their behalf under various reimbursable agreements.

2. Accounts receivable with the public

DOL recognizes as accounts receivable (with the public) state unemployment taxes due from covered employers and reimbursements of benefits paid on behalf of other employers. Also recognized as accounts receivable are benefit overpayments made to individuals not entitled to receive the benefit.

DOL recognizes as accounts receivable amounts (with the public) for fines and penalties levied against employers by OSHA, MSHA, EBSA, and WHD and for amounts due from grantees and contractors for grant and contract costs disallowed by ETA and other agencies.

3. Net of an allowance

Accounts receivable are stated net of an allowance for uncollectible accounts. The allowance is estimated based on an aging of account balances, past collection experience, and/or an analysis of outstanding accounts at the end of the year. In general, intragovernmental accounts receivable are considered fully collectible.

F. Property, Plant, and Equipment, Net

The majority of DOL's property, plant, and equipment (PP&E) is general purpose PP&E held by Job Corps centers owned and operated by DOL through a network of contractors. Effective October 1, 2023, PPE, Net also includes right-to-use lease assets recognized in accordance with SFFAS 54 (see discussions of SFFAS 54 below). Internal use software is considered general purpose PP&E.

DOL's capitalization thresholds for assets with a useful life of 2 years or longer and the related depreciable lives are displayed in the following table.

	Capitalization Threshold	Years
Structures, facilities, and improvements	$500,000	20 - 50
Furniture and equipment	$50,000	2 - 36
Internal-use software	$500,000	2 - 15
Software in development	$500,000	-
Construction-in-progress	$500,000	-
Land	$500,000	-
SFFAS 54 implementation effective as of October 1, 2023:		
Right-to-use lease assets	$1,000,000	the shorter of lease term or useful life

Internal-use software development costs are capitalized as software in development until the development stage has been completed and successfully tested. Upon completion and testing, they are reclassified as internal-use software and amortized over their estimated useful lives.

PP&E purchases and additions are stated at cost. Normal repairs and maintenance are charged to expense as incurred. PP&E are depreciated or amortized over their estimated useful lives using the straight-line method and are reported net of accumulated depreciation and accumulated amortization.

Leasehold improvements made at Job Corps centers and DOL facilities leased from the General Services Administration (GSA) are capitalized as construction-in-progress until completed. Upon completion, they are reclassified as improvements to leased facilities, and amortized over the remaining life of the lease or the useful life of the improvements, whichever is shorter, using the straight-line method of amortization.

Job Corps center construction costs are capitalized as construction-in-progress until completed. Upon completion, they are reclassified as structures, facilities, and improvements and depreciated over their estimated useful lives. As of September 30, 2023, structures, facilities, and improvements included a capital lease for the Los Angeles Job Corps Center (LA JCC). Effective October 1, 2023, DOL implemented FASAB SFFAS 54 and reclassified the LA JCC capital lease as a right-to-use lease asset.

SFFAS 54 Implementation Effective October 1, 2023

Through September 30, 2023, DOL's other leases were treated as operating leases, having one-year terms with multiple option years. The operating leases were cancelable by the Federal Government upon appropriate notice as specified in the lease agreements. Historically, these operating leases had not been canceled and DOL had no intention to cancel these leases in the near term.

Effective October 1, 2023, DOL implemented SFFAS 54 and reclassified the operating leases as

(i) intragovernmental leases, which are leases between DOL and other component reporting entities within the larger governmentwide reporting entity of the Federal Government (as defined by SFFAS 47);

(ii) commercial right-to-use leases, which are leases that are not intragovernmental leases, that had remaining terms greater than two years and discounts to present value the future lease payments of one million dollars or more; and

(iii) short-term leases, which are commercial leases that did not meet the criteria in (ii).

Contracts which transfer ownership of the asset at the end of the lease term are treated as purchases, not leases.

DOL continues to apply the criteria in (i), (ii), and (iii) to new/modified contracts. For commercial right-to-use leases, the future lease payments are discounted to present value using the Treasury monthly interest rate certification according to the life of lease in order to calculate the right-to-use lease asset and liability. For the initial recognition of the right-to-use lease assets and liabilities effective October 1, 2023, the discount rate was the October 2023 Treasury monthly interest rate certification.

SFFAS 54 Prospective Treatment of Expenses in General

Effective FY 2024, lease activity in accordance with SFFAS 54 will be treated as lease expenses as follows:

1. Intragovernmental lease expenses paid by DOL to a lessor, including lease-related operating costs (e.g., maintenance, utilities, taxes) based on the provisions of the lease agreement;
2. Right-to-use lease payments paid by DOL are allocated according to interest expense and reduction of the lease liability;
3. Short-term lease payments paid by DOL to a lessor based on the provisions of the lease contract;
4. Variable payments based on future performance of the lessee or usage of the underlying asset in leases other than intragovernmental, short-term, and right-to-use lease contracts that transfer ownership; and
5. Amortization of right-to-use lease assets is recognized on a straight-line basis over the shorter of the lease term or the useful life of the underlying asset.

SFFAS 54 Prospective Treatment of Accounts Payable and Prepaid Rent for Intragovernmental Leases and Short-term Leases

Intragovernmental lease payments and short-term lease payments are recognized as expenses based on the payment provisions of the contract or agreement and standards regarding recognition of accounts payable and other related amounts. Prepaid rent or a payable for rent due is recognized as an asset or liability, respectively, and an expense is recognized in the appropriate reporting period based on the specifics of the lease provisions. Rental increases, rental decreases, lease incentives, and lease concessions are recognized when incurred as increases/or reductions to lease expense.

Intragovernmental leases are primarily for GSA rent and parking. Commercial right-to-use leases are primarily for information technology and Job Corp Centers facilities. The U.S. Department of State acts as an agent to facilitate overseas residential leases for DOL employees working abroad; management has determined that the balances and activity for these leases are not material. (See Note 5)

G. Advances and Prepayments

Advances and prepayments consist primarily of advances with the public to states for UI benefit payments and payments made to State Employment Security Agencies (SESA) and to grantees and contractors to provide for future DOL program expenditures. These advance payments with the public are recorded by DOL as an asset, which is reduced when actual expenditures or the accrual of estimated expenditures are recorded by DOL. (See Note 6)

H. Non-entity Assets

Assets held by DOL which are not available to DOL for obligation are considered non-entity assets. DOL holds non-entity assets for the Railroad Retirement Board and for transfer to the U.S. Treasury. (See Note 7)

I. Liabilities

DOL's liabilities are reported as intragovernmental and with the public. Liabilities represent probable amounts to be paid by DOL as a result of past transactions and are recognized when incurred, regardless of whether there are budgetary resources available to pay them. However, the liquidation of these liabilities will consume budgetary resources and cannot be made until available resources have been obligated. For financial reporting purposes, DOL's liabilities are classified as covered by budgetary resources, not covered by budgetary resources, or not requiring budgetary resources.

Liabilities are classified as covered by budgetary resources if budgetary resources are available to pay them. Liabilities are also considered covered by budgetary resources if they are to be funded by permanent indefinite appropriations, which have been enacted and signed into law and are available for use as of the balance sheet date, provided that the resources may be apportioned by OMB without further action by the Congress and without a contingency having to be met first. Liabilities are classified as not covered by budgetary resources if budgetary resources are not available. Liabilities are classified as not requiring budgetary resources if the liabilities have not in the past required and will not in the future require the use of budgetary resources. (See Note 12)

J. Debt

DOL's debt, which are intragovernmental liabilities, consisted of the following:

1. Unemployment Trust Fund Advances from U.S. Treasury

UTF advances from U.S. Treasury outstanding as of September 30, 2024 and 2023 represent borrowings by the UTF's Federal Unemployment Account (FUA) from the General Fund of the U.S. Treasury pursuant to the authority of Section 1203 of the Social Security Act (SSA) (42 U.S.C. 1323). UTF advances from U.S. Treasury also represent borrowing authority by the UTF's Extended Unemployment Compensation Account (EUCA) from the General Fund of the Treasury pursuant to the authority of Section 905(d) of the SSA (42 USC 1105(d)). The authority for these advances was available: (1) in FY 2024 through four continuing resolutions (P.L.s 118-15, -22, -35, and -40) and an appropriations act (P.L. 118-47) and (2) in FY 2023 through three continuing resolutions (P.L.s 117-180, -229, and -264) and an appropriations act (P.L. 117-328). The FUA's repayable advances bear interest rates of 1.625 and 1.75 percent as of September 30, 2024 and 2023. The EUCA's repayable advances bear interest rates of 1.625 and 1.75 percent as of September 30, 2024 and 2023. The interest rates are equal to the average rate of interest, computed as of the end of the calendar month next preceding the date of such advance, borne by all interest bearing obligations of the United States then forming part of the public debt; except that in cases in which such average rate is not a multiple of one-eighth of 1 percent, the rate of interest shall be the multiple of one-eighth of 1 percent next lower than such average rate in accordance with Section 905(d) and Section 1203 of the Social Security Act.

In general, interest on the repayable advances is due on September 30th of each year or upon the repayment of an advance and is subject to sequestration. Advances are repaid by transfers from the UTF to the General Fund of the U.S. Treasury when the Secretary of the Treasury, in consultation with the Secretary of Labor, has determined that the balances in the UTF allow repayment. (See Note 8)

2. Black Lung Disability Trust Fund Borrowings from U.S. Treasury

The Energy Improvement and Extension Act of 2008 (P.L. 110-343, Division B, section 113), enacted October 3, 2008, authorized restructuring of the BLDTF Advances from U.S. Treasury by the repayment at market value the fund's outstanding repayable advances, using the proceeds from borrowings from Treasury's Bureau of the Fiscal Service and a one-time appropriation. Pursuant to this authority, in FY 2009, the BLDTF borrowed from Treasury $6.496 billion which was structured into 32 discounted instruments with sequential annual September 30th maturities over the 32-year period 2009 through 2040; 16 discounted instruments remain outstanding as of September 30, 2024, bearing interest rates from 4.194 to 4.556 percent. Interest on each instrument accrues until its September 30th maturity date or the instrument's prepayment, whichever occurs first. The payments of principal and interest are to be made from the excise taxes assessed on domestic sales of coal mined in the United States. In the event that the BLDTF cannot repay a discounted instrument when it matures, or make benefit payments or other authorized expenditures, the Act authorizes the issuance of one-year discounted instruments to finance these activities. The BLDTF borrowed on September 30, 2023 bearing an interest rate of 5.532 percent; the BLDTF paid the principal and interest that were due on September 30, 2024. The BLDTF borrowed on September 30, 2024 (due September 30, 2025) bearing an interest rate of 3.938 percent. (See Note 8)

K. Advances from Others and Deferred Revenue

Advances from others and deferred revenue are amounts received for goods or services to be delivered or performed in the future and reflect amounts that have yet to be earned. Advances from others and deferred revenue are primarily from intragovernmental activity.

L. Federal Employee Salary, Leave, and Benefits Payable and Post-employment Benefits Payable

These liabilities with the public are (1) Federal employee salary, leave, and benefits payable and (2) Post-employment benefits payable (See Note 11).

1. Federal Employee Salary, Leave, and Benefits Payable

Federal employee salary, leave, and benefits payable includes salaries; wages; funded and unfunded annual leave; funded and unfunded compensatory leave; sick leave; the employer portion of payroll taxes and benefit contributions (excluding intragovernmental amounts such as DOL's contributions to the Thrift Savings Plan); and the employer share of health benefit payments due to benefit carriers.

Unfunded annual and compensatory leave is accrued as leave is earned and paid when leave is taken. The balance of leave earned but not taken is unfunded and will be paid from future funding sources. Sick leave and other types of non-vested leave are expensed as taken.

2. Post-employment Benefits Payable

Post-employment benefits payable is the actuarial liability for future workers' compensation benefits payable by DOL to its employees, to employees of the Panama Canal Commission and to enrollees of the Job Corps, as well as benefits not chargeable to other Federal agencies, which must be paid by DOL's FECA Special Benefit Fund. The liability includes the expected payments for death, disability, medical, and miscellaneous costs for approved compensation cases, as well as a component for incurred but not reported claims. The liability is determined using historical claim data and benefit payment patterns related to injury years to predict the future payments.

The actuarial methodology provides for the effects of inflation and adjusts liability estimates to constant dollars by applying wage inflation factors (cost-of-living adjustments or COLA) and medical inflation factors (consumer price index-medical or CPI-M) to the calculation of projected benefits.

DOL selects the COLA factors and CPI-M factors by averaging over five years the COLA rates and CPI-M rates, respectively. Using averaging renders estimates that reflect trends over five years instead of conditions that exist in one year. The FY 2024 and FY 2023 methodology for averaging the COLA rates used OMB-provided rates.

The FY 2024 and FY 2023 methodology for averaging the CPI-M rates used OMB-provided rates and information obtained from the Bureau of Labor Statistics public releases for CPI.

The COLAs and CPI-Ms used in the projections for FY 2024 are presented in the table below:

FY	2024 COLA	2024 CPI-M
2025	4.27 %	2.55 %
2026	4.42 %	2.85 %
2027	4.17 %	3.21 %
2028	3.17 %	3.37 %
2029	2.57 %	3.98 %
2030	2.39 %	3.93 %
2031	2.30 %	3.93 %
2032	2.30 %	3.93 %
2033	2.30 %	3.93 %
2034 and thereafter	2.30 %	3.93 %

The COLAs and CPI-Ms used in the projections for FY 2023 are presented in the table below:

FY	2023 COLA	2023 CPI-M
2024	4.04 %	3.25 %
2025	4.29 %	3.21 %
2026	4.38 %	3.51 %
2027	4.13 %	3.87 %
2028 and thereafter	3.13 %	4.03 %

DOL selects the discount rates by averaging interest rates for the current and prior four years. Using averaging renders estimates that reflect historical trends over five years instead of conditions that exist in one year.

DOL selected the interest rate assumptions whereby projected annual payments were discounted to present value based on interest rate assumptions on the Treasury's Yield Curve for Treasury Nominal Coupon Issues (the TNC Yield Curve) to reflect the average duration of income payments and medical payments. The average durations for income payments and medical payments were 14.7 and 10.2 years in FY 2024 and 14.5 and 10.3 years in FY 2023, respectively. Based on averaging the TNC Yield Curves for the current year and the prior four years, the interest rate assumptions for income payments and medical payments were 2.648 and 2.399 percent in FY 2024 and 2.326 and 2.112 percent in FY 2023, respectively.

The actuarial liability consists of a portion for the projected benefits of Federal agencies (including DOL and the Panama Canal Commission Compensation Fund) that reimburse the fund for their employees' costs as billable costs; the other portion is for projected benefits for non-billable and unreimbursed costs, which are primarily for projected benefits under the War Hazards Compensation Act (WHCA), as amended (42 U.S.C. 1701 et seq.). DOL's actuarial liability includes the non-billable and unreimbursed costs from claims covered by Section 4016, "Eligibility for Workers' Compensation Benefits for Federal Employees Diagnosed with COVID-19," of the ARP Act; however, claims for COVID-19 diagnosed after January 27, 2023 are billable to other Federal agencies. (See Note 11)

The National Defense Authorization Act (NDAA) of 2023, P.L. 117-263, enacted December 23, 2022, section 5305, "Fairness for Federal firefighters," amended the FECA and established that certain illnesses and diseases are to be deemed to be proximately caused by employment in federal fire protection activities. DOL has determined that these costs are billable to the Agencies that employ Federal firefighters.

In FY 2024 and FY 2023, the methodology for the billable projected liability included, among other things: (1) an algorithmic model that relies on individual case characteristics and benefit payments (the FECA Case Reserve

Model [CRM]) and (2) incurred but not reported claims were estimated using the patterns of incurred benefit liabilities in addition to those of payments.

In FY 2023, the methodology for the non-billable WHCA projected liability was refined to apply a CRM specific to WHCA claims; the use of a CRM is a methodology similar to the use of the FECA CRM for billable and non-billable (other than WHCA) claims. The results of the non-billable WHCA CRM are incorporated into the loss development triangle approach to allow for development of the WHCA claims on both a paid as well as a case-incurred basis. In FY 2023, the DoD OCO budget format changed and did not provide the same level of detail as in prior years. Consequently, DOL used the U.S. Central Command (USCENTCOM) budget, Middle East Current Operations costs, as a relative measure of hazard exposure in projecting future benefits under the WHCA and applied it to both the T4 and non-T4 claims. FY 2024 methodology continued applying these refinements.

In FY 2024, an adjustment was made to the WHCA actuarial case reserves in order to reflect the inactive status for a subset of WHCA claims."

In FY 2024 and FY 2023, for the other non-billable non-WHCA projected liability, DOL continued to use the FECA CRM.

M. Benefits Due and Payable

The financial statements include a liability with the public for unemployment, workers' compensation, and disability benefits due and payable from various DOL funds, as discussed below. (See Note 10)

1. Unemployment Benefits

State Regular and Extended Unemployment Benefits. The UTF provides benefits to unemployed workers who meet state and Federal eligibility requirements. Regular and extended unemployment benefits are paid from state accounts within the UTF, financed primarily by a state unemployment tax on employer payrolls. Fifty percent of the cost of extended unemployment benefits is paid from the Extended Unemployment Compensation Account (EUCA) within the UTF, financed by a Federal unemployment tax on employer payrolls.

P.L. 116-127, Division D, the Emergency Unemployment Insurance Stabilization and Access Act of 2020 (the EUISA Act), enacted March 18, 2020, and P.L. 116-136, the Coronavirus Aid, Relief, and Economic Security Act of 2020 (the CARES Act), Title II, Subtitle A, enacted March 27, 2020, and Subsequent Amendments

The EUISA Act and CARES Act, both enacted in March 2020, provided for, among other things, Federal funding of unemployment assistance and benefits to individuals affected by the COVID-19 pandemic. Statutory weeks of eligibility varied according to the requirements of the relevant sections of the laws. Although the statutory weeks of eligibility have expired for these programs, benefits due and payable as of September 30, 2024 and 2023 result from activity for the obligations and unpaid expenditures still outstanding as of September 30, 2023 and 2022, respectively.

Subsequent amendments to the EUISA Act and CARES Act were:

(1) P.L. 116-260, Division N, Title II, Subtitle A, Chapter 1, Continued Assistance for Unemployed Workers Act of 2020 (the CAUW Act), enacted December 27, 2020, and
(2) P.L. 117-2, the American Rescue Plan Act of 2021 (the ARP Act), Title IX, Subtitle A, Part 1, Extension of CARES Act Unemployment Provisions, and Part 2, Extension of FFCRA (Families First Coronavirus Response Act/EUISA Act), enacted March 11, 2021.

The CAUW Act, in general, for those programs with ending dates on or before December 31, 2020, extended the ending dates to on or before March 14, 2021. The ARP Act, in general, for those programs with ending dates on or before March 14, 2021, further extended the ending dates to on or before September 6, 2021.

Federal Regular and Extended Unemployment Benefits. (1) the EUISA Act, section 4105, provided for 100 percent federal financing of extended benefits for states that met certain requirements and provided for federal matching of the first week of extended benefits for states that met waiting week requirements, providing either 50 percent or 100 percent based on whether states met qualifications associated with emergency administrative grants (effective from date of agreement through December 31, 2020); and (2) the CARES Act, section 2105, provided for 100 percent Federal funding for the first week of regular unemployment benefits where a state's laws do not require a waiting week and that participated in certain Federal-state agreements (effective from date of agreement through December 31, 2020). In addition to extending the ending dates, the CAUW Act decreased from 100 percent to 50 percent the Federal funding of regular unemployment for first week with no waiting week.

In addition to further extending the ending dates, the ARP Act resumed the 100 percent Federal funding of regular unemployment for first week with no waiting week and authorized in certain circumstances retroactive reimbursements for first weeks (with no waiting week) of unemployment that ended after December 31, 2020.

Federal Pandemic Emergency Unemployment Benefits. Section 2107 of the CARES Act provided for 100 percent Federal funding of emergency unemployment benefits to individuals who exhausted their regular benefits in those states which participated in certain Federal-state agreements. The benefits were applicable to weeks of benefits that began after the date on which the agreement was entered into and ended on or before December 31, 2020 for up to 13 weeks of eligibility. In addition to extending the ending dates, the CAUW Act and ARP Act increased the weeks of eligibility from 13 to 24 weeks and from 24 to 53 weeks, respectively.

Federal Pandemic Unemployment Assistance Benefits. Section 2102 of the CARES Act provided for 100 percent Federal funding in those states which participate in certain Federal-state agreements. Federal pandemic unemployment assistance covered individuals who may not have otherwise qualified for unemployment benefits, such as those that are self-employed, who seek part-time employment, do not have sufficient work history, or otherwise would not qualify for regular unemployment or extended benefits under state or Federal law or Federal PEUC benefits under section 2107 of the CARES Act. The benefits were effective for weeks of unemployment that began on or after January 27, 2020 and ended on or before December 31, 2020 for up to 39 weeks of eligibility. In addition to extending the ending dates, the CAUW Act and ARP Act increased the weeks of eligibility from 39 to 50 weeks and from 50 to 79 weeks, respectively.

On February 25, 2021, DOL issued guidance to the States which provided for expanded eligibility provisions for individuals, among others, who were denied benefits under other programs because they refused to return to work that is unsafe or to accept an offer of new work. The guidance reflects a new policy/new interpretation of existing law under the CARES Act.

In some cases, if the individual had been receiving unemployment benefits under another program (e.g., regular, extended, pandemic emergency unemployment compensation) but was determined to be ineligible or disqualified under state law because they refused an offer of work at a worksite that was not in compliance with local, state, or national health and safety standards directly related to COVID-19, then the individual would be eligible for retroactive PUA benefits. However, individuals who did not file an initial PUA claim on or before December 27, 2020 were limited to weeks of unemployment beginning on or after December 6, 2020.

Federal Pandemic Unemployment Benefits. Section 2104 of the CARES Act established the Federal pandemic unemployment compensation (FPUC) program for 100 percent Federal funding of $600 per week as an amount in addition to regular unemployment benefits and temporary pandemic-related unemployment benefits in those states which participated in certain Federal-state agreements. The benefits were applicable to weeks of benefits that began after the date on which the agreement was entered into and ended on or before July 31, 2020. The benefit was not payable for any week of unemployment ending after July 31, 2020. The CAUW Act reauthorized the FPUC program for the period after December 26, 2020 but ending on or before March 14, 2021 and reduced the weekly payment from $600 to $300. The ARP Act extended the ending date of the $300 weekly payments from on or before March 14, 2021 to on or before September 6, 2021.

Mixed Earner Unemployment Benefits. The CAUW Act established the mixed earner unemployment compensation (MEUC) program which was 100 percent Federally-funded. State participation was optional and participating states must have entered into certain Federal-state agreements. The MEUC program was intended to provide certain individuals (who had at least $5,000 of self-employment income in the prior tax year) with a $100 weekly supplemental payment in addition to the $300 weekly FPUC supplemental payment and their underlying UI benefit payment for weeks of unemployment that began after December 26, 2020 (or date of Federal-state agreement, if later) and ended on or before March 14, 2021. The ARP Act extended the ending date of the $100 weekly payments from on or before March 14, 2021 to on or before September 6, 2021. For presentation purposes, the benefits due and payable for the Federal pandemic unemployment benefits include MEUC benefits.

Other Activity

Included in the **Federal Regular and Extended Unemployment Benefits** are extended benefits under the American Reinvestment and Recovery Act of 2009 (the Recovery Act), which provided for a 100 percent Federal funding of extended benefits through December 2009. This 100 percent Federal funding provision, which was extended several times, phased out on January 1, 2014. Although the vast majority of extended benefits activity has ceased, states are still reporting residual transactions related to the program on monthly reports.

Federal Emergency Unemployment Benefits are Emergency Unemployment Compensation (EUC) benefits, also paid from EUCA, that were first authorized by the Supplemental Appropriations Act of 2008. These benefits were extended by the Recovery Act and other authorizing legislation through January 1, 2014, and were funded entirely from General Fund appropriations. Although the vast majority of EUC activity has ceased, states are still reporting residual transactions related to the program on monthly reports.

Federal Additional Unemployment Benefits are Federal Additional Unemployment Compensation (FAUC) benefits provided by the Recovery Act for a $25 weekly supplement entirely funded from Treasury General Fund revenues, payable through December 2009, to individuals who were entitled under state law to otherwise receive any type of UC. These FAUC benefits were extended several times, with phase-out of benefit eligibility by December 2010. Although the vast majority of this FAUC activity has ceased, states are still reporting residual transactions related to the program on monthly reports.

Federal Employees Unemployment Benefits

Unemployment benefits to unemployed Federal workers are paid from the FEC Account within the UTF, which is then reimbursed by the responsible Federal agency.

A liability is recognized for unpaid unemployment benefits applicable to the current period and for benefits paid by states that have not been reimbursed by the fund. DOL also recognizes a liability for Federal employees' unpaid unemployment benefits for existing claims filed during the current period, payable in the subsequent period, to the extent reimbursable by other Federal entities.

2. Federal Employees Disability and 10(h) Benefits

The FECA Special Benefit Fund provides income and medical cost protection to covered Federal civilian employees injured on the job, employees who have incurred a work-related occupational disease, and beneficiaries of employees whose death is attributable to a job-related injury or occupational disease. The Fund is reimbursed by other Federal agencies for the FECA benefit payments made on behalf of their workers. The Fund assumes the liability for unreimbursed (non-chargeable) FECA benefits.

The ARP Act, Section 4016, "Eligibility for Workers' Compensation Benefits for Federal Employees Diagnosed with COVID-19," mandated that the Fund assume an unreimbursed liability for approved claims of certain covered employees for injuries proximately caused by exposure to the novel coronavirus that causes COVID-19 (or another coronavirus declared to be a pandemic by public health authorities) while performing official duties during the covered exposure period. Section 4016 claims must be approved on or after March 12, 2021 and cover benefits for disability compensation and medical services and survivor benefits. No benefits or administrative costs related to those benefits may be paid after September 30, 2030. Claims for COVID-19 diagnosed after January 27, 2023 are billable to other Federal agencies.

The National Defense Authorization Act (NDAA) of 2023, P.L. 117-263, enacted December 23, 2022, section 5305, "Fairness for Federal firefighters," amended the FECA and established that certain illnesses and diseases are to be deemed to be proximately caused by employment in federal fire protection activities.

The Fund also provides 50 percent of the annual cost-of-living adjustments for pre-1972 compensation cases under the authority of Section 10(h) of the Longshore and Harbor Workers' Compensation Act and the District of Columbia Worker's Compensation Act. A liability for FECA benefits payable by the Special Benefit Fund to the employees of DOL and other Federal agencies and for Section 10(h) benefits is accrued to the extent of unpaid benefits applicable to the current period.

3. Black Lung Disability Benefits

The BLDTF and Special Benefits for Disabled Coal Miners fund provide compensation and medical benefits for eligible coal miners who are totally disabled due to pneumoconiosis (black lung disease). DOL recognizes a liability for disability benefits to the extent of unpaid benefits applicable to the current period.

4. Energy Employees Occupational Illness Compensation Benefits

The Energy Employees Occupational Illness Compensation Fund provides benefits to eligible current or former employees of the DOE and its contractors suffering from designated illnesses incurred as a result of their work with DOE. Benefits are also paid to certain survivors of those employees and contractors, as well as to certain beneficiaries of the Radiation Exposure Compensation Act (RECA). DOL recognizes a liability for disability benefits to the extent of unpaid benefits applicable to the current period.

N. Other Liabilities

DOL's Other liabilities are reported as intragovernmental and with the public.

1. Intragovernmental Other Liabilities

Intragovernmental other liabilities are primarily for accounts receivable, net due to U.S. Treasury that are non-entity assets. (See Notes 1-H, 7 and 9)

2. Other Liabilities with the Public

Other liabilities with the public include liabilities for the Energy employees occupational illness compensation benefits, accrued grant liabilities, and other liabilities.

Energy Employees Occupational Illness Compensation Benefits

The Energy Employees Occupational Illness Compensation Fund, established under the authority of the EEOICPA, provides benefits to eligible current or former employees of DOE and its contractors, or to certain survivors of those employees and contractors, as well as benefits to certain beneficiaries of the Radiation Exposure Compensation Act (RECA). DOL is responsible for adjudicating and administering claims filed under the EEOICPA. Effective July 31, 2001, Part B compensation of $150,000 and payment of medical expenses from the date a claim is filed are available to covered individuals suffering from designated illnesses incurred as a result of their work with DOE.

The Ronald Reagan National Defense Authorization Act of 2005 amended EEOICPA to include Subtitle E – Contractor Employee Compensation. The amended program grants compensation benefits up to $250,000 to covered employees and their families for illness and death arising from exposure to toxic substances at a DOE facility. The amendment also makes it possible for uranium workers as defined under Section 5 of RECA to receive compensation under Part E for illnesses due to toxic substance exposure at a uranium mine or mill covered under that Act.

P.L. 117-139, the RECA Extension Act, enacted June 7, 2022, extended the RECA program for two years until it expired; consequently only claims postmarked on and before June 10, 2024 will be filed and adjudicated.

The National Defense Authorization Act (NDAA) for FY 2024, P.L. 118-31, was enacted on December 22, 2023 and includes section 5501, Amendments to the Energy Employees Occupational Illness Compensation Program Act of 2000, also known as the Beryllium Testing Fairness Act. Section 5501 includes additional methods for establishing beryllium sensitivity under Part B.

The table below presents assumptions used for the compensation liabilities as of September 30, 2024 and 2023.

Type of Compensation Assumption	2024	2023
Average duration	11.9 years	12.5 years
Interest rate used in discounting	2.465 %	2.209 %

The table below presents assumptions used for the medical liabilities as of September 30, 2024 and 2023.

Type of Medical Assumption	2024	2023
Average duration	19.9 years	19.2 years
Interest rate used in discounting	2.939 %	2.571 %
Medical inflation in 2024	N/A	7.8 %
Medical inflation in 2025	8.3 %	4.7 %
Medical inflation in 2026	5.9 %	4.7 %
Medical inflation in 2027	5.9 %	4.7 %
Medical inflation in 2028	5.8 %	4.7 %
Medical inflation in 2029	5.8 %	3.9 %
Medical inflation in 2030 and thereafter	5.0 %	3.9 %
Mortality Table	PRI-2012 Male Disabled Retiree	PRI-2012 Male Disabled Retiree

The table below summarizes the compensation and medical liabilities as of September 30, 2024 and 2023.

Summary of Compensation and Medical Liabilities	2024	2023
Compensation Liability, Undiscounted	$11.6 billion	$14.7 billion
Medical Liability, Undiscounted	$125.4 billion	$86.9 billion
Total Compensation and Medical Liability, Undiscounted‡	$137.0 billion	$101.5 billion
Compensation Liability, Discounted	$9.0 billion	$11.5 billion
Medical Liability, Discounted	$75.3 billion	$56.3 billion
Total Compensation and Medical Liability, Discounted‡	$84.3 billion	$67.8 billion

‡Totals may differ slightly due to rounding.

As of September 30, 2024, the sum of compensation and medical liabilities on an undiscounted and discounted basis was $137.0 billion and $84.3 billion, respectively, over a 60-year discounting period. As of September 30, 2023, the sum of compensation and medical liabilities on an undiscounted and discounted basis was $101.5 billion and $67.8 billion, respectively, over a 60-year discounting period.

DOL selects interest rate assumptions by averaging interest rates on the TNC Yield Curves for the current and prior four years. Using averaging renders estimates that reflect historical trends over five years instead of conditions that exist in one year. DOL selected the interest rate assumptions whereby projected payments were discounted to present value based on interest rate assumptions on the TNC Yield Curve to reflect the average duration of compensation payments and medical payments.

The estimated liability includes the estimated compensation and medical payments for approved cases and filed cases pending approval, as well as claims incurred but not yet filed. The actuarial projection methodology provided an estimate of the ultimate number of reported cases as a result of estimating future reported claims from the historical patterns of reported claims and subsequent claim approval rates. Medical payments were derived by estimating an average benefit award per living employee claimant and by applying the Society of Actuaries Private Retirement Plans (PRI) 2012 male disabled retiree mortality tables.

In FY 2023, the estimated medical inflation rates for the first five years were updated based on historical payment data and guidance from OWCP management regarding expected increases. The medical inflation rates for the sixth and later years used a rate of 3.9 percent.

In FY 2024, the estimated medical inflation rates were updated based on historical payment data and guidance from OWCP management regarding expected increases. The medical inflation rates for the sixth and later years used a rate of 5.0 percent. The increase in discounted total liabilities as of September 30, 2024 was primarily due to actual FY 2024 medical payments that were higher than projected and an increase in estimated long-term and short-term medical inflation rates, offset primarily by higher discount rates than last year.

A consequential condition is the effect of the accepted occupational illness under Part B and/or covered illness under Part E in causing, contributing to, or aggravating another condition or disease. Consequential conditions can arise for reasons established as being medically linked to a previously accepted work-related illness.

Benefits as a result of COVID-19 would be covered as a consequential condition, that is, the effect of the accepted occupational illness under Part B and/or covered illness under Part E in causing, contributing to, or aggravating COVID-19 disease. Management has determined that there have been no substantive effects of COVID-19 on the EEOICPA benefits costs during FY 2024 through September 30, 2024.

Accrued Grant Liabilities

Accrued grant liabilities represent amounts owed to grantees. These grant-related expenses are program costs of DOL's agencies; ETA programs have the largest share of accrued grant liabilities.

Other

Other liabilities with the public include lease liability (including capital lease liability for FY 2023 only). (See Note 9)

As disclosed in Notes 1.B and 1.F, DOL implemented SFFAS 54 in FY 2024. Lease liabilities are the commercial right-to-use leases with terms greater than 24 months and discounted future lease payments of one million dollars or more.

Existing operating leases as of September 30, 2023 were recognized as lease liabilities as of October 1, 2023. For each converted operating lease, the rate used in discounting the remaining future lease payments was selected from the Treasury's October 2023 Monthly Interest Rate Certification for a period consistent with the remaining lease term. In a similar manner, the existing capital lease as of September 30, 2023 was recognized as a lease liability.

For new commercial right-to-use leases that began in FY 2024, the source of the discount rate is the Treasury's Monthly Interest Rate Certification at the inception of the lease and the rate selected is consistent with the lease term.

Over the lease term, lease payments are allocated first to interest expense and then to reduction of the liability. (See Note 9)

Lease concessions, such as rent abatements, are included in the lease liability measurement, while lease incentives are excluded. Variable payments, such as operational expenses, are expensed as incurred. Lease liabilities are subsequently reassessed only under limited circumstances and if the changes individually or in the aggregate, are expected to significantly affect the amount of the lease liability since the previous measurement. A lease liability is primarily reduced by principal payments made. The related amortization of the discount on a lease liability is recognized over the life of the lease liability as interest expense.

O. Employee Health and Life Insurance Benefits

DOL employees are eligible to participate in the contributory Federal Employees Health Benefit Program (FEHBP) and the Federal Employees Group Life Insurance Program (FEGLIP). DOL matches the employee contributions to each program to pay for current benefits. For the year ended September 30, 2024, DOL's matching contributions to the FEHBP and FEGLIP were $150.8 million and $3.4 million, respectively. For the year ended September 30, 2023, DOL's matching contributions to the FEHBP and FEGLIP were $145.3 million and $3.2 million, respectively.

P. Other Retirement Benefits

DOL employees eligible to participate in the FEHBP and the FEGLIP may continue to participate in these programs after their retirement. DOL recognizes a current operating expense for the future cost of these other retirement benefits (ORB) at the time the employee's services are rendered. This ORB expense must be financed by the U.S. Office of Personnel Management (OPM). Using cost factors supplied by OPM, DOL recorded ORB imputed costs and imputed financing sources of $113.3 million and $116.5 million for the year ended September 30, 2024 and 2023, respectively. (See Note 1-S.1)

Q. Employee Pension Benefits

DOL employees participate in either the Civil Service Retirement System (CSRS) or the Federal Employees Retirement System (FERS). For employees participating in CSRS, 7.0 percent of their gross earnings is withheld and transferred to the Civil Service Retirement and Disability Fund. DOL contributes an additional 7.0 percent of the employee gross earnings to the Civil Service Retirement and Disability Fund. P.L. 112-96, Section 5001, the "Middle Class Tax Relief and Job Creation Act of 2012," changed the employee and employer contributions for new employees participating in FERS. Employees designated by OPM as FERS Revised Annuity Employees (RAE) were, in general, new employees hired on or after January 1, 2013. The Bipartisan Budget Act of 2013, section 401, further changed the employee and employer contributions for new employees participating in FERS. Employees designated by OPM as FERS Further Revised Annuity Employees (FRAE) were, in general, hired on or after January 1, 2014. The percentages of employee contribution/withholding and DOL contribution under FERS, FERS RAE, and FERS FRAE in FY 2024 and FY 2023 are presented in the table below.

The table below provides the FY 2024 employee contributions/withholding and employer/DOL contributions as a percentage of gross earnings under the FERS, FERS RAE, and FERS FRAE programs.

Type of contribution in FY 2024	FERS	FERS RAE	FERS FRAE
Employee contribution/withholding	0.8%	3.1%	4.4%
Employer/DOL contribution	18.4%	16.5%	16.5%

The table below provides the FY 2023 employee contributions/withholding and employer/DOL contributions as a percentage of gross earnings under the FERS, FERS RAE, and FERS FRAE programs.

Type of contribution in FY 2023	FERS	FERS RAE	FERS FRAE
Employee contribution/withholding	0.8%	3.1%	4.4%
Employer/DOL contribution	18.4%	16.6%	16.6%

These totals are transferred to the Federal Employees' Retirement Fund. The CSRS and FERS retirement funds are administered by OPM. DOL contributions to the CSRS and FERS are recognized as current operating expenses. FERS participants are also covered under the Federal Insurance Contribution Act (FICA) and are subject to withholdings. DOL makes matching FICA contributions, recognized as current operating expenses. DOL's matching contributions were $166.3 million and $158.0 million for the years ended September 30, 2024 and 2023, respectively.

The Thrift Savings Plan (TSP) is a defined contribution retirement savings and investment plan for employees covered by either CSRS or FERS. CSRS participants may contribute up to $23,000 and $22,500 per year of their gross pay to the TSP during calendar years 2024 and 2023, respectively, but there is no departmental matching contribution. FERS participants may contribute up to $23,000 and $22,500 per year of their gross pay to the TSP during calendar years 2024 and 2023, respectively. For calendar years 2024 and 2023, CSRS and FERS participants aged 50 years or older may also contribute an additional $7,500 each calendar year in "catch-up" contributions; there is no departmental matching of "catch-up" contributions for CSRS participants, but for FERS participants, contributions in excess of the calendar year 2024 $23,000 limit (and calendar year 2023 $22,500 limit) that spill over towards the "catch-up" limit may qualify for departmental matching, up to a maximum of 5 percent of gross pay eligible for total departmental matching. For employees covered under FERS, DOL contributes 1 percent of the employees' gross pay to the TSP. DOL also matches employees' contributions dollar-for-dollar on the first 3 percent of gross pay contributed each pay period and 50 cents on the dollar for the next 2 percent of gross pay contributed, up to a maximum of 5 percent of gross pay eligible for departmental matching. DOL contributions to the TSP are recognized as current operating expenses. Employee and employer contributions to the TSP are transferred to the Federal Retirement Thrift Investment Board (FRTIB), the administrator of the TSP. (See Note 14)

On September 16, 2020, the FRTIB issued a final rule that increased from 3 percent to 5 percent (of basic salary) the automatic employee contributions for employees that began or rejoined Federal service on or after October 1, 2020; the employees may change their contributions at any time. Employees already enrolled in the TSP as of September 30, 2020 were not affected.

DOL recognizes the full cost of providing future CSRS and FERS pension benefits to covered employees at the time the employees' services are rendered. The pension expense recognized in the financial statements equals the service cost for covered DOL employees, less amounts contributed by these employees. Service cost represents the actuarial present value of benefits attributed to services rendered by covered employees during the accounting period.

The measurement of service cost requires the use of actuarial cost methods to determine the percentage of the employees' basic compensation sufficient to fund their projected pension benefit. These percentages (cost factors) are provided by OPM and applied by DOL to the basic annual compensation of covered employees to arrive at the amount of total pension expense to be recognized in DOL's financial statements.

The excess of total pension expense over the amount contributed by the Department and by DOL's employees represents the amount of pension expense which must be financed directly by OPM. DOL recognized an imputed cost and an imputed financing source equal to the excess amount. DOL does not recognize in its financial statements FERS or CSRS assets, accumulated plan benefits, or unfunded liabilities, if any, applicable to its employees. (See Notes 1-S.1 and 14)

R. Net Position

DOL's net position for funds from dedicated collections and funds from other than dedicated collections consist of the following:

1. Unexpended Appropriations - Funds from other than Dedicated Collections

Unexpended appropriations from funds from other than dedicated collections include the unobligated balances and undelivered orders of DOL's appropriated funds. Unobligated balances associated with appropriations that expire at the end of the fiscal year remain available for obligation adjustments, but not new obligations, until those appropriations are cancelled, five years after the appropriations expire. Unexpired multi-year and no-year appropriations remain available to DOL for obligation in future periods.

2. Cumulative Results of Operations

Both funds from dedicated collections and funds from other than dedicated collections have cumulative results of operations. Cumulative results of operations include the accumulated historical difference between expenses consuming budgetary resources and financing sources providing budgetary resources in DOL's trust, revolving, and special funds; liabilities not consuming budgetary resources net of assets not providing budgetary resources; and DOL's net investment in capitalized assets.

S. Net Cost of Operations

1. Operating Costs

Full operating costs are comprised of all direct costs consumed by programs and those indirect costs which can be reasonably assigned or allocated to programs. Full operating costs include goods and services that are received from other federal entities at no cost or at a cost less than the full cost to the providing federal entity. Consistent with accounting standards, certain costs of the providing entity that are not fully reimbursed by DOL are recognized as imputed costs in the Consolidated Statements of Net Cost and are offset by imputed financing sources in the Consolidated Statements of Changes in Net Position. Such imputed costs relate to OPM-provided employee pensions and other retirement benefits and (in FY 2023) DHS-provided cybersecurity services. (See Notes 1-P, 1-Q, 1-U.4 and 14). DOL does not recognize in its financial statements the unreimbursed costs of goods and services other than those identified above. Management has determined that there are no material claims to be settled by the Treasury Judgement Fund. (See Note 13)

Full costs are reduced by exchange (earned) revenues to arrive at net program cost. The full and net operating costs of DOL's major programs are presented in the Consolidated Statements of Net Cost and are also reported by program agency and major program. (See Note 15)

2. Earned Revenue

Earned revenues arise from exchange transactions which occur through the provision of goods and services for a price and are deducted from the full cost of DOL's major programs to arrive at net program cost. Earned revenues are recognized by DOL to the extent reimbursements are payable from other Federal agencies and from the public, as a result of costs incurred or services performed on their behalf. Major sources of DOL's earned revenue include reimbursements to the FECA Special Benefit Fund from Federal agencies for the costs of disability compensation and medical care provided to or accrued on behalf of their employees and reimbursements to the UTF from Federal agencies for the cost of unemployment benefits provided to or accrued on behalf of their former employees. (See Note 15)

T. Net Change in Unexpended Appropriations

Funds from other than dedicated collections report the Net change in unexpended appropriations in the Consolidated Statements of Changes in Net Position. The Net change in unexpended appropriations is primarily from Appropriations received and Appropriations used, but other components include other adjustments. DOL receives financing sources through congressional appropriations to support its operations and recognizes these as Appropriations received. Appropriations are considered used as a financing source when goods and services are received or benefits are provided. The other adjustments include rescission, cancellation, sequestration, or return of permanent indefinite authority.

U. Net Change in Cumulative Results of Operations

Both Funds from dedicated collections and Funds from other than dedicated collections report Net change in cumulative results of operations on the Consolidated Statements of Changes in Net Position. The Net change in cumulative results of operations is primarily due to Appropriations used, Non-exchange revenue, and Transfers in/out without reimbursement, but other components are Imputed financing and other changes; these financing sources are offset by the Net cost of operations. (See Note 1-S)

1. Appropriations Used

The Funds from other than dedicated collections report Appropriations used. Appropriations are considered used as a financing source when goods and services are received or benefits are provided.

2. Non-exchange Revenue

Non-exchange revenues are primarily reported by Funds from dedicated collections and arise primarily from the Federal Government's power to demand payments from the public. Non-exchange revenues are recognized by DOL on the Consolidated Statements of Changes in Net Position and include employer taxes, Black Lung Disability Trust Fund excise tax, Interest, and Reimbursement of unemployment benefits and other. (See Note 16)

Employer Taxes

Employer tax revenues are recognized on a modified cash basis, to the extent of cash transferred by the collecting entity to DOL, plus the change in inter-entity balances between the collecting entity and DOL. Inter-entity balances represent revenue received by the collecting entity, net of amounts due to the collecting entity and adjustments made to previous transactions by the collecting entity which have not been transferred to DOL.

Federal and state unemployment taxes represent non-exchange revenues collected from employers based on wages paid to employees in covered employment. Federal unemployment taxes are collected by the Internal Revenue Service and transferred to designated accounts within the UTF. State unemployment taxes are collected by each state and deposited in separate state accounts within the UTF. Among other things, Federal unemployment taxes are used to pay the Federal share of extended unemployment benefits and to provide for Federal and state administrative expenses related to the operation of the UI Program, employment services including veterans' ES, and foreign labor certifications (FLC). Additional Federal collections from states with advances from the fund that have been outstanding for more than two years are used to reduce states' outstanding advance balances. State unemployment taxes are restricted in their use to the payment of unemployment benefits.

Black Lung Disability Trust Fund Excise Tax

Black Lung Disability Trust Fund excise tax revenues are recognized on a modified cash basis, to the extent of warrants posted by Governmentwide Accounting and the Bureau of the Fiscal Service Funds into the BLDTF. These taxes are imposed on coal sold by producers from mines located in United States. The BLDTF excise taxes are used to pay BLDTF benefits and administrative costs and repay BLDTF borrowings from U.S. Treasury for principal and interest as mentioned in Note 1-J.2. The BLDTF excise taxes are restricted to these uses. (See Note 1-W)

Interest

The UTF, Panama Canal Commission Compensation Fund, and Energy Employees Occupational Illness Compensation Fund receive interest on fund investments. In general, the UTF receives interest from states that had accounts with loans payable to the Federal Unemployment Account (FUA) at the end of the prior fiscal year. Interest is also earned on Federal funds in the possession of non-Federal entities. Interest is recognized as non-exchange revenue when earned.

With regard to states that had loans payable to the FUA (SSA Title XII loans), interest accrued during FY 2024 and FY 2023 was due on September 30, 2024 and 2023, respectively; the states made timely interest payments.

Reimbursement of Unemployment Benefits and Other

The UTF receives reimbursements from state and local government entities and non-profit organizations for the cost of unemployment benefits provided to or accrued on behalf of their employees. These reimbursements are recognized as non-exchange revenue when earned.

In general, state and municipal government entities and nonprofit organizations reimburse the State accounts for 100 percent of UI benefits paid on behalf of their former employees. Section 2103 of the CARES Act provided for Federal financing so that 50 percent of the reimbursements were returned to the governmental entities and non-profit organizations. The program was effective for weeks of unemployment that began on or after March 13, 2020 and ended on or before December 31, 2020. P.L. 116-151, Protecting Nonprofits from Catastrophic Cash Flow Strain Act of 2020, allowed for governmental entities and nonprofit organizations to reimburse the State account for 50 percent of benefits instead of reimbursing 100 percent and then waiting for 50 percent to be returned.

The CAUW Act and ARP Act extended to March 14, 2021 and September 6, 2021, respectively, the ending dates for the program; in addition, the ARP Act increased the Federal financing for the program from 50 percent to 75 percent for weeks of unemployment that began on or after March 31, 2021 and ended on or before September 6, 2021.

3. Transfers in/out Without Reimbursement

Transfers in/out without reimbursement include transfers from the DHS H-1B Nonimmigrant Petitioner Account to H-1B Funds in ETA and WHD. There are also transfers between DOL entities (from Funds from other than dedicated collections to Funds from dedicated collections) primarily for the administration of the UI Program. (See Note 17)

4. Imputed financing

Imputed financing is primarily reported by Funds from other than dedicated collections. DOL recognizes an imputed financing source for pension and other retirement benefit expenses financed by OPM and (in FY 2023) DHS-provided cybersecurity services. (See Notes 1-P, 1-Q, 1-S.1 and 14)

V. Custodial Activity

DOL collects and transfers to the General Fund of the U.S. Treasury custodial non-exchange revenues for penalties levied against employers by OSHA, MSHA, WHD, and EBSA for regulatory violations; FECA administrative costs assessed against Federal Government corporations in excess of amounts reserved to finance capital improvements in the FECA Special Benefit Fund; and ETA collections and administrative charges and restitution payments. These collections are not available to the agencies for obligation or expenditure. Penalties and other assessments are recognized as custodial non-exchange revenues when collected or subject to collection. (See Note 20)

W. Significant Assumptions Used in the Statements of Social Insurance and Statements of Changes in Social Insurance Amounts

1. Program Background

The Black Lung Benefits Program provides for compensation, medical, and survivor benefits for eligible coal miners who are totally disabled due to pneumoconiosis (black lung disease) arising out of their coal mine employment and the BLDTF provides benefit payments when no responsible mine operator (RMO) can be assigned the liability or when the liability is adjudicated to the BLDTF, which may occur as a result of, among other things, bankruptcy of the RMO. The OWCP administers the program.

The Federal Coal Mine Health and Safety Act sets black lung benefits at 37.5 percent of the base salary of a Federal employee at level GS-2, Step 1. Black lung disability benefit payments are funded by excise taxes from coal mine operators based on the domestic sale of coal, as are the fund's administrative costs. These taxes are collected by the Internal Revenue Service and transferred to the BLDTF, which was established under the authority of the Black Lung Benefits Revenue Act, and administered by Treasury.

P.L. 110-343, Division B-Energy Improvement and Extension Act of 2008, enacted on October 3, 2008, among other things, restructured the BLDTF debt by refinancing the outstanding high interest rate repayable advances with low interest rate discounted debt instruments similar in form to zero-coupon bonds, plus a one-time appropriation. This Act also allowed that any subsequent debt issued by the BLDTF may be used to make benefit payments, other authorized expenditures, or to repay debt and interest from the initial refinancing. (See Notes 1-J and 8)

2. Significant Assumptions

The significant assumptions used in the projections for the Statements of Social Insurance (SOSI) are the coal excise tax revenue estimates, the tax rate structure, the number of beneficiaries, life expectancy, Federal civilian pay raises, medical cost inflation, and the interest rates used to discount future cash flows. These assumptions affect the amounts reported on the SOSI, summary section, and the SCSIA. The valuation date is September 30 for each year of information presented in the SOSI, including the summary section, and the SCSIA.

Estimated future excise tax income

On December 20, 2019, P.L. 116-94, Further Consolidated Appropriations Act 2020, temporarily increased the excise tax rates to $1.10 per ton of underground-mined coal and $0.55 per ton of surface-mined coal sold, with a cap of 4.4 percent of sales price for the period January 1, 2020 through December 31, 2020. In accordance with the laws in effect as of September 30, 2020, the tax rates would revert to the lower rates of $0.50 per ton of underground-mined coal and $0.25 per ton of surface-mined coal sold, with a limit of 2.0 percent of sales price on January 1, 2021 and these assumptions were used for the SOSI as of September 30, 2020.

On December 27, 2020, after the SOSI as of September 30, 2020 was published, P.L. 116-260, Division EE, Taxpayer Certainty and Disaster Tax Relief Act of 2020, temporarily extended the increased excise tax rates of $1.10 per ton of underground-mined coal and $0.55 per ton of surface-mined coal sold, with a cap of 4.4 percent of sales price for the period January 1, 2021 through December 31, 2021. In accordance with the laws in effect as of September 30, 2021, the tax rates would revert to $0.50 per ton of underground-mined coal and $0.25 per ton of surface-mined coal sold, with a limit of 2.0 percent sales price on January 1, 2022 and these assumptions were used for the SOSI as of September 30, 2021.

FY 2020

DOL used a model for estimating future excise tax income for all years in the projection period. Among other things, the DOL model was based on historical Treasury excise tax collections and Energy Information Administration (EIA) projections of future coal production and coal prices. Historical values for EIA coal production and Internal Revenue Service excise tax collections provide the initial coal production and sales price data to which growth rates are applied. The growth rates are derived from EIA projections of coal production (which are adjusted to exclude coal exports, lignite, and inventory) and average coal prices.

The growth rates are applied to the Initial production and sales price data to project the estimated future excise tax income. Other assumptions include that, in the long term, ratios for surface- and underground-mined coal, taxed on tonnage or sales price, remain consistent.

The Affordable Clean Energy (ACE) regulation was issued on September 6, 2019 and was the successor to the Clean Power Plan (CPP) regulation; however, the ACE regulation was in litigation before the U.S. Court of Appeals (USCA). As of September 30, 2020, the ACE regulation was still before the USCA; DOL's estimates of future excise tax income were based on, among other things, EIA projections that reflect the ACE regulation, which was the regulation that was consistent with Executive Branch policy.

To estimate the future excise tax income reported on the SOSI as of September 30, 2020, DOL used EIA projections that were published in January 2020. To reflect the effects of events after January 2020, such as, among other things, the COVID-19 pandemic, management used short-term EIA projections published in August 2020 for the 2020 and 2021 coal production and exports.

FY 2021

The USCA vacated and remanded the ACE regulation to the Environmental Protection Agency (EPA) on January 19, 2021 and the EPA undertook new rulemaking. Because the USCA did not expressly reinstate the CPP, it was Executive Branch policy that neither the ACE nor the CPP regulations apply. Subsequent to the USCA January 2021 decision, parties petitioned the U.S. Supreme Court (SCOTUS) to overturn the January 2021 USCA decision; in August 2021 the EPA filed an opposing brief. The case was distributed for the September 27, 2021 SCOTUS conference. As of September 30, 2021, the status at SCOTUS was to redistribute the case for conference in October 2021.

To estimate the future excise tax income reported on the SOSI as of September 30, 2021, DOL used EIA projections that were published in February 2021. To reflect the effects of events after February 2021, management used short-term EIA projections published in September 2021 for the 2021 and 2022 coal production and exports.

FY 2022

On October 29, 2021, SCOTUS granted the petitions for writs of certiorari with regard to the EPA regulation. On February 28, 2022 SCOTUS heard arguments for the case. On June 30, 2022, SCOTUS ruled that the EPA lacked the statutory authority to regulate power plants' carbon emissions according to the system that was required by the CPP. The BLDTF estimates relied, in part, on EIA projections which assume that there is no requirement to reduce CO2 from power plants; this is consistent with the SCOTUS June 30, 2022 ruling and Executive Branch policy that neither the ACE nor the CPP regulations were being enforced as of September 30, 2022.

On August 16, 2022, P.L. 117-169, Inflation Reduction Act of 2022 (IRA), section 13901, effective for domestic sales of coal on or after October 1, 2022, permanently raised the coal excise tax rates to $1.10 per ton of underground-mined coal and $0.55 per ton of surface-mined coal sold, with a cap of 4.4 percent of sales price and these assumptions were used for the SOSI as of September 30, 2022.

To estimate the future excise tax income reported on the SOSI as of September 30, 2022, DOL used EIA projections that were published in March 2022. To reflect the effects of events after March 2022, management used short-term EIA projections published in August 2022 for the 2022 and 2023 coal production and exports.

FY 2023

On March 10, 2023, the EPA resumed enforcement of the ACE regulation and published a final rule with respect to due dates for filing state plans. However, the EPA undertook new rule making to replace the ACE regulation; the Federal Register published the EPA's proposed rule on May 23, 2023. As of September 30, 2023, the final rule to replace the ACE regulation had not been published.

To estimate the future excise tax income reported on the SOSI as of September 30, 2023, DOL used EIA projections that were published in March 2023. These projections included assumptions based on energy-related tax credits and incentives—as authorized by P.L. 117-169, IRA—that support, in general, energy industries that compete with the coal industry; however, the effects of these tax credits and incentives were limited in scope because EIA excluded tax credits and incentives from their models for various reasons (e.g., time constraints and lack of guidance on how the Federal government would implement the tax credits and incentives). To reflect the effects of events after March 2023, management used short-term EIA projections published in September 2023 for the 2023 and 2024 coal production and exports.

FY 2024

The final rule to repeal the ACE regulation was published May 9, 2024 and is effective July 8, 2024. The final rule includes regulation of existing coal-fired steam generating electric power plants. Litigation of the final rule began in May and the USCA denied the motion for an administrative stay and consolidated multiple cases in June. As of September 30, 2024, the USCA ordered the schedule for submitting briefs through October, with final briefs due on November 1, 2024.

To estimate the future excise tax income reported on the SOSI as of September 30, 2024, DOL continued to use EIA projections that were published in March 2023 that reflected limited effects of the IRA and did not reflect the requirements of the ACE rule because the EPA repealed it with the regulations published May 2024. DOL did not adjust the EIA projections to reflect the May 2024 regulations because this rule was under judicial review by the USCA as of September 30, 2024. To adjust the estimates for short-term effects after September 30, 2024, management continued to use short-term EIA projections published in September 2024.

Estimated future administrative costs

For the first ten years in the projection period, estimates for future administrative costs are supplied by DOL's Budget Office, based on current year enacted amounts. For the remaining years in the projection period, estimates for future administrative costs are based on the number of projected beneficiaries.

Actuarial future benefit payments to disabled coal miners and dependent survivors

The beneficiary population data is updated from information supplied by the program. The closed group population consists of those who are already participants as of September 30 (the beginning of the projection period); the open group population consists of participants in the closed group, plus new participants who will join during the projection period. New participants include, among others, estimates for participants for whom the BLDTF has an adjudicated liability as of September 30 (due to, among other things, bankruptcy of the RMO), but had not yet been added to the rolls. For FY 2020, projections for the number of new participants increased.

In FYs 2020 through 2024, historical program data and a blend of Social Security Administration tables and were used to project the life expectancies of the beneficiary population. OMB supplies assumptions for future monthly benefit rate increases based on increases in the Federal pay scale and future medical cost inflation based on increases in the CPI-M, which are used to estimate future benefit costs.

In FY 2020, refinements to the model included, among other things, changing medical inflation rate assumptions in the first five years of the projection period from a varying rate per year to a single baseline rate of 6.2 percent. The FY 2021 projected baseline medical inflation rate was adjusted to 3.4 percent to reflect revised payment formulas for medical reimbursements.

In FY 2020, adjustments were made to the model for the potential effects of the COVID-19 pandemic due to temporary closure of diagnostic testing centers, the diagnostic medical costs for May through September 2020 were based on monthly averages from prior months instead of actual costs; when projecting new participants from non-bankruptcies, FY 2019 results were used instead of FY 2020 results.

In FY 2021, projections for the number of new participants decreased. Management determined that the number of black lung claims filed (and the number awarded) and the average annual medical cost per miner have decreased since the beginning of the pandemic. In FY 2021, the model assumed these decreases during the pandemic were short-term and that levels would normalize in FY 2022. In FY 2021, refinements to the model included, among other things, a decrease in the average age differential between miner and spouse.

In FY 2022, projections for the number of new participants decreased. Refinements to the model include, among other things, higher average ages of new entrant miners and new entrant widows and a higher average medical payment per miner and growth rate to reflect pre-pandemic levels.

In FY 2023, the BLDTF received $72 million from a mine operator and the fund assumed responsibility for paying basic benefits (monthly disability benefits, medical benefits, and diagnostic expenses) for certain covered active claims and future claims of certain covered classes of claimants; these claims are included in the model's projections. The $72 million receipt was treated as an offset to FY 2023 benefit costs and decreased total benefit costs in FY 2023.

In FY 2023, the DOL reviewed a claim from the U.S. Department of Health and Human Services (HHS), Centers for Medicare and Medicaid Services (CMS), issued to the BLDTF for reimbursement of black lung medical treatments that DOL believes were paid by CMS from October 2018 through February 2021. As of September 30, 2023, CMS and DOL continued negotiating a memorandum of understanding (MOU) with regard to the reimbursement.

In FY 2023, projections for the number of new participants increased. Refinements to the model include, among other things, calculating the average cost of diagnostic pulmonary exams separately from the average annual medical treatment cost per miner and applying different medical inflation rates for diagnostic versus treatment medical costs. The estimated average future medical treatment cost per miner was increased in the model to adjust for future higher treatment expenses, then offset by a decrease in estimated future pharmacy costs.

In FY 2024, the BLDTF received $36 million from a mine operator and the fund assumed responsibility for paying basic benefits (monthly disability benefits, medical benefits, and diagnostic expenses) for certain covered active claims and future claims of certain covered classes of claimants; these claims are included in the model's projections. The $36 million receipt was treated as an offset to FY 2024 benefit costs and decreased total benefit costs in FY 2024.

In FY 2024, CMS and DOL signed an MOU, that included, among other things, which Medicare services and prescriptions would be reimbursed by DOL, policies and procedures for data exchange and reimbursement, and that claims would not cover periods earlier than January 2015. No reimbursement was made to CMS in FY 2024.

In FY 2024, projections for the number of new participants increased. In FY 2024, the model continued to use the same methodology in FY 2023 that estimated diagnostic medical costs separately from medical treatment costs.

For the SOSI with a valuation date as of September 30, 2024, the future income benefit rate (annualized for the fiscal year), increases between 2.2 and 2.7 percent in FYs 2025 through 2035 and 2.0 percent in FY 2036 and thereafter. For medical treatment, future costs increase 22.2 percent in FY 2025 and 4.5 percent thereafter; the 22.2 percent increase in FY 2025 reflects the temporary decrease in average pharmacy costs in FY 2024 that will not continue into FY 2025. For medical diagnostic exams, future costs increase between 3.1 percent and 3.5 percent in FY 2025 and thereafter.

Other significant assumptions

Estimated future excise tax income and estimated future administrative costs were allocated to the closed group and new participant populations based on the ratio of each population's future benefit payments to the sum of future benefit payments for both populations.

DOL uses a rolling 25-year projection period that begins on the September 30 valuation date each year; using a 25-year projection period enhances comparability of social insurance information and illustrates the fund's long-term condition and sustainability.

DOL's approach for selecting the interest rate assumptions used to discount projected annual cash flows enhances matching between the timing of cash flows and interest rates and increases comparability. The approach discounts projected annual cash flows to present value based on Treasury rates that reflect the average duration of cash flows.

The table below describes the FY 2024 average duration and discount rates of projected annual cash flows used for the closed group, new participant, and open group populations.

Type of Cash Flow	Average Duration	Discount Rate
Coal excise tax income	11.0 years	3.75%
Administrative costs	12.3 years	3.88%
Income benefit payments	10.9 years	3.75%
Medical benefit payments	11.0 years	3.75%

The table below describes the FY 2023 average duration and discount rates of projected annual cash flows used for the closed group, new participant, and open group populations.

Type of Cash Flow	Average Duration	Discount Rate
Coal excise tax income	10.7 years	4.25%
Administrative costs	12.1 years	4.25%
Income benefit payments	11.0 years	4.25%
Medical benefit payments	12.1 years	4.25%

The table below describes the FY 2022 average duration and discount rates of projected annual cash flows used for the closed group, new participant, and open group populations.

Type of Cash Flow	Average Duration	Discount Rate
Coal excise tax income	11.7 years	3.38%
Administrative costs	11.7 years	3.38%
Income benefit payments	10.7 years	3.25%
Medical benefit payments	11.9 years	3.38%

The table below describes the FY 2021 average duration and discount rates of projected annual cash flows used for the closed group, new participant, and open group populations.

Type of Cash Flow	Average Duration	Discount Rate
Coal excise tax income	11.6 years	1.38%
Administrative costs	11.8 years	1.38%
Income benefit payments	10.8 years	1.38%
Medical benefit payments	12.5 years	1.50%

The table below describes the FY 2020 average duration and discount rates of projected annual cash flows used for the closed group, new participant, and open group populations.

Type of Cash Flow	Average Duration	Discount Rate
Coal excise tax income	12.0 years	0.75%
Administrative costs	11.9 years	0.75%
Income benefit payments	10.9 years	0.75%
Medical benefit payments	12.6 years	0.88%

3. Disclosures for the social insurance financial statements

As presented in the SOSI, the accumulated deficit—of all past disbursements over past cash receipts, including interest on investments—is $(6.64) billion, the amount of the trust fund net position deficit at the start of the projection period, September 30, 2024.

As presented in the SOSI, the closed group measure is calculated by subtracting the closed group outflows for the:

(a) present value of estimated future administrative costs and

(b) actuarial present value of future benefit payments to disabled coal miners and dependent survivors who are current participants (closed group)

from the closed group inflows for the:

(c) present value of estimated future excise tax income during the projection period.

As presented in the SCSIA, as a result of changes in the assumptions above, the FY 2024 open group measure decreased by $(385.0) million primarily because of changes in assumptions about coal excise tax revenues of $(154.0) million, changes in assumptions in administrative costs of $(117.8) million, and changes in assumptions about beneficiaries, including costs, number type, age, and life expectancy of $(90.6) million, offset by the net effect of other changes in assumptions about Federal civilian pay raises for income benefits, medical inflation for medical benefits, and interest rates. The changes in assumptions about coal excise tax revenues were caused by a decrease in projections of domestic coal production, which in turn would decrease projections of coal excise tax collections.

In FY 2023, the open group measure decreased by $(1,319.8) million primarily because of changes in assumptions about coal excise tax revenues of $(1,430.1) million, offset primarily by changes in assumptions about beneficiaries, including costs, number, type, age and life expectancy of $94.8 million and the net effect of other changes in assumptions about administrative costs and interest rates. The changes in assumptions about coal excise tax revenues were caused by a decrease in projections of domestic coal production, which in turn would decrease projections of coal excise tax collections, even though there was a permanent increase in the coal excise tax rates from section 13901 of P.L. 117-169. The projections of domestic coal production were lower due to the P.L. 117-169 energy-related tax credits and incentives that support, in general, energy industries that compete with the coal industry.

The projection period illustrates the future long-term condition and sustainability of the fund because it presents the value for open group measure plus fund assets (Fund Balance with Treasury and receivables from benefit overpayments) available to service the fund's debt and interest. As of September 30, 2024, the open group measure plus fund assets is $(622.6) million whereas the BLDTF debt and interest maturing on September 30, 2025 are $3.4 billion and the carrying value of all BDLTF debt as of September 30, 2024 is $6.88 billion.

Subsequent Events. Regarding the May 9, 2024 final rule that is being litigated before the USCA, the parties have filed briefs and oral arguments are scheduled for December 6, 2024.

X. Tax Exempt Status

As an agency of the Federal Government, the Department is exempt from all taxes imposed by any governing body whether it is a Federal, state, commonwealth, local, or foreign government.

Y. Application of Critical Accounting Estimates

The financial statements are based on the selection of accounting policies and the application of significant accounting estimates, some of which require management to make significant assumptions.

Estimates and assumptions affect the reported amounts of assets and liabilities and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Included in the significant accounting estimates are management's assumptions about future outlays from the unemployment programs authorized by the CARES Act (as amended) which expired, in general, on or before September 6, 2021. States will continue to submit claims for weeks of unemployment that occurred before the programs expired. These future outlays continued to be obligations for the years ended September 30, 2024 and 2023, although outlays, downward adjustments, and other adjustments will continue to occur after September 30, 2024. The activity associated with these obligations is reported in the Combined Statements of Budgetary Resources for the years ended September 30, 2024 and 2023 and related notes.

Also included in the significant accounting estimates are management's assumptions about overpayment accounts receivable and related allowances for the unemployment programs. Federal law sets out the authority to waive recovery of overpayments of CARES Act unemployment benefits under certain circumstances. The Department issued guidance to state workforce agencies with criteria for waiving overpayments, including criteria for blanket waivers that allow states to waive recovery of overpayments for individuals based on the same set of facts. States have discretion on whether to exercise the waiver authority.

Estimates and assumptions also affect the amounts reported on the SOSI and the SCSIA. Further, the estimates are based on current conditions that may change in the future. Actual results could differ materially from the estimated amounts. The financial statements include information to assist in understanding the effect of changes in assumptions to the related information.

Z. Other Required Note (Note 24)

Treasury prepares the FY 2024 Financial Report of the U.S. Government (FRUSG) in accordance with OMB Circular A-136 and Treasury regulations, which require that, among other things, the FRUSG report the U.S. Government's Balance Sheet, Statement of Net Cost, and Statement of Operations and Changes in Net Position.

To support Treasury's preparation of the FY 2024 FRUSG, OMB Circular A-136 requires that DOL disclose in a separate note the financial statement line descriptions and amounts from DOL's

- Consolidated Statement of Net Cost for the year ended September 30, 2024 and
- Consolidated Statement of Changes in Net Position for the year ended September 30, 2024

as reclassified financial statement line descriptions and amounts that Treasury will use in the FRUSG compilation process for the governmentwide

- Statement of Net Cost for the year ended September 30, 2024 and
- Statement of Operations and Changes in Net Position for the year ended September 30, 2024.

In making reclassifications for the governmentwide Statement of Net Cost and Statement of Operations and Changes in Net Position for the year ended September 30, 2024, Note 24 presents disaggregated information for the:

- combined funds from dedicated collections;
- eliminations within funds from dedicated collections;
- eliminations within funds from other than dedicated collections;
- eliminations between funds from dedicated collections and other than dedicated collections; and
- as the end result, the reclassified lines.

Note 24 omits reclassification of DOL's Consolidated Balance Sheet as of September 30, 2024 because it conforms to the FY 2024 FRUSG presentation requirements. Consistent with the requirements of OMB Circular A-136, a one-year presentation is disclosed in Note 24.

AA. Other Significant Accounting Policies and Other Conforming Changes

1. Other Significant Accounting Policies

In FY 2023, DOL refined its approach for certain grant advances that are certified by grantees. DOL uses the U.S. Department of Health and Human Services (HHS) as the service provider for grantee draw downs. HHS requires grantees to certify that funds are drawn down in order to pay for immediate needs and must be expended within three business days. In consideration of the grantee certifications, DOL treats certain grant drawdowns as expenses based on criteria that may include, among other things, grant activity, period of performance, and timing of drawdowns.

2. Other Conforming Changes

On the Consolidated Balance Sheet as of September 30, 2023, some liabilities with the public were reclassified to conform to the OMB Circular A-136 requirements for balance sheet presentation as of September 30, 2024; corresponding changes in presentation were made to the notes, including Notes 1.L, 9, and 11. The reclassifications had no effect on total assets, total liabilities, or net position as of September 30, 2023.

As disclosed in Notes 1.B, 1.F, and 1.N.2, in FY 2024 DOL implemented FASAB SFFAS 54, Leases, on a prospective basis; DOL made conforming changes to the presentation of the Consolidated Balance Sheet as of September 30, 2023 and the notes, including Notes 5, 9, and 19. The conforming changes had no effect on total assets, total liabilities, or net position as of September 30, 2023.

Note 25 is presented in narrative format only. Conforming changes were made to Note 12 and other notes.

The required supplementary information for deferred maintenance and repairs includes additional information on DOL's policies.

NOTE 2 - FUND BALANCE WITH TREASURY

The Status of Fund Balance with Treasury as of September 30, 2024, consisted of the following:

(Dollars in Thousands)	Revolving Funds	Trust Funds	Special Funds	General Funds	Other	Total
Unobligated Balance Available	$ 149,048	$ 145	$ 64,224	$ 2,287,100	$ -	$ 2,500,517
Unobligated Balance Unavailable	15,761	-	9,962	2,385,921	-	2,411,644
Obligated Balance not yet Disbursed	251,216	262,480	298,365	12,232,476	-	13,044,537
Non-Budgetary Fund Balance with Treasury	-	(475,584)	-	1,048	5,687	(468,849)
Entity Fund Balance with Treasury	416,025	(212,959)	372,551	16,906,545	5,687	17,487,849
Non-Entity Fund Balance with Treasury	-	(6,490)	-	-	-	(6,490)
Total Fund Balance with Treasury	$ 416,025	$ (219,449)	$ 372,551	$ 16,906,545	$ 5,687	$ 17,481,359

The Status of Fund Balance with Treasury as of September 30, 2023, consisted of the following:

(Dollars in Thousands)	Revolving Funds	Trust Funds	Special Funds	General Funds	Other	Total
Unobligated Balance Available	$ 161,015	$ 145	$ 108,729	$ 3,458,210	$ -	$ 3,728,099
Unobligated Balance Unavailable	16,253	-	421	1,893,088	-	1,909,762
Obligated Balance not yet Disbursed	273,042	2,815,301	395,655	12,636,020	-	16,120,018
Non-Budgetary Fund Balance with Treasury	-	69,164	-	409	6,933	76,506
Entity Fund Balance with Treasury	450,310	2,884,610	504,805	17,987,727	6,933	21,834,385
Non-Entity Fund Balance with Treasury	-	971	-	-	697	1,668
Total Fund Balance with Treasury	$ 450,310	$ 2,885,581	$ 504,805	$ 17,987,727	$ 7,630	$ 21,836,053

Obligated and unobligated balances differ from the amounts reported on the Combined Statements of Budgetary Resources because budgetary balances are supported by amounts other than Fund Balance with Treasury, such as investments. Non-Budgetary Fund Balance with Treasury consists of amounts included in Fund Balance with Treasury but excluded from the Department's budgetary resources, such as sequestered budget authority.

The negative fund balance reported as of September 30, 2024, relates to the UTF and is the result of the timing of processing the investments and redemptions of UTF. The investments and redemptions relating to the last business day of the month are not processed until the first day of the next month. This results in a negative cash position for the preceding business day when the disbursements are greater than the receipts to the fund. The timing difference as of September 30, 2024, for investments processing was resolved and the UTF FBWT balance was no longer negative as of October 3, 2024. This information is applicable to Notes 7 and 21 as well.

Annual and multi-year budget authority expires at the end of its period of availability. During the first through the fifth expired years, the unobligated balance is unavailable and may be used to adjust obligations and disbursements that were recorded before the budgetary authority expired or to meet a legitimate or bona fide need arising in the fiscal year for which the appropriation was made. The unobligated balance for no-year budget authority may be used to incur obligations indefinitely for the purpose specified by the appropriation act. No-year budget authority unobligated balances, except those specifically exempt, are subject to the annual apportionment and allotment process.

Unobligated Balance Available as of September 30, 2024 and 2023 includes $677.1 million and $682.4 million, respectively, of funds apportioned for use in the subsequent year.

NOTE 3 - INVESTMENTS, NET

Investments, net as of September 30, 2024, consisted of the following:

(Dollars in Thousands)	Face Value	Premium (Discount)	Interest Receivable	Net Value	Market Value
Unemployment Trust Fund					
Non-Marketable					
Special Issue U.S. Treasury Bonds					
2.625% Maturing June 30, 2025	$ 15,566,947	$ -	$ 102,158	$ 15,669,105	$ 15,566,947
3.250% Maturing June 30, 2025	29,043,803	-	235,981	29,279,784	29,043,803
3.250% Maturing June 30, 2026	31,569,352	-	256,501	31,825,853	31,569,352
3.250% Maturing June 30, 2027	2,525,548	-	20,520	2,546,068	2,525,548
Special Issue Certificate of Indebtedness					
3.250% Maturing June 30, 2025	9,324,463	-	45,400	9,369,863	9,324,463
	$ 88,030,113	$ -	$ 660,560	$ 88,690,673	$ 88,030,113
Panama Canal Commission Compensation Fund					
Marketable					
U.S. Treasury Notes					
0.750% Maturing November 15, 2024	$ 9,934	$ (52)	$ 28	$ 9,910	$ 9,934
Total Investments	$ 88,040,047	$ (52)	$ 660,588	$ 88,700,583	$ 88,040,047
Entity Investments	$ 87,602,955	$ (52)	$ 657,308	$ 88,260,211	$ 87,602,955
Non-Entity Investments	437,092	-	3,280	440,372	437,092
Total Investments	$ 88,040,047	$ (52)	$ 660,588	$ 88,700,583	$ 88,040,047

Investments, net as of September 30, 2023, consisted of the following:

(Dollars in Thousands)	Face Value	Premium (Discount)	Interest Receivable	Net Value	Market Value
Unemployment Trust Fund					
Non-Marketable					
Special Issue U.S. Treasury Bonds					
2.625% Maturing June 30, 2024	$ 42,379,812	$ -	$ 275,095	$ 42,654,907	$ 42,379,812
2.625% Maturing June 30, 2025	30,122,227	-	195,528	30,317,755	30,122,227
Special Issue Certificate of Indebtedness					
2.750% Maturing June 30, 2024	8,741,342	-	38,821	8,780,163	8,741,342
2.875% Maturing June 30, 2024	602,302	-	367	602,669	602,302
	$ 81,845,683	$ -	$ 509,811	$ 82,355,494	$ 81,845,683
Panama Canal Commission Compensation Fund					
Marketable					
U.S. Treasury Notes					
0.250% Maturing November 15, 2023	$ 12,554	$ (66)	$ 12	$ 12,500	$ 12,554
Total Investments	$ 81,858,237	$ (66)	$ 509,823	$ 82,367,994	$ 81,858,237
Entity Investments	$ 81,520,847	$ (66)	$ 507,721	$ 82,028,502	$ 81,520,847
Non-Entity Investments	337,390	-	2,102	339,492	337,390
Total Investments	$ 81,858,237	$ (66)	$ 509,823	$ 82,367,994	$ 81,858,237

NOTE 4 - ACCOUNTS RECEIVABLE, NET

Accounts receivable, net as of September 30, 2024, consisted of the following:

(Dollars in Thousands)	Gross Receivables	Allowance	Net Receivables
Entity Intragovernmental Assets			
Due For UCFE and UCX Benefits	$ 101,984	$ -	$ 101,984
Due For Workers' Compensation Benefits	5,129,056	-	5,129,056
Other	15,349	-	15,349
Total Intragovernmental	5,246,389	-	5,246,389
Entity With The Public Assets			
State Unemployment Taxes	2,022,648	(996,943)	1,025,705
Due from Reimbursable Employers	825,279	(64,714)	760,565
Benefit Overpayments	56,199,956	(45,460,869)	10,739,087
Other	4,132	(1,680)	2,452
Total Entity With the Public	59,052,015	(46,524,206)	12,527,809
Non-Entity With The Public Assets			
Fines and Penalties	258,267	(62,746)	195,521
Total Accounts Receivables with the Public	59,310,282	(46,586,952)	12,723,330
Total Accounts Receivable	$ 64,556,671	$ (46,586,952)	$ 17,969,719

Accounts receivable, net as of September 30, 2023, consisted of the following:

(Dollars In Thousands)	Gross Receivables	Allowance	Net Receivables
Entity Intragovernmental Assets			
Due For UCFE and UCX Benefits	$ 98,735	$ -	$ 98,735
Due for Workers' Compensation Benefits	4,756,614	-	4,756,614
Other	15,381	-	15,381
Total Intragovernmental	4,870,730	-	4,870,730
Entity With the Public Assets			
State Unemployment Taxes	2,040,560	(869,898)	1,170,662
Due from Reimbursable Employers	518,342	(50,725)	467,617
Benefit Overpayments	61,874,533	(57,968,844)	3,905,689
Other	4,908	(1,681)	3,227
Total Entity With the Public	64,438,343	(58,891,148)	5,547,195
Non-Entity With the Public Assets			
Fines and Penalties	221,854	(51,352)	170,502
Total Accounts Receivables with the Public	64,660,197	(58,942,500)	5,717,697
Total Accounts Receivable	$ 69,530,927	$ (58,942,500)	$ 10,588,427

As of September 30, 2024, and 2023, intra-government balances due for workers' compensation benefits includes $ 1.59 billion and $1.42 billion in receivables due from the U.S. Postal Service (USPS). Subsequently, USPS paid all outstanding 2024 and 2023 balances that were billed. In general, OWCP considers all intra-governmental receivables to be fully collectible. Specific statutory provisions require agencies to reimburse the FECA Special Benefit Fund.

DOL's bad debt expense for the year ended September 30, 2024, and 2023 was $(8.5) billion and $5.1 billion, respectively.

NOTE 5 - PROPERTY, PLANT, AND EQUIPMENT, NET

Property, plant, and equipment, net as of September 30, 2024, consisted of the following:

(Dollars in Thousands)	Cost	2024 Accumulated Depreciation/ Amortization	Net Book Value
Structures, Facilities, and Improvements			
Structures, Facilities, and Land Improvements	$ 1,675,571	$ (979,855)	$ 695,716
Improvements to Leased Facilities	386,589	(341,407)	45,182
Total Structures, Facilities, and Improvements	2,062,160	(1,321,262)	740,898
Furniture and Equipment			
Equipment Held by Contractors	5,875	(5,875)	-
Furniture and Equipment	48,563	(37,964)	10,599
Total Furniture and Equipment	54,438	(43,839)	10,599
Internal-Use Software and Internal-Use Software In Development	310,449	(218,815)	91,634
Construction-In-Progress	95,523	-	95,523
Land	97,473	-	97,473
Right-to-use Lease Assets	92,490	(14,112)	78,378
Total Property, Plant, and Equipment, Net	$ 2,712,533	$ (1,598,028)	$ 1,114,505

Property, plant, and equipment, net reconciliation as of September 30, 2024 and 2023, consisted of the following:

(Dollars in Thousands)	2024	2023
Beginning Balance, Beginning of Year, Unadjusted	$ 1,063,040	$ 1,047,735
Effects of Implementation of SFFAS 54	87,849	-
Beginning Balance, Beginning of Year, as Adjusted	1,150,889	$ 1,047,735
Capitalized Acquisitions	61,216	70,521
Right-to-use Lease Assets	4,641	-
Amortization of Right-to-use Lease Assets	(14,112)	-
Dispositions	(35,421)	(265)
Revaluations	(1,054)	(718)
Depreciation Expense	(51,654)	(54,233)
Ending Balance, Net as of September 30, 2024 and 2023	$ 1,114,505	$ 1,063,040

As described in Note 1.F, through September 30, 2023, for the most part, DOL's leases were treated as operating leases, having one-year terms with multiple option years. Effective October 1, 2023, DOL implemented SFFAS 54 and reclassified the operating leases as (i) intragovernmental leases, which are leases between DOL and other component reporting entities within the larger governmentwide reporting entity of the Federal Government (as defined by SFFAS 47); (ii) commercial right-to-use leases, which are leases that are not intragovernmental leases, that had remaining terms greater than two years and discounts to present value of the future lease payments of one million dollars or more; and (iii) short-term leases, which are commercial leases that did not meet the criteria in (ii).

DOL also had one capital lease as of September 30, 2023, which was reclassified to a right-to-use lease effective October 1, 2023, in a similar manner.

Implementation of SFFAS 54 resulted in right-to-use lease assets and lease liabilities effective October 1, 2023. The rate used in discounting the remaining future lease payments was selected from the Treasury's October 2023 Monthly Interest Rate Certification for a period consistent with the remaining lease term. Right-to-use lease assets are depreciated using the straight-line method over the shorter of lease term or useful life. For the lease liabilities, over the lease term, lease payments are allocated first to interest expense and then to reduction of the liability. Discount rates ranged between 4.25 and 4.75 percent as of September 30, 2024.

Intragovernmental leases are primarily for GSA rent and parking. Commercial right-to-use leases are primarily for information technology and Job Corp Centers facilities.

Property, plant, and equipment, net as of September 30, 2023, consisted of the following:

(Dollars in Thousands)	Cost	2023 Accumulated Depreciation/ Amortization	Net Book Value
Structures, Facilities, and Improvements			
Structures, Facilities, and Land Improvements	$ 1,647,305	$ (984,831)	$ 662,474
Improvements to Leased Facilities	387,570	(338,606)	48,964
Total Structures, Facilities, and Improvements	2,034,875	(1,323,437)	711,438
Furniture and Equipment			
Equipment Held by Contractors	6,399	(6,399)	-
Furniture and Equipment	49,071	(36,778)	12,293
Total Furniture and Equipment	55,470	(43,177)	12,293
Internal-Use Software and Internal-Use Software In Development	309,543	(210,242)	99,301
Construction-In-Progress	142,536	-	142,536
Land	97,472	-	97,472
Total Property, Plant, and Equipment, Net	$ 2,639,896	$ (1,576,856)	$ 1,063,040

Information concerning deferred maintenance and repairs, and estimated land acreage is discussed in required supplementary information.

NOTE 6 - ADVANCES AND PREPAYMENTS

Advances and prepayments as of September 30, 2024 and 2023, consisted of the following:

(Dollars in Thousands)	2024	2023
Intragovernmental		
Advances	$ 15,114	$ 11,793
With the Public		
Advances to States for UI Benefit Payments	12,523,556	10,822,447
Other	35,938	25,741
Total With the Public	12,559,494	10,848,188
Total Advances and Prepayments	$ 12,574,608	$ 10,859,981

NOTE 7 - NON-ENTITY ASSETS

Non-entity assets as of September 30, 2024 and 2023, consisted of the following:

(Dollars in Thousands)	2024	2023
Intragovernmental		
Fund Balance with Treasury	$ (6,490)	$ 1,668
Investments, Net	440,372	339,492
Total Intragovernmental	433,882	341,160
With the Public		
Accounts Receivable, Net	195,521	170,502
Total Non-Entity Assets	629,403	511,662
Total Entity Assets	137,211,371	126,203,833
Total Assets	$ 137,840,774	$ 126,715,495

NOTE 8 - DEBT

Debt as of September 30, 2024, is summarized as follows:

Source of Debt (Dollars in Thousands)	Balance as of October 1, 2023	Additional Borrowing	Repayment of Debt	Net Borrowing	Interest Change	Balance as of September 30, 2024
Intragovernmental Debt to Treasury						
Unemployment Trust Fund						
Advances from U.S. Treasury	$ 31,534,915	$ -	$ (3,000,000)	$ (3,000,000)	$ (4,546)	$ 28,530,369
Black Lung Disability Trust Fund						
Borrowing from U.S. Treasury	6,658,293	3,030,000	(2,853,275)	176,725	43,128	6,878,146
Total Debt	$ 38,193,208	$ 3,030,000	$ (5,853,275)	$ (2,823,275)	$ 38,582	$ 35,408,515

Debt as of September 30, 2023, is summarized as follows:

Source of Debt (Dollars in Thousands)	Balance as of October 1, 2022	Additional Borrowing	Repayment of Debt	Net Borrowing	Interest Change	Balance as of September 30, 2023
Intragovernmental Debt to Treasury						
Unemployment Trust Fund						
Advances from U.S. Treasury	$ 39,551,390	$ -	$ (8,000,000)	$ (8,000,000)	$ (16,475)	$ 31,534,915
Black Lung Disability Trust Fund						
Borrowing from U.S. Treasury	6,557,253	2,728,351	(2,686,556)	41,795	59,245	6,658,293
Total Debt	$ 46,108,643	$ 2,728,351	$ (10,686,556)	$ (7,958,205)	$ 42,770	$ 38,193,208

For the year ended September 30, 2024, interest expense for the UTF was $532.8 million, of which $502.4 million interest was paid along with $30.4 million in accrued interest through September 30, 2024. For the year ended September 30, 2023, interest expense for the UTF was $612.5 million, of which $577.6 million was paid along with $34.9 million in accrued interest through September 30, 2023.

For the year ended September 30, 2024, interest expense for the BLDTF was $323.5 million, of which $280.4 million was paid through September 30, 2024 and $43.1 million in capitalized interest. For the year ended September 30, 2023, interest expense for the BLDTF was $278.8 million, of which $219.5 million was paid through September 2023 and $59.2 million in capitalized interest.

NOTE 9 - OTHER LIABILITIES

Other liabilities as of September 30, 2024 and 2023, consisted of the following:

(Dollars in Thousands)	2024	2023
Intragovernmental		
Non-Entity Receivables Due to U.S. Treasury	$ 195,521	$ 170,502
Accrued Payroll and Other Liabilities	36,723	53,072
Total Intragovernmental	232,244	223,574
With the Public		
Accrued Funded Payroll and Leave and Other Liabilities	27,465	27,899
Lease Liability	74,896	24,083
Total With the Public	102,361	51,982
Total Other Liabilities	$ 334,605	$ 275,556

The amounts above represent current liabilities, except for the lease liability. The lease liability of $74.9 million includes $23.6 million in funded principal, $51.1 million in unfunded principal, and $0.2 million in accrued interest. The FY 2023 lease liability includes capital leases in accordance with SFFAS 5 and SFFAS 6. The FY 2024 lease liability consists of leases in accordance with SFFAS 54. The note schedule on the next page provides future lease payments through FY 2060.

(Dollars in Thousands) FY	Principal	Interest	Total
2025	$ 13,630	$ 3,164	$ 16,794
2026	10,735	2,547	13,282
2027	10,329	2,066	12,395
2028	6,488	1,606	8,094
2029	5,688	1,341	7,029
2030-34	12,512	4,198	16,710
2035-39	2,377	3,098	5,475
2040-44	2,957	2,518	5,475
2045-49	3,678	1,797	5,475
2050-54	3,553	938	4,491
2055 and after	2,725	346	3,071
Total	$ 74,672	$ 23,619	$ 98,291

NOTE 10 - BENEFITS DUE AND PAYABLE

Benefits due and payable as of September 30, 2024 and 2023, consisted of the following:

(Dollars in Thousands)	2024	2023
Unemployment Benefits		
State Regular and Extended Unemployment Benefits	$ 5,736,165	$ 6,263,739
Federal Regular and Extended Unemployment Benefits	141,151	187,064
Federal Emergency Unemployment Benefits	328,366	325,047
Federal Pandemic Emergency Unemployment Benefits	209,797	192,442
Federal Pandemic Unemployment Assistance Benefits	1,773,748	1,653,926
Federal Employees Unemployment Benefits	158,616	170,057
Federal Pandemic Unemployment Benefits	1,873,438	1,845,919
Federal Additional Unemployment Benefits	25,843	26,327
Total Unemployment Benefits Net Program Costs	10,247,124	10,664,521
Other Benefits		
Black Lung Disability Benefits	51,068	11,850
Federal Employees Disability and 10(H) Benefits	209,935	169,517
Energy Employees Occupational Illness Compensation Benefits	54,249	53,985
Total Other Benefits	315,252	235,352
Total Benefits Due and Payable	$ 10,562,376	$ 10,899,873

NOTE 11 - POST-EMPLOYMENT BENEFITS PAYABLE

DOL's liability for the future workers' compensation benefits (post-employment benefits payable) as of September 30, 2024 and 2023, consisted of the following:

(Dollars in Thousands)	2024	2023
Projected Gross Liability of the Federal Government		
for Future FECA Benefits	$ 39,007,690	$ 37,591,038
Less: Liabilities Attributed to Other Agencies		
United States Postal Service	(16,799,467)	(15,652,094)
Department of Homeland Security	(2,606,852)	(2,495,637)
Department of Veterans Affairs	(2,349,227)	(2,313,439)
Department of the Navy	(1,593,228)	(1,661,981)
Department of Justice	(1,716,230)	(1,650,154)
Department of the Army	(1,231,805)	(1,262,763)
Department of the Air Force	(1,072,896)	(1,088,743)
Department of Defense, Other	(806,537)	(813,989)
Department of Transportation	(689,321)	(723,943)
Department of Agriculture	(599,733)	(607,968)
Department of the Interior	(519,334)	(529,054)
Department of the Treasury	(493,713)	(508,586)
Tennessee Valley Authority	(256,707)	(286,415)
Social Security Administration	(262,657)	(261,827)
Department of Health and Human Services	(247,090)	(241,654)
Department of Commerce	(136,876)	(135,857)
Department of State	(103,454)	(103,392)
General Services Administration	(90,986)	(97,703)
Department of Energy	(91,981)	(89,953)
Department of Housing and Urban Development	(55,286)	(58,942)
Environmental Protection Agency	(40,359)	(44,349)
Small Business Administration	(29,273)	(26,848)
National Aeronautics and Space Administration	(25,451)	(26,574)
Agency for International Development	(26,010)	(24,531)
Department of Education	(13,014)	(13,731)
Office of Personnel Management	(6,509)	(7,020)
Nuclear Regulatory Commission	(3,092)	(3,058)
National Science Foundation	(1,294)	(1,389)
Other	(532,310)	(554,951)
Liabilities Attributed to Other Agencies	(32,400,692)	(31,286,545)
Projected Liability of the Department of Labor for Future FECA benefits	$ 6,606,998	$ 6,304,493
FECA Benefits Not Chargeable to Other Federal Agencies Payable by		
DOL's Federal Employees' Compensation Act Special Benefit Fund	$ 6,412,024	$ 6,107,911
FECA Benefits Due to Eligible Workers of DOL and Job Corps Enrollees	162,125	159,741
FECA Benefits Due to Eligible Workers of the Panama Canal Commission	32,849	36,841
Post-Employment Benefits Payable	$ 6,606,998	$ 6,304,493

NOTE 12 - LIABILITIES NOT COVERED BY BUDGETARY RESOURCES

Liabilities not covered by budgetary resources as of September 30, 2024 and 2023, consisted of the following:

(Dollars in Thousands)	2024	2023
Intragovernmental		
Debt	$ 35,408,515	$ 38,193,208
With the Public		
Federal Employee and Benefits Payable	6,121,450	5,335,987
Environmental and Disposal Liabilities	27,346	27,167
Accrued Annual Leave	151,684	148,606
Lease Liability	51,327	-
Other	21,361	19,852
Total With the Public	6,373,168	5,531,612
Total Liabilities Not Covered by Budgetary Resources	41,781,683	43,724,820
Total Liabilities Covered by Budgetary Resources	96,888,875	81,656,898
Total Liabilities Not Requiring Budgetary Resources	335,336	336,791
Total Liabilities	$ 139,005,894	$ 125,718,509

NOTE 13 - CONTINGENCIES

The Department is involved in various lawsuits incidental to its operations. In the opinion of management, the ultimate resolution of pending litigation will not have a material effect on the Department's financial position.

NOTE 14 - PENSION EXPENSE

Pension expense for the year ended September 30, 2024, consisted of the following:

(Dollars in Thousands)	Employer Contributions	Costs Imputed by OPM	Total Pension Expense
Civil Service Retirement System	$ 1,500	$ 9,563	$ 11,063
Federal Employees' Retirement System	322,968	92,836	415,804
Thrift Savings Plan	80,191	-	80,191
Total Pension Expense	$ 404,659	$ 102,399	$ 507,058

Pension expense for the year ended September 30, 2023, consisted of the following:

(Dollars in Thousands)	Employer Contributions	Costs Imputed by OPM	Total Pension Expense
Civil Service Retirement System	$ 2,223	$ 9,570	$ 11,793
Federal Employees' Retirement System	311,245	49,143	360,388
Thrift Savings Plan	76,236	-	76,236
Total Pension Expense	$ 389,704	$ 58,713	$ 448,417

NOTE 15 - NET COST OF OPERATIONS

Notes 15 A and B present detailed cost and revenue information by program and program agency (responsibility segment) in support of the summary information presented in the Consolidated Statements of Net Cost for the years ended September 30, 2024 and 2023, respectively. Note 15 C presents a further breakdown of this cost and revenue information for DOL's two largest program agencies, ETA and OWCP. (See Notes 1.A.1 and 1-S)

A. Consolidating Statement of Net Cost by Program Agency

Net cost of operations by program agency for the year ended September 30, 2024, consisted of the following:

(Dollars in Thousands)	Employment and Training Administration	Office of Workers' Compensation Programs	Office of Job Corps	Occupational Safety and Health Administration	Bureau of Labor Statistics
CROSSCUTTING PROGRAMS					
Income Maintenance					
Gross Costs	$ 30,105,085	$ 24,271,567	$ -	$ -	$ -
Less: Earned Revenue	(268,120)	(3,089,694)	-	-	-
Net Program Costs	29,836,965	21,181,873	-	-	-
Employment and Training					
Gross Costs	4,689,848	-	1,779,205	-	-
Less: Earned Revenue	(9,868)	-	-	-	-
Net Program Costs	4,679,980	-	1,779,205	-	-
Labor, Employment and Pension Standards					
Gross Costs	-	-	-	-	-
Less: Earned Revenue	-	-	-	-	-
Net Program Costs	-	-	-	-	-
Worker Safety and Health					
Gross Costs	-	-	-	743,285	-
Less: Earned Revenue	-	-	-	(2,679)	-
Net Program Costs	-	-	-	740,606	-
Statistics					
Gross Costs	-	-	-	-	807,177
Less: Earned Revenue	-	-	-	-	(38,315)
Net Program Costs	-	-	-	-	768,862
COSTS NOT ASSIGNED TO PROGRAMS					
Gross Costs Not Assigned to Programs	-	-	-	-	-
Less: Earned Revenue Not Attributable to Programs	-	-	-	-	-
Net Costs Not Assigned to Programs	-	-	-	-	-
Net Cost of Operations	$ 34,516,945	$ 21,181,873	$ 1,779,205	$ 740,606	$ 768,862

A. Consolidating Statement of Net Cost by Program Agency - Continued

(Dollars in Thousands)	Mine Safety and Health Administration	Employee Benefits Security Administration	Veterans' Employment and Training Service	Wage and Hour Division	Other Program Agencies	Total
CROSSCUTTING PROGRAMS						
Income Maintenance						
Gross Costs	$ -	$ -	$ -	$ -	$ 743	$ 54,377,395
Less: Earned Revenue	-	-	-	-	-	(3,357,814)
Net Program Costs	-	-	-	-	743	51,019,581
Employment and Training						
Gross Costs	-	-	298,090	3,769	2,347	6,773,259
Less: Earned Revenue	-	-	(158)	-	-	(10,026)
Net Program Costs	-	-	297,932	3,769	2,347	6,763,233
Labor, Employment and Pension Standards						
Gross Costs	353	249,381	12,393	376,633	432,360	1,071,120
Less: Earned Revenue	-	(9,276)	-	(5,320)	(16,873)	(31,469)
Net Program Costs	353	240,105	12,393	371,313	415,487	1,039,651
Worker Safety and Health						
Gross Costs	462,903	-	-	-	437	1,206,625
Less: Earned Revenue	(1,207)	-	-	-	-	(3,886)
Net Program Costs	461,696	-	-	-	437	1,202,739
Statistics						
Gross Costs	-	-	-	-	2,065	809,242
Less: Earned Revenue	-	-	-	-	-	(38,315)
Net Program Costs	-	-	-	-	2,065	770,927
COSTS NOT ASSIGNED TO PROGRAMS						
Gross Costs Not Assigned to Programs	-	-	-	-	134,353	134,353
Less: Earned Revenue Not Attributable to Programs	-	-	-	-	(49,063)	(49,063)
Net Costs Not Assigned to Programs	-	-	-	-	85,290	85,290
Net Cost of Operations	$ 462,049	$ 240,105	$ 310,325	$ 375,082	$ 506,369	$ 60,881,421

B. Consolidating Statement of Net Cost by Program Agency

Net cost of operations by program agency for the year ended September 30, 2023, consisted of the following:

(Dollars in Thousands)	Employment and Training Administration	Office of Workers' Compensation Programs	Office of Job Corps	Occupational Safety and Health Administration	Bureau of Labor Statistics
CROSSCUTTING PROGRAMS					
Income Maintenance					
Gross Costs	$ 33,878,531	$ 27,469,444	$ -	$ -	$ -
Less: Earned Revenue	(310,095)	(2,853,505)	-	-	-
Net Program Costs	33,568,436	24,615,939	-	-	-
Employment and Training					
Gross Costs	4,638,757	-	1,843,829	-	-
Less: Earned Revenue	(1,696)	-	-	-	-
Net Program Costs	4,637,061	-	1,843,829	-	-
Labor, Employment and Pension Standards					
Gross Costs	-	-	-	-	-
Less: Earned Revenue	-	-	-	-	-
Net Program Costs	-	-	-	-	-
Worker Safety and Health					
Gross Costs	-	-	-	706,879	-
Less: Earned Revenue	-	-	-	(2,159)	-
Net Program Costs	-	-	-	704,720	-
Statistics					
Gross Costs	-	-	-	-	752,614
Less: Earned Revenue	-	-	-	-	(35,957)
Net Program Costs	-	-	-	-	716,657
COSTS NOT ASSIGNED TO PROGRAMS					
Gross Costs Not Assigned to Programs	-	-	-	-	-
Less: Earned Revenue Not Attributable to Programs	-	-	-	-	-
Net Costs Not Assigned to Programs	-	-	-	-	-
Net Cost of Operations	$ 38,205,497	$ 24,615,939	$ 1,843,829	$ 704,720	$ 716,657

B. Consolidating Statement of Net Cost by Program Agency - Continued

(Dollars in Thousands)	Mine Safety and Health Administration	Employee Benefits Security Administration	Veterans' Employment and Training Service	Wage and Hour Division	Other Program Agencies	Total
CROSSCUTTING PROGRAMS						
Income Maintenance						
Gross Costs	$ -	$ -	$ -	$ -	$ 902	$ 61,348,877
Less: Earned Revenue	-	-	-	-	-	(3,163,600)
Net Program Costs	-	-	-	-	902	58,185,277
Employment and Training						
Gross Costs	-	-	350,575	-	5,048	6,838,209
Less: Earned Revenue	-	-	(157)	-	-	(1,853)
Net Program Costs	-	-	350,418	-	5,048	6,836,356
Labor, Employment and Pension Standards						
Gross Costs	368	226,658	14,564	352,080	393,060	986,730
Less: Earned Revenue	-	(8,220)	-	(2,815)	(22,189)	(33,224)
Net Program Costs	368	218,438	14,564	349,265	370,871	953,506
Worker Safety and Health						
Gross Costs	452,213	-	-	-	376	1,159,468
Less: Earned Revenue	(1,133)	-	-	-	-	(3,292)
Net Program Costs	451,080	-	-	-	376	1,156,176
Statistics						
Gross Costs	-	-	-	-	172	752,786
Less: Earned Revenue	-	-	-	-	-	(35,957)
Net Program Costs	-	-	-	-	172	716,829
COSTS NOT ASSIGNED TO PROGRAMS						
Gross Costs Not Assigned to Programs	-	-	-	-	147,326	147,326
Less: Earned Revenue Not Attributable to Programs	-	-	-	-	(39,005)	(39,005)
Net Costs Not Assigned to Programs	-	-	-	-	108,321	108,321
Net Cost of Operations	$ 451,448	$ 218,438	$ 364,982	$ 349,265	$ 485,690	$ 67,956,465

C. Statement of Net Cost - Employment and Training Administration and Office of Workers' Compensation Programs

Net cost of operations for the year ended September 30, 2024, consisted of the following:

(Dollars in thousands)	Employment and Training Administration	Office of Workers' Compensation Programs
CROSSCUTTING PROGRAMS		
Income maintenance		
Benefits	$ 33,998,939	$ 23,453,656
Grants	3,852,074	-
Interest	549,966	323,491
Administrative and Other	(8,295,894)	494,420
Gross Costs	30,105,085	24,271,567
Less: Earned Revenue	(268,120)	(3,089,694)
Net Program Costs	29,836,965	21,181,873
Employment and training		
Grants	4,262,338	-
Administrative and Other	427,510	-
Gross Costs	4,689,848	-
Less: Earned Revenue	(9,868)	-
Net Program Costs	4,679,980	-
Net Cost of Operations	$ 34,516,945	$ 21,181,873

Net cost of operations for the year ended September 30, 2023, consisted of the following:

(Dollars in Thousands)	Employment and Training Administration	Office of Workers' Compensation Programs
CROSSCUTTING PROGRAMS		
Income Maintenance		
Benefits	$ 23,624,250	26,722,345
Grants	4,285,073	-
Interest	620,863	278,773
Administrative and Other	5,348,345	468,326
Gross Costs	33,878,531	27,469,444
Less: Earned Revenue	(310,095)	(2,853,505)
Net Program Costs	33,568,436	24,615,939
Employment and Training		
Grants	4,149,967	-
Administrative and Other	488,790	-
Gross Costs	4,638,757	-
Less: Earned Revenue	(1,696)	-
Net Program Costs	4,637,061	-
Net Cost of Operations	$ 38,205,497	$ 24,615,939

The amount in Income Maintenance, Administrative and Other is due to a change in the allowance for doubtful accounts for UI programs. Year over year, the portion of Accounts Receivable that can be booked as an allowance has decreased, causing the change.

NOTE 16 - NON-EXCHANGE REVENUE

Non-exchange revenue reported on the Consolidated Statements of Changes in Net Position for the years ended September 30, 2024 and 2023, consisted of the following:

(Dollars in Thousands)	2024	2023
Employer Taxes		
Unemployment Trust Fund		
State Unemployment Taxes	$ 38,318,683	$ 39,327,813
Federal Unemployment Taxes	7,997,408	7,784,548
Total Unemployment Trust Fund	46,316,091	47,112,361
Black Lung Disability Trust Fund Excise Taxes	242,563	294,734
Total Employer Taxes	46,558,654	47,407,095
Interest		
Unemployment Trust Fund	3,057,761	2,033,502
Other	3,225	2,709
Total Interest	3,060,986	2,036,211
Reimbursement of Unemployment Benefits and Other	1,643,653	1,197,859
Total Non-Exchange Revenue	$ 51,263,293	$ 50,641,165

The FY 2024 balance of $38.3 billion in State unemployment taxes is disaggregated by $32.9 billion and $5.4 billion earned for the current fiscal year and the prior fiscal year, respectively. The FY 2023 balance of $39.3 billion in State unemployment taxes is disaggregated by $33.9 billion and $5.4 billion earned for the current fiscal year and the prior fiscal year, respectively.

NOTE 17 - TRANSFERS IN/OUT WITHOUT REIMBURSEMENT

Transfers from other Federal agencies for the years ended September 30, 2024 and 2023, consisted of the following:

(Dollars in Thousands)	2024	2023
From H-1B Nonimmigrant Petitioner Account, Department of Homeland Security and Other	$ 264,922	$ 236,345
Total Transfers In/Out Without Reimbursement	$ 264,922	$ 236,345

The balances of $264.9 million and $236.3 million in transfers in/out without reimbursement for FY 2024 and FY 2023, reflect the elimination of intra-DOL transfers of $7.0 billion and $5.1 billion, respectively.

NOTE 18 - STATUS OF BUDGETARY RESOURCES

A. Net Adjustment to Unobligated Balance, Brought Forward, October 1

For the year ended September 30, 2024, certain adjustments were made to the balance of unobligated budgetary resources available as of October 1, 2023. These adjustments include, among other things, downward adjustments to undelivered and delivered orders that were obligated in a prior fiscal year as well as other adjustments which primarily includes the return of funds related to recoveries of indefinite authority from prior fiscal years. The adjustments for the years ended September 30, 2024 and 2023, are presented below.

(Dollars in Thousands)	2024	2023
Unobligated Balance, Brought Forward from Prior Year	$ 5,637,860	$ 7,433,911
Adjustments to Budgetary Resources Made during Current Year		
Downward Adjustments of Prior Year Undelivered Orders	2,113,882	3,130,025
Downward Adjustments of Prior Year Delivered Orders	4,685,243	1,192,175
Other Adjustments	(5,696,738)	(2,775,915)
	1,102,387	1,546,285
Unobligated Balance from Prior Year Budget Authority, Net (Discretionary and Mandatory)	$ 6,740,247	$ 8,980,196

B. Permanent Indefinite Appropriations

DOL's permanent indefinite appropriations include trust funds, the Federal Pandemic Unemployment Compensation (also known as the Federal Additional Unemployment Compensation), the Panama Canal Commission Compensation Fund, the Energy Employees Occupational Illness Compensation Fund, ETA and WHD H1-B funds, ETA's Advances and Payments to the Unemployment Trust Funds, Short-Time Compensation, and portions of State Unemployment Insurance and Employment Service Operations and Federal Unemployment Benefits and Allowances. These funds are described in Note 1-A.3. As of September 30, 2024 and 2023, the Department returned indefinite authority to Treasury in the amount of $8.7 billion and $4.5 billion, respectively.

C. Legal Arrangements Affecting Use of Unobligated Balances

Pursuant to public law, the portion of UTF receipts collected in the current year in excess of amounts needed to pay benefits and other valid obligations is classified as temporarily not available as of September 30. Therefore, these excess receipts are reported as a reduction to Appropriations and Unobligated Balances – Exempt from Apportionment in the Combined Statements of Budgetary Resources. Conversely, when obligations exceed receipts in the current year, amounts are drawn from the temporarily unavailable collections to increase current year Appropriations and Unobligated Balances – Exempt from Apportionment on the Combined Statements of Budgetary Resources to cover these obligations. All excess receipts are reported as assets of the UTF and are included in the Consolidated Balance Sheets.

The cumulative amount of excess UTF receipts are denoted as unavailable collections in the Budget of the United States Government. The cumulative amount of these excess receipts for the years ended September 30, 2024 and 2023, reclassified from unobligated balances to UTF unavailable collections is presented below.

(Dollars in Thousands)	2024	2023
Unemployment Trust Fund Unavailable Collections, Beginning	$ 69,632,799	$ 61,849,869
Budget Authority from Current Year Appropriations	47,999,880	42,309,229
Less: Obligations	(42,955,363)	(34,526,299)
Excess (Deficit) of Budget Authority Over Obligations	5,044,517	7,782,930
Unemployment Trust Fund Unavailable Collections, Ending	$ 74,677,316	$ 69,632,799

D. Explanation of Differences between the Combined Statement of Budgetary Resources and the Budget of the United States Government for FY 2023

The Budget of the United States Government with actual amounts for the year ended September 30, 2024, has not been published as of the issue date of the FY 2024 Statement of Budgetary Resources. The actual amounts will be published on the FY 2025 United States budget in February 2025.

A reconciliation of total budgetary resources, new obligations and upward adjustments (total) outlays, net, and distributed offsetting receipts, as presented in the Combined Statement of Budgetary Resources for FY 2023, to amounts included in the Budget of the United States Government for the year ended September 30, 2023, is shown below.

(Dollars in Millions)	Total Budgetary Resources	New Obligations and Upward Adjustments (Total)	Outlays, Net (Total)	Distributed Offsetting Receipts
Combined Statement of Budgetary Resources	$ 63,936	$ 58,298	$ 48,151	$ (876)
Pension Benefit Guaranty Corporation (PBGC) reported separately	112,304	52,988	40,162	-
Fiduciary Funds Activities	167	92	92	-
Expired TAFS	(1,903)	(47)	-	-
Other	(2)	(3)	5	-
Budget of the United States Government	$ 174,502	$ 111,328	$ 88,410	$ (876)

E. Undelivered Orders

Undelivered orders as of September 30, 2024 and 2023, consisted of the following:

(Dollars in Thousands)	2024	2023
Intragovernmental		
Undelivered Orders (Paid)	$ 15,114	$ 11,793
Undelivered Orders (Unpaid)	718,546	791,336
Total Intragovernmental	733,660	803,129
With the Public		
Undelivered Orders (Paid)	12,914,406	11,244,099
Undelivered Orders (Unpaid)	13,035,806	14,569,407
Total With the Public	25,950,212	25,813,506
Total Undelivered Orders	$ 26,683,872	$ 26,616,635

F. Appropriations Received

Appropriations from the Consolidated Statements of Changes in Net Position and the Combined Statements of Budgetary Resources are reconciled below for the years ended September 30, 2024 and 2023.

(Dollars in Thousands)	2024	2023
Appropriations Received, Consolidated Statements of Changes in Net Position	$ 13,531,955	$ 13,084,606
Receipts Recognized as Revenue in Current and Prior Years		
Unemployment Trust Fund	45,930,579	42,526,299
Black Lung Disability Trust Fund	303,030	278,830
Other Funds from Dedicated Collections	60,247	94,635
Repayment of Debt from Appropriated Receipts		
Unemployment Trust Fund	(3,000,000)	(8,000,000)
Return of Permanent Indefinite Authority	(548,486)	(197,368)
Reduction for Sequestration, Across the Board Reductions, and Other	(89,659)	(1,147,023)
	42,655,711	33,555,373
Appropriations, Combined Statements of Budgetary Resources	$ 56,187,666	$ 46,639,979

G. Borrowing Authority

For the years ended September 30, 2024 and 2023, P.L. 118-47 and P.L. 117-328, respectively, granted borrowing authority for repayable advances and other debt in the amount of “such sums as may be necessary” to (1) the UTF for advances as authorized by sections 905(d) and 1203 of the Social Security Act and (2) the BLDTF for advances as authorized by section 9501(c) (1) of the Internal Revenue Code of 1986. Although section 9501 of the Internal Revenue Code and P.L. 118-47 use the terminology “advance," the Treasury has interpreted this to mean any debt owed by the BLDTF to the Bureau of the Fiscal Service.

No borrowing authority was exercised for the UTF for the years ended September 30, 2024 and 2023.

Borrowing authority exercised for the BLDTF in FY 2024 was $3.0 billion; most of the borrowing authority was used to repay debt of $2.9 billion. Borrowing authority exercised for the BLDTF in FY 2023 was $2.9 billion; most of the borrowing authority was used to repay debt of $2.7 billion.

NOTE 19 - RECONCILIATION OF NET COST TO NET OUTLAYS

Budgetary and financial accounting information differ. The budgetary basis of accounting is used for planning and control purposes and relates to both the receipt and use of cash, as well as reporting the federal deficit. The financial accounting information is intended to provide a picture of the government's financial operations and financial position, so it presents information on the accrual basis of accounting. The accrual basis includes information about costs arising from the consumption of assets and the incurrence of liabilities. The reconciliation of Total Net Outlays, presented on a budgetary basis, and the Net Cost of Operations, presented on an accrual basis, provides an explanation of the relationship between budgetary and financial accounting information. The reconciliation serves not only to identify costs paid for in the past and those that will be paid in the future, but also to assure integrity between budgetary and financial accounting.

The analyses below Illustrate this reconciliation by listing the key differences between Net Cost of Operations and Total Net Outlays (Calculated Total).

For the Year Ended September 30, 2024

The Accounts Receivable, Net line (intragovernmental) is primarily related to the revenues associated with the FECA program Accounts Receivable, net. These revenues are reported in the current year, whereas the Total Net Outlays will not report the collections until they occur in a future year, creating a timing difference. Once the FECA accounts receivable are collected, the timing difference associated with the Accounts Receivable, net line will reverse when the Total Net Outlays line under the budgetary basis reports the collections.

The Accounts Receivable, Net line (with the public) is primarily related to regular unemployment benefits and the CARES Act unemployment benefits for which the states overpaid to claimants and must be reimbursed to DOL. In the accrual basis, bad debts expense in past years increased the allowance for doubtful accounts so that Accounts Receivable, Net reported a lower balance. The allowance has been decreasing each year and in FY 2024 the decrease in the allowance had the effect of reporting an increase in Accounts Receivable, Net. In the budgetary basis, bad debts expense—and the corresponding change in the allowance account—are treated as non-cash expenditure and are offsets to Outlays, net.

The Advances and Prepayments line (with the public) is primarily related to the regular unemployment benefits and CARES Act unemployment benefits for which DOL advances funds to the states. Although the CARES Act programs ended in September 2021, states continue to adjust their balances. In the accrual basis, the Advances and prepayments are not recognized as expenses in Net cost of operations until the states report the expenses. However, Advances and prepayments were included in the Outlays, net, causing a timing difference. The timing difference reverses when the states reported their expenses and/or returned the unexpended funds.

For the Benefits Due and Payable line (with the public), in the accrual basis, the benefits costs for the unemployment insurance programs are included in the Net cost of operations as expenses in a prior period, but not yet paid in Outlays, net, causing a timing difference. The timing difference will reverse when the Benefits due and payable line (with the public) decreases after the payments are recognized in Outlays, net.

The Post-Employment Benefits Payable line (with the public) is primarily for an increase in the long-term actuarial liability (and corresponding workers compensation expense) for Federal employees and contractors covered by the Federal Employees' Compensation Act (FECA). In the accrual basis, the expense is reported in the current fiscal year, although Outlays, net may occur over several years, resulting in a timing difference. Refer to Note 1.L.2 for a discussion of the FECA actuarial liability.

The Other Liabilities line (with the public) is primarily for an increase in the long-term actuarial liability (and corresponding workers' compensation expense) for workers covered by the Energy Employees Occupational Illness Compensation (EEOIC) Act. In the accrual basis, the expense is reported in the current fiscal year, although Outlays, net may occur over several years, resulting in a timing difference. Refer to Note 1.N.2 for a discussion of the EEOIC actuarial liability.

The line for Distributed Offsetting Receipts (intragovernmental) was primarily for collections from other Federal agencies who reimbursed the Federal Employees Compensation (FEC) Account of the Unemployment Trust Fund for unemployment benefits paid to the Federal agencies' former employees and the military. These collections received by the Unemployment Trust Fund are offsets to net outlays. The line for Intra-DOL Outlays (intragovernmental) was also primarily for collections from other Federal agencies who reimbursed the UTF FEC Account, but reflects the transfers between DOL accounts within the UTF.

The line for Distributed Offsetting Receipts (with the public) was primarily for States' payment of interest on their Title XII loans when the States borrowed to pay unemployment benefits during times of high unemployment. These collections received by the Federal Unemployment Account of the Unemployment Trust Fund are offsets to net outlays.

For the Year Ended September 30, 2023

For the Accounts receivable, net line (intragovernmental), the revenues associated with the FECA program Accounts Receivable, net line are reported in the current year, whereas the Total Net Outlays will not report the collections until they occur in a future year, creating a timing difference. Once the FECA accounts receivable are collected, the timing difference associated with the Accounts receivable, net line will reverse when the Total Net Outlays line under the budgetary basis reports the collections.

The Accounts receivable, net line (with the public) is primarily related to unemployment benefits for which the States overpaid to claimants and must be reimbursed to DOL. In the accrual basis, the overpayments were recognized as contra-expenses (a decrease to expenses) when DOL determined that the overpayments have occurred; these contra-expenses offset the net costs. However, in the budgetary basis, the offsets to Outlays, net do not occur until the States collect the overpayments and deposit into their UTF accounts, which results in a timing difference. This offset to outlays resolved the timing difference.

For the Benefits due and payable (with the public) line, in the accrual basis, the benefits costs for unemployment insurance were included in the Net Cost of Operations as expenses in a prior year; part of the expenses were reported by the States and are awaiting payment, whereas the other part of the expenses were "incurred but not reported" (IBNR). The IBNR expenses were adjustments DOL makes to estimate what States will report as expenses that occurred during a prior fiscal year, but had not yet reported. In the accrual basis, the benefits costs increased the Benefits due and payable in a prior period, but in the budgetary basis, the outlays will not be recognized until the payments are made. This reflects a timing difference between when DOL recognizes costs for unemployment benefits versus when DOL pays them.

In the accrual basis, the timing difference reverses when the Benefits due and payable line (with the public) decreases after the payments are made and the Total Net Outlays recognizes these payments in the current year.

For the Post-employment benefits payable line (with the public), in the accrual basis, an expense for the increase in the actuarial liability of future workers' compensation is reported in the Net Cost of Operations, but is not reported in Total Net Outlays until the benefits for workers' compensation are paid, resulting in a timing difference. Refer to Note 1.L.2 for a discussion of the FECA actuarial liability.

The Other Liabilities line (with the public) was primarily for an increase in the long-term actuarial liability (and corresponding workers' compensation expense) for workers covered by the Energy Employees Occupational Illness Compensation (EEOIC) Act. In the accrual basis, the expense is reported in the current fiscal year, although the Net Outlays may occur over several years, resulting in a timing difference. Refer to Note 1.N.2 for a discussion of the EEOIC actuarial liability.

The line for Distributed offsetting receipts (intragovernmental) was primarily for

- collections from other Federal agencies who reimbursed the Federal Employees Compensation Account of the Unemployment Trust Fund for unemployment benefits paid to the Federal agencies' former employees and

- non-repayable advances received by the Employment Security Administration Account of the Unemployment Trust Fund from for the administration of unemployment programs; these collections and non-repayable advances received by the Unemployment Trust Fund are offsets to net outlays.

The line for Distributed offsetting receipts (with the public) was primarily for States' payment of interest on their Title XII loans when the States borrowed to pay unemployment benefits during times of high unemployment. These collections received by the Federal Unemployment Account of the Unemployment Trust Fund are offsets to net outlays.

The line for intra-DOL outlays (intragovernmental) is, for the most part, interest earned from Treasury investments, intra-DOL transfers for unemployment administration costs, and collections from other Federal agencies to the Federal Employees Compensation account to reimburse the UTF for unemployment benefits of former Federal employees. These were offset by allocations of interest income to the States' UTF accounts for UTF investments.

The Net Cost to Net Outlays reconciliation for the year ended September 30, 2024, consisted of the following:

(Dollars in Thousands)	Intragovernmental	With the Public	Total
NET COST OF OPERATIONS	$ (1,259,225)	$ 62,140,646	$ 60,881,421
Components of Net Cost Not Part of the Budgetary Outlays			
Property, Plant, and Equipment Depreciation Expense	-	(51,654)	(51,654)
Lessee Lease Amortization	-	(14,112)	(14,112)
Applied Overhead/Cost Capitalization Offset	-	43,330	43,330
Gains/Losses On All Other Investments	-	-	-
Increase/(Decrease) in Assets:			
Accounts Receivable, Net	373,585	6,832,438	7,206,023
Advances and Prepayments	3,321	1,711,306	1,714,627
(Increase)/Decrease in Liabilities:			
Accounts Payable	14,613	83,791	98,404
Debt	(43,127)	-	(43,127)
Lease Liability	-	515	515
Environmental and Disposal Liabilities	-	(179)	(179)
Benefits Due and Payable	-	337,497	337,497
Federal Employee Benefits Payable	-	58,859	58,859
Post-Employment Benefits Payable	-	(302,505)	(302,505)
Other Liabilities	40,881	(16,133,184)	(16,092,303)
Financing Sources:			
Imputed Cost	(215,662)	-	(215,662)
Total Components of Net Cost Not Part of the Budgetary Outlays	173,611	(7,433,898)	(7,260,287)
Components of Net Cost That Are Not Part of Net Operating Cost			
Acquisition of Capital Assets	-	1,454	1,454
Transfers in/out Without Reimbursement	594	-	594
Total Components of Net Cost That Are Not Part of Net Operating Cost	594	1,454	2,048
Miscellenous Items			
Distributed Offsetting Receipts	(272,055)	(654,281)	(926,336)
Custodial/Non-Exchange Revenue	(4,564)	(9,859)	(14,423)
Other Temporary Timing Differences	-	45,493	45,493
Intra-DOL Outlays	268,609	-	268,609
Total Other Reconciling Items	(8,010)	(618,647)	(626,657)
Agency Outlays, Net (Discretionary and Mandatory)			$ 52,996,525

The reconciliation for the year ended September 30, 2023, consisted of the following:

(Dollars in Thousands)	Intragovernmental	With the Public	Total
NET COST OF OPERATIONS	$ (1,076,680)	$ 69,033,145	$ 67,956,465
Components of Net Cost Not Part of the Budgetary Outlays			
Property, Plant, and Equipment Depreciation Expense	-	(54,340)	(54,340)
Applied Overhead/Cost Capitalization Offset	-	65,753	65,753
Gains/Losses On All Other Investments	-	(279)	(279)
Increase/(Decrease) in Assets:			
Accounts Receivable, Net	226,230	381,977	608,207
Advances and Prepayments	656	130,691	131,347
(Increase)/Decrease in Liabilities:			
Accounts Payable	1,919	173,875	175,794
Debt	(59,245)	-	(59,245)
Lease Liability	-	2,327	2,327
Environmental and Disposal Liabilities	-	(173)	(173)
Benefits Due and Payable	-	368,307	368,307
Federal Employee Benefits Payable	-	(1,683,111)	(1,683,111)
Post-Employment Benefits Payable	-	-	-
Other Liabilities	(97,841)	(19,576,908)	(19,674,749)
Financing Sources:			
Imputed Cost	(175,532)	-	(175,532)
Total Components of Net Cost Not Part of the Budgetary Outlays	(103,813)	(20,191,881)	(20,295,694)
Components of Net Cost That Are Not Part of Net Operating Cost			
Acquisition of Capital Assets	-	3,640	3,640
Transfers in/out Without Reimbursement	-	-	-
Total Components of Net Cost That Are Not Part of Net Operating Cost	-	3,640	3,640
Miscellenous Items			
Distributed Offsetting Receipts	(415,621)	(460,776)	(876,397)
Custodial/Non-Exchange Revenue	6,251	(2,205)	4,046
Other Temporary Timing Differences	20,353	56,396	76,749
Intra-DOL Outlays	406,243	-	406,243
Total Other Reconciling Items	17,226	(406,585)	(389,359)
Agency Outlays, Net (Discretionary and Mandatory)			$ 47,275,052

NOTE 20 - CUSTODIAL NON-EXCHANGE REVENUES

Custodial non-exchange revenues for the year ended September 30, 2024, consisted of the following:

(Dollars in Thousands)	Current Fiscal Year	Prior Fiscal Year 2023	Prior Fiscal Year 2022	All Other Prior Fiscal Years	Current Year Collections
Fines, Penalties, Interest and Other Revenue					
Occupational Safety and Health Administration	$ 178,334	$ -	$ -	$ -	$ 178,334
Mine Safety and Health Administration	40,989	-	-	-	40,989
Employee Benefits Security Administration	43,899	-	-	-	43,899
Wage and Hour Division	64,458	-	-	866	65,324
Other	6,155	(3)	(1)	-	6,151
Total Fines, Penalties, Interest and Other Revenue	333,835	(3)	(1)	866	334,697
Less: Amounts Collected for Non-Federal Entities	-	-	-	(765)	(765)
Total Amount of Federal Revenues Collected	$ 333,835	$ (3)	$ (1)	$ 101	$ 333,932

Refunds for the year ended September 30, 2024, consisted of the following:

(Dollars in Thousands)	Current Fiscal Year	Prior Fiscal Year 2023	Prior Fiscal Year 2022	All Other Prior Fiscal Years	Current Year Refunds
Refunds					
Occupational Safety and Health Administration	$ 434	$ -	$ -	$ -	$ 434
Mine Safety and Health Administration	437	415	39	-	891
Employee Benefits Security Administration	131	77	55	-	263
Other	-	-	22	-	22
Total Amount of Refunds	$ 1,002	$ 492	$ 116	$ -	$ 1,610

Custodial non-exchange revenues for the year ended September 30, 2023, consisted of the following:

(Dollars in Thousands)	Current Fiscal Year	Prior Fiscal Year 2022	Prior Fiscal Year 2021	All Other Prior Fiscal Years	Current Year Collections
Fines, Penalties, Interest and Other Revenue					
Occupational Safety and Health Administration	$ 175,960	$ 948	$ -	$ -	$ 176,908
Mine Safety and Health Administration	50,973	110	-	-	51,083
Employee Benefits Security Administration	29,461	-	-	-	29,461
Wage and Hour Division	37,927	-	-	893	38,820
Other	4,941	(5)	-	720	5,656
Total Fines, Penalties, Interest and Other Revenue	299,262	1,053	-	1,613	301,928
Less: Amounts Collected for Non-Federal Entities	-	-	-	(808)	(808)
Total Amount of Federal Revenues Collected	$ 299,262	$ 1,053	$ -	$ 805	$ 301,120

Refunds for the year ended September 30, 2023, consisted of the following:

(Dollars in Thousands)	Current Fiscal Year	Prior Fiscal Year 2022	Prior Fiscal Year 2021	All Other Prior Fiscal Years	Current Year Refunds
Refunds					
Occupational Safety and Health Administration	$ 403	$ -	$ -	$ -	$ 403
Mine Safety and Health Administration	202	260	8	8	478
Employee Benefits Security Administration	183	191	140	98	612
Other	12	-	-	-	12
Total Amount of Refunds	$ 800	$ 451	$ 148	$ 106	$ 1,505

NOTE 21 - FUNDS FROM DEDICATED COLLECTIONS

DOL is responsible for the operation of certain funds from dedicated collections. Other funds from dedicated collections include Gifts and Bequests, Panama Canal Commission Compensation Fund, and H-1B Funds. The combined values and consolidated values are the same values.

The financial position of the funds from dedicated collections as of September 30, 2024, consisted of the following:

(Dollars in Thousands)	Unemployment	Black Lung Disability	Other	Total
Assets				
Intragovernmental				
Fund Balance with Treasury	$ (486,974)	$ 267,380	$ 372,696	$ 153,102
Investments, Net	88,690,673	-	9,910	88,700,583
Accounts Receivable, Net				
Due from Other Federal Agencies For UCFE And UCX Benefits	101,984	-	-	101,984
Other	-	-	29,031	29,031
Total Intragovernmental	88,305,683	267,380	411,637	88,984,700
With The Public				
Accounts Receivable, Net				
State Unemployment Tax	1,025,705	-	-	1,025,705
Due From Reimbursable Employers	760,565	-	-	760,565
Benefit Overpayments	5,020,226	22,792	-	5,043,018
Other	1,013	-	1	1,014
Property, Plant, and Equipment, Net	-	-	163	163
Advances and Prepayments	11,502,640	-	762	11,503,402
Total With the Public	18,310,149	22,792	926	18,333,867
Total Assets	$ 106,615,832	$ 290,172	$ 412,563	$ 107,318,567
Liabilities				
Intradepartmental and Intragovernmental				
Accounts Payable to DOL Agencies	$ 2,849,853	$ -	$ -	$ 2,849,853
Debt	28,530,369	6,878,146	-	35,408,515
Amounts Held for the Railroad Retirement Board	433,881	-	-	433,881
Other Liabilities	-	-	3,903	3,903
Total Intradepartmental and Intragovernmental	31,814,103	6,878,146	3,903	38,696,152
With the Public				
Accounts Payable	-	-	1,360	1,360
Federal Employee Benefits Payable	-	-	2,749	2,749
Post-employment Benefits Payable	-	-	32,849	32,849
Accrued Benefits	8,347,843	48,321	-	8,396,164
Other Liabilities	-	-	14,667	14,667
Total With the Public	8,347,843	48,321	51,625	8,447,789
Total Liabilities	40,161,946	6,926,467	55,528	47,143,941
Net Position				
Cumulative Results of Operations	66,453,886	(6,636,295)	357,035	60,174,626
Total Liabilities and Net Position	$ 106,615,832	$ 290,172	$ 412,563	$ 107,318,567

The net results of operations of the funds from dedicated collections for the year ended September 30, 2024, consisted of the following:

(Dollars in Thousands)	Unemployment	Black Lung Disability	Other	Total
Cost, Net of Earned Revenues				
Benefits	$ (37,168,978)	$ (123,037)	$ -	$ (37,292,015)
Grants	(21,379)	-	(105,583)	(126,962)
Interest	(549,966)	(323,491)	-	(873,457)
Administrative and Other	5,404,064	1,289	(76,467)	5,328,886
Total Cost, Net of Earned Revenues	(32,336,259)	(445,239)	(182,050)	(32,963,548)
Less: Earned Revenue	265,711	-	152	265,863
Net Cost of Operations	(32,070,548)	(445,239)	(181,898)	(32,697,685)
Cumulative Results of Operations				
Beginning Balance	54,432,163	(6,355,609)	473,936	48,550,490
Non-Exchange Revenue				
Non-Exchange Revenue With the Public				
Employment Taxes	38,318,683	-	-	38,318,683
Interest	631,435	2,716	-	634,151
Reimbursement of Unemployment Benefits And Other	1,641,579	-	-	1,641,579
Total Non-Exchange Revenue With the Public	40,591,697	2,716	-	40,594,413
Intragovernmental Non-Exchange Revenue				
Employment Taxes	7,997,408	-	-	7,997,408
Excise Tax and Customs	-	242,563	-	242,563
Interest	2,426,326	-	508	2,426,834
Reimbursement of Unemployment Benefits and Other	-	-	2,074	2,074
Total Intragovernmental Non-Exchange Revenue	10,423,734	242,563	2,582	10,668,879
Total Non-Exchange Revenue	51,015,431	245,279	2,582	51,263,292
Imputed Financing	-	-	2,899	2,899
Transfers-In				
Department of Homeland Security	-	-	280,769	280,769
DOL Entities	18,655	-	152	18,807
Transfers-Out				
Department of Homeland Security	-	-	(221,253)	(221,253)
DOL Entities	(6,941,815)	(80,726)	(152)	(7,022,693)
Total Transfers In/(Out) without Reimbursement	(6,923,160)	(80,726)	59,516	(6,944,370)
Other	-	-	-	-
Total Cumulative Results of Operations Activity	44,092,271	164,553	64,997	44,321,821
Net Change in Cumulative Results of Operations	12,021,723	(280,686)	(116,901)	11,624,136
Net Position	$ 66,453,886	$ (6,636,295)	$ 357,035	$ 60,174,626

The financial position of the funds from dedicated collections as of September 30, 2023, consisted of the following:

(Dollars in Thousands)	Unemployment	Black Lung Disability	Other	Total
Assets				
Intragovernmental				
Fund Balance with Treasury	$ 2,599,628	$ 285,808	$ 504,950	$ 3,390,386
Investments, Net	82,355,494	-	12,500	82,367,994
Accounts Receivable, Net				
Due from Other Federal Agencies For UCFE And UCX Benefits	98,735	-	-	98,735
Other	-	-	23,074	23,074
Total Intragovernmental	85,053,857	285,808	540,524	85,880,189
With The Public				
Accounts Receivable, Net				
State Unemployment Tax	1,170,662	-	-	1,170,662
Due From Reimbursable Employers	467,617	-	-	467,617
Benefit Overpayments	2,352,299	25,690	-	2,377,989
Other	1,228	-	2	1,230
Property, Plant, and Equipment, Net	-	-	163	163
Advances and Prepayments	9,683,211	-	229	9,683,440
Total With the Public	13,675,017	25,690	394	13,701,101
Total Assets	$ 98,728,874	$ 311,498	$ 540,918	$ 99,581,290
Liabilities				
Intradepartmental and Intragovernmental				
Accounts Payable to DOL Agencies	$ 3,629,058	$ -	$ -	$ 3,629,058
Debt	31,534,915	6,658,293	-	38,193,208
Amounts Held for the Railroad Retirement Board	340,463	-	-	340,463
Other Liabilities	-	-	4,413	4,413
Total Intradepartmental and Intragovernmental	35,504,436	6,658,293	4,413	42,167,142
With the Public				
Accounts Payable	-	-	2,507	2,507
Federal Employee Benefits Payable	-	-	4,007	4,007
Post-employment Benefits Payable	-	-	36,841	36,841
Accrued Benefits	8,792,275	8,814	-	8,801,089
Other Liabilities	-	-	19,214	19,214
Total With the Public	8,792,275	8,814	62,569	8,863,658
Total Liabilities	44,296,711	6,667,107	66,982	51,030,800
Net Position				
Cumulative Results of Operations	54,432,163	(6,355,609)	473,936	48,550,490
Total Liabilities and Net Position	$ 98,728,874	$ 311,498	$ 540,918	$ 99,581,290

The net results of operations of the funds from dedicated collections for the year ended September 30, 2023, consisted of the following:

(Dollars in Thousands)	Unemployment	Black Lung Disability	Other	Total
Cost, Net of Earned Revenues				
Benefits	$ (28,381,256)	$ (33,930)	$ -	$ (28,415,186)
Grants	(74,946)	-	(105,738)	(180,684)
Interest	(620,863)	(278,773)	-	(899,636)
Administrative and Other	(1,048,303)	(2,124)	(76,824)	(1,127,251)
Total Cost, Net of Earned Revenues	(30,125,368)	(314,827)	(182,562)	(30,622,757)
Less: Earned Revenue	251,155	-	152	251,307
Net Cost of Operations	(29,874,213)	(314,827)	(182,410)	(30,371,450)
Cumulative Results of Operations				
Beginning Balance	38,995,469	(6,261,393)	564,193	33,298,269
Non-Exchange Revenue				
Non-Exchange Revenue With the Public				
Employment Taxes	39,327,813	-	-	39,327,813
Interest	440,654	2,216	-	442,870
Reimbursement of Unemployment Benefits And Other	1,202,994	-	-	1,202,994
Total Non-Exchange Revenue With the Public	40,971,461	2,216	-	40,973,677
Intragovernmental Non-Exchange Revenue				
Employment Taxes	7,784,548	-	-	7,784,548
Excise Tax and Customs	-	294,734	-	294,734
Interest	1,592,848	-	492	1,593,340
Reimbursement of Unemployment Benefits and Other	-	-	(5,135)	(5,135)
Total Intragovernmental Non-Exchange Revenue	9,377,396	294,734	(4,643)	9,667,487
Total Non-Exchange Revenue	50,348,857	296,950	(4,643)	50,641,164
Imputed Financing	-	-	2,579	2,579
Transfers-In				
Department of Homeland Security	-	-	249,524	249,524
DOL Entities	149,706	-	152	149,858
Transfers-Out				
Department of Homeland Security	-	-	(155,179)	(155,179)
DOL Entities	(5,187,656)	(76,339)	(152)	(5,264,147)
Total Transfers In/(Out) without Reimbursement	(5,037,950)	(76,339)	94,345	(5,019,944)
Other	-	-	(128)	(128)
Total Cumulative Results of Operations Activity	45,310,907	220,611	92,153	45,623,671
Net Change in Cumulative Results of Operations	15,436,694	(94,216)	(90,257)	15,252,221
Net Position	$ 54,432,163	$ (6,355,609)	$ 473,936	$ 48,550,490

NOTE 22 - FIDUCIARY ACTIVITY

The schedule of fiduciary activity and net assets for the fiduciary funds for the year ended and as of September 30, 2024, consisted of the following:

(Dollars in Thousands)	Wage and Hour and Public Contracts Restitution Fund	Longshore and Harbor Workers' Compensation Act Trust Fund	District of Columbia Workmen's Compensation Act Trust Fund	Davis-Bacon Act Trust Fund	Total Fiduciary Funds
Fiduciary Net Assets, Beginning of Year	$ 214,564	$ 32,530	$ 1,565	$ -	$ 248,659
Assessments	109,561	85,367	5,064	-	199,992
Investment Earnings	-	1,966	94	-	2,060
Administrative and Other Expenses	-	(2,175)	33	-	(2,142)
Transfer of Funds	(43,263)	-	-	-	(43,263)
Disbursements to and on Behalf of Beneficiaries	(79,382)	(87,047)	(4,740)	-	(171,169)
Increase (Decrease) in Fiduciary Net Assets	(13,084)	(1,889)	451	-	(14,522)
Fiduciary Net Assets, End of Year	$ 201,480	$ 30,641	$ 2,016	$ -	$ 234,137
Fiduciary Assets					
Fund Balance with Treasury	$ 198,227	$ 1,698	$ 303	$ 5,207	$ 205,435
Investments in Treasury Securities	-	73,752	2,957	-	76,709
Other Assets	3,253	2,206	139	-	5,598
Less: Liabilities	-	(47,015)	(1,383)	(5,207)	(53,605)
Total Fiduciary Net Assets	$ 201,480	$ 30,641	$ 2,016	$ -	$ 234,137

The schedule of fiduciary activity and net assets for the fiduciary funds for the year ended and as of September 30, 2023, consisted of the following:

(Dollars in Thousands)	Wage and Hour and Public Contracts Restitution Fund	Longshore and Harbor Workers' Compensation Act Trust Fund	District of Columbia Workmen's Compensation Act Trust Fund	Davis-Bacon Act Trust Fund	Total Fiduciary Funds
Fiduciary Net Assets, Beginning of Year	$ 190,908	$ 32,586	$ 2,132	$ -	$ 225,626
Assessments	141,859	83,934	4,170	-	229,963
Investment Earnings	-	1,699	70	1	1,770
Administrative and Other Expenses	-	(2,190)	3	-	(2,187)
Transfer of Funds	(21,347)	-	-	(1)	(21,348)
Disbursements to and on Behalf of Beneficiaries	(96,856)	(83,499)	(4,810)	-	(185,165)
Increase (Decrease) in Fiduciary Net Assets	23,656	(56)	(567)	-	23,033
Fiduciary Net Assets, End of Year	$ 214,564	$ 32,530	$ 1,565	$ -	$ 248,659
Fiduciary Assets					
Fund Balance with Treasury	$ 211,803	$ 3,250	$ 666	$ 5,207	$ 220,926
Investments in Treasury Securities	-	70,011	2,000	-	72,011
Other Assets	2,761	4,770	250	-	7,781
Less: Liabilities	-	(45,501)	(1,351)	(5,207)	(52,059)
Total Fiduciary Net Assets	$ 214,564	$ 32,530	$ 1,565	$ -	$ 248,659

The FY 2023 audits were performed on the Longshore and Harbor Workers' Compensation Act Trust Fund and the District of Columbia Workmen's Compensation Act Trust Fund and are available on DOL's website.

NOTE 23 - SUBSEQUENT EVENTS

Except for the disclosures that appear in Notes 1.W.3, 2, and 4, management has determined that there are no subsequent events requiring accrual or disclosure through November 14, 2024.

NOTE 24 - RECLASSIFICATION OF FINANCIAL STATEMENT LINE ITEMS FOR FINANCIAL REPORT COMPILATION PROCESS

The Treasury's FRUSG compilation process requires DOL to submit an adjusted trial balance as of September 30, 2024; the adjusted trial balance is a listing of amounts by U.S. Standard General Ledger account that appear in DOL's FY 2024 consolidated financial statements. Treasury uses the adjusted trial balance information reported in the Governmentwide Treasury Account Symbol Adjusted Trial Balance System (GTAS) to develop its Reclassified Statement of Net Cost and Reclassified Statement of Operations and Changes in Net Position for the year ended September 30, 2024 for each component reporting entity, which is accessed using GTAS. Treasury eliminates intragovernmental balances among the component reporting entities' reclassified financial statements and aggregates financial statement lines with the same title to develop the FY 2024 governmentwide financial statements in the FRUSG.

As required by OMB Circular A-136, this note discloses DOL's FY 2024 Consolidated Statements of Net Cost and Changes in Net Position as reclassified financial statements for use in Treasury's FRUSG compilation process; the reclassified Consolidated Statements of Net Cost and Changes in Net Position are presented prior to elimination of intragovernmental balances and prior to aggregation of repeated governmentwide financial statement line items. The FY 2024 FRUSG will be posted to the Treasury's website as soon as it is released.

The term "Intragovernmental" is used in this note to refer to amounts that result from activity with other components of the Federal Government.

The term "Non-Federal" is used in this note to refer to Federal Government amounts that result from transactions with non-Federal entities. These include transactions with individuals, businesses, non-profit entities, and State, local, tribal, and foreign governments.

A. Reclassification of Consolidated Statement of Net Cost to Line Items Used for the Government-wide Statement of Net Cost for the Year Ended September 30, 2024

FY 2024 DOL SNC (Dollars in thousands)		Line Items Used to Prepare FY 2024 Government-wide SNC					
Financial Statement Line	**Amounts**	**Dedicated Collections Combined**	**Dedicated Collections Eliminations**	**Other than Dedicated Collections (with Eliminations)**	**Eliminations Between Dedicated and other than Dedicated**	**Total**	**Reclassified Financial Statement Line**
							Non-federal gross costs
Gross cost	$ 64,371,994	$ 31,941,989	$ -	$ 30,212,065	$ -	$ 62,154,054	Non-federal gross cost
		31,941,989	-	*30,212,065*	-	*62,154,054*	***Total non-federal gross costs***
							Federal gross cost
		9,956	-	487,369	2,335	494,990	Benefit program costs
		2,899	-	212,763	-	215,662	Imputed costs
		133,299	-	391,271	24,527	500,043	Buy/sell costs
		11,973	-	-	-	11,973	Federal securities interest expense
		861,484	-	-	-	861,484	Borrowing and other interest expense
		1,948	-	131,840	-	133,788	Other expenses (without reciprocals)
		1,021,559	-	*1,223,243*	*26,862*	*2,217,940*	***Total federal gross cost***
Total gross cost	*64,371,994*	*32,963,548*	-	*31,435,308*	*26,862*	*64,371,994*	*Total reclassified gross costs*
Less earned revenue	3,490,573	3,004	-	10,871	-	13,875	***Non-federal earned revenue***
							Federal earned revenue
		257,460	-	3,095,474	2,335	3,350,599	Benefit program revenue (exchange)
		-	-	117,584	24,527	93,057	Buy/sell revenue (exchange)
		-	-	28,109	-	28,109	Federal securities interest revenue including associated gains and losses (exchange)
		5,399	-	-	-	*5,399*	***Borrowing and other interest expense***
		262,859	-	*3,241,167*	*26,862*	*3,477,164*	*Total federal earned revenue*
Total earned revenue	**3,490,573**	**265,863**	**-**	**3,252,038**	**26,862**	**3,491,039**	**Total reclassified earned revenue**
Net cost of operations	$ 60,881,421	$ 32,697,685	$ -	$ 28,183,270	$ -	$ 60,880,955	Net cost of operations

B. Reclassification of Consolidated Statement of Changes in Net Position to Line Items Used for the Government-wide Statement of Operations and Changes in Net Position for the Year Ended September 30, 2024

FY 2024 DOL SCNP (Dollars in thousands)		Line Items Used to Prepare FY 2024 Government-wide SCNP					
Financial Statement Line	**Amounts**	**Dedicated Collections Combined**	**Dedicated Collections Eliminations**	**All Other Amounts (with Eliminations)**	**Eliminations Between Dedicated and other than Dedicated**	**Total**	**Reclassified Financial Statement Line**
Unexpended appropriations							
Unexpended appropriations, beginning balance	$ 14,963,155	$ -	$ -	$ 14,963,155	$ -	$ 14,963,155	Net position, beginning of period (1 of 2)
Appropriations received	13,531,955	-	-	13,531,955	-	13,531,955	Appropriations received as adjusted (rescissions and other adjustments) (1 of 2)
Appropriations transferred in/out	9,672	-	-	9,672	-	9,672	Non-expenditure transfers-in of unexpended appropriations and financing sources (1 of 2)
Other adjustments	(6,353,652)	-	-	(6,353,652)	-	(6,353,652)	Appropriations received as adjusted (rescissions and other adjustments) (2 of 2)
Appropriations used	(8,304,277)	-	-	(8,304,277)	-	(8,304,277)	Appropriations Used
Net Change in unexpended Appropriations	(1,116,302)	-	-	(1,116,302)	-	(1,116,302)	
Total unexpended appropriations	**13,846,853**	-	-	**13,846,853**	-	**13,846,853**	**Total unexpended appropriations**
Cumulative results of operations							
Cumulative results of operations, beginning balance	(13,966,169)	48,550,490	-	(62,516,659)	-	(13,966,169)	Net position, beginning of period (2 of 2)
Changes in accounting principles	(3,118)	-	-	(3,118)	-	(3,118)	Changes in accounting principles
Beginning balance, as adjusted	(13,969,287)	48,550,490	-	(62,519,777)	-	(13,969,287)	
Appropriations used	8,304,277	-	-	8,304,277	-	8,304,277	Appropriations expended
							Non-federal non-exchange revenues
		38,318,683	-	-	-	38,318,683	Unemployment taxes
		2,275,730	-	327,625	-	2,603,355	Other taxes and receipts (1 of 2)
		40,594,413	-	*327,625*	-	*40,922,038*	***Total non-federal non-exchange revenue***
Non-exchange revenues	51,263,293						***Federal non-exchange revenue***
		2,426,834	-	-	-	2,426,834	Federal securities interest revenue including associated gains and losses (non-exchange)
		8,239,971	-	-	-	8,239,971	Other taxes and receipts
		2,074	-	-	-	2,074	Accruals for Entity amounts to be collected in a TAS Other Than the General Fund of the U.S. Government - Nonexchange
		10,668,879	-	-	-	*10,668,879*	***Total federal non-exchange revenue***
Total non-exchange revenues	*51,263,293*	*51,263,292*	-	*327,625*	-	*51,590,917*	*Total reclassified non-exchange revenues*
		280,921	152	-	-	280,769	Appropriation of unavailable special or trust fund receipts transfers-in
		(15,405)	(152)	-	-	(15,253)	Appropriation of unavailable special or trust fund receipts transfers-out
Transfers in/out without reimbursement	264,922	-	-	206,000	206,000	-	Non-expenditure transfers-in of unexpended appropriations and financing sources (2 of 2)
		(206,000)	-	-	(206,000)	-	Non-expenditure transfers-out of unexpended appropriations and financing sources
		18,655	-	6,985,232	7,003,887	-	Expenditure transfers-in of financing sources
		(7,022,541)	-	18,060	(7,003,887)	(594)	Expenditure transfers-out of financing sources
Total transfers in/out without reimbursement	*264,922*	*(6,944,370)*	-	*7,209,292*	-	*264,922*	*Total reclassified rransfers in/out without reimbursement*
Imputed financing	215,662	2,899	-	212,763	-	215,662	Imputed financing sources
		-	-	21,465	-	21,465	Other taxes and receipts (2 of 2)
Other	(209,419)	-	-	(534,720)	-	(534,720)	Non-entity collections transferred to the General Fund of the U.S. Government
		-	-	(24,254)	-	(24,254)	Accrual for non-entity amounts to be collected and transferred to the General Fund of the U.S. Government
Total other	*(209,419)*	-	-	*(537,509)*	-	*(537,509)*	*Total reclassified other*
Net cost of operations	(60,881,421)	(32,697,685)	-	(28,183,270)	-	(60,880,955)	Net cost of operations (+/-)
Net change in cumulative results of operations	(1,042,686)	11,624,136	-	(12,666,822)	-	(1,042,686)	
Total Cumulative results of operations	(15,011,973)	60,174,626	-	(75,186,599)	-	(15,011,973)	Cumulative results of operations
Net position	**$ (1,165,120)**	**$ 60,174,626**	**$ -**	**$ (61,339,746)**	**$ -**	**$ (1,165,120)**	**Net position**

NOTE 25 - COVID-19 ACTIVITY

DOL took on significant debt related to unemployment benefits resulting from COVID-19. The Federal Unemployment Account (FUA) provides advances to states whose unemployment insurance accounts are depleted. In FY 2024, the Department did not receive funding to cover advances to states for benefit expenses. As of September 30, 2024, the FUA owed $20 billion of repayable advances to Treasury; the FUA incurred the debt in order to provide advances to the states. As of September 30, 2023, the FUA owed $23 billion of repayable advances to Treasury; the FUA incurred the debt in order to provide advances to the states. The FUA is funded by indefinite authority.

The Emergency Unemployment Compensation Account (EUCA) provides funding for the payment of benefits under the Extended Benefit (EB) Program, which was made 100% Federally financed by the EUISA Act, as amended by the CAUW and ARP Acts. In FY 2024, the Department did not receive any funding to cover advances for the payment of EB. As of September 30, 2024, the EUCA owed $8.5 billion of repayable advances to Treasury; the EUCA incurred the debt in order to pay the Federal share of EB. As of September 30, 2023, the EUCA owed $8.5 billion of repayable advances to Treasury; the EUCA incurred the debt in order to pay the Federal share of EB. The EUCA is funded by indefinite authority.

COVID-19 had a significant impact to DOL's activities. Except as noted for FUA and EUCA above, see the areas impacted significantly below.

Assets
As of September 30, 2024 and 2023, DOL's Fund Balance with Treasury includes $3.4 billion and $5.4 billion, respectively; primarily in the UTF and FPUC programs due to obligated balances not yet disbursed related to accrued unemployment benefits. As of September 30, 2024 and 2023, accounts receivable, net with the public include $10.0 billion and $3.4 billion, respectively, in receivables related to benefit overpayments from the COVID-19 related programs as states were still implementing programs and overpayment tracking systems. As of September 30, 2024 and 2023, advances and prepayments with the public include $5.5 billion and $5.4 billion, respectively, in advances to states directly related to COVID-19 unemployment benefit programs.

Liabilities
As of September 30, 2024 and 2023, benefits due and payable include $4.7 billion and $3.9 billion, respectively, related to COVID-19 unemployment benefit programs. These liabilities represent unemployment benefits in excess of state draws. The FY 2024 increase is attributed to additional accruals booked for a backlog of benefits payments for expired COVID-19 programs. (See Note 10).

Net Cost
The Department's net cost of operations for COVID-19 programs for the years ended September 30, 2024 and 2023 were $(9.5) billion and $(2.3) billion, respectively, comprised mostly of returns of benefit payments and changes to bad debt expense for programs implemented in FY 2020 and ending in FY 2021.

Recoveries from De-obligations
The Department had significant recoveries related to COVID-19 programs for the year ended September 30, 2024 and 2023 in the amount of $1.8 billion and $2.6 billion, respectively. These de-obligations are primarily related to changes in estimations related to unpaid obligations for backlogged COVID-19 benefits along with some recoveries through ongoing state reconciliation efforts. As these funds are all classified as indefinite authority, they are part of the return back to Treasury at year-end (See Note 18.B).

Required Supplementary Information

(Unaudited)

DEFERRED MAINTENANCE AND REPAIRS (DM&R)

DOL reports as general-purpose property, plant and equipment (PP&E), Structures, facilities and improvements on which maintenance and repair activities may be deferred. Over 98.1 percent of these buildings and other structures (based on net book value) are owned by DOL's ETA and located at one hundred twenty-three (123) Job Corps centers throughout the United States. The remaining 1.9 percent is owned by the Department's MSHA. Periodic maintenance is performed to keep these properties in acceptable condition, as determined by DOL management. It is DOL policy to evaluate PP&E regardless of recorded values and the asset management system does not make any distinction between capitalized and non-capitalized PP&E when it comes to maintenance and repairs. Therefore, DM&R estimates reported relate to PP&E, whether capitalized or not or fully depreciated. Management has not noted any PP&E, which is not included in the DM&R estimates reported below.

Defining and Implementing Maintenance and Repairs (M&R) Policies in Practice

Condition assessment surveys are conducted every three years at each property to determine the current condition of buildings and structures (constructed assets) and the estimated maintenance cost to correct deficiencies. The method of assessment used has not changed from previous years. Surveys conducted during years one- and two of the three-year cycle are updated to reflect maintenance and repairs performed and rolled up with current assessments to provide a condition assessment for the entire DOL portfolio of constructed assets. Condition assessment surveys are based on methods and standards consistently applied, including descriptions of the facility condition; standardized condition codes, classifications and categories; estimated costs of maintenance and repair actions and recommended maintenance schedules. As a part of these condition assessment surveys, deficiencies are identified in terms of architectural, mechanical, electrical, structural, and civil areas. Each deficiency is assigned a Facilities Condition Index (FCI) score (1) based on classification and categorization.

Deficiencies are estimated using cost estimating software. Each year the software and data are updated to include changes to labor and material costs. DOL evaluates the square foot costs for each of the Job Corps building types. Based on these building types, a review of construction and building cost indices is performed by utilizing the inflation rate published by the industry to update square foot costs for each building type. In FY24, the annual inflation rates per Construction, Building, and Material Cost Indices all increased 1.1%, 2.0%, and 3.7%, respectively. In FY23, these rates also increased 2.4%, 3.5%, and 3.7%, respectively.

Ranking and Prioritizing M&R Activities

Life Safety and Health deficiencies are funded shortly following the condition assessment surveys for correction. The remaining deficiencies are classified, categorized, and assigned an FCI score. In each construction, rehabilitation, and acquisition (CRA) budget, funding is allocated to accomplish the highest priority deficiencies based upon the FCI score and programmatic considerations. These deficiencies are funded for correction, while any remaining deficiencies become candidates for funding in a future CRA budget.

DOL categorizes deficiency costs under four (4) major classification codes. Class I includes critical deficiencies that present imminent life safety and health hazards. Class II is also considered critical deficiencies but does not represent imminent life safety and health hazards. Class III are non-critical deficiencies which address facility repair, replacement, or maintenance. Class IV are non-critical deficiencies which address programmatic needs (i.e. betterments).

The total for Class I is $4.0 million and $0.5 million for funded and unfunded, respectively. The total for Class II is $14.4 million and $55.0 million for funded and unfunded, respectively. Together, the total funded and unfunded is $18.4 million and $55.4 million, respectively, which is the minimum maintenance and repair amount needed to ensure that mission critical facilities remain mission capable.

Per FASAB, a betterment is an expenditure having the effect of extending the useful life of an existing asset, increasing its normal rate of output, lowering its operating cost, increasing rather than merely maintaining its efficiency or otherwise adding to the worth of benefits it can yield. A betterment is distinguished from repair or maintenance in that the latter have the effect of merely keeping the asset in its customary state of operating efficiency without the expectation of added future benefits. In FY2024 and FY2023, betterments had an estimated cost of $111.0 million and 101.6million, respectively. DOL does not include these costs in the deferred maintenance estimates as they represent activities directed toward expanding on the capacity of the asset to address programmatic needs/improvements.

Deficiency Classification Codes:	Funded	Unfunded
Class I	$ 4,016.39	$ 494.83
Class II	14,425.74	54,908.23
Class III	77,267.69	471,975.43
Class IV	9,833.67	101,144.10
Total	**$ 105,543.48**	**$ 628,522.59**

*in thousands

Factors Considered in Setting Acceptable Condition

Condition assessment surveys are used to estimate the current plant replacement value and DM&R backlog for each constructed asset. Plant replacement value and repair backlog are used to calculate an FCI score for each building and structure. These FCI scores determine the asset condition and contribute to the overall FCI score for the portfolio. Job Corps and MSHA have set the goal of achieving and maintaining an FCI score of 90 percent or greater for its portfolio of constructed assets (the standard used by the National Association of College and University Business Offices) as a level of acceptable condition for the periods reported. In 2023, the portfolio's aggregate FCI score for 4,660 constructed assets was 90 percent, and deferred maintenance and repair costs to return the portfolio to an acceptable condition were estimated at $578.9 million, as adjusted for SFFAS 42, Deferred Maintenance and Repairs: *Amending Statements of Federal Financial Accounting Standards 6, 14, 29, and 32*. In FY 2024, the portfolio's aggregate FCI score for 4,713 constructed assets was 90 percent, and DM&R costs to return the portfolio to an acceptable condition are estimated at $623.1 million. Factors considered in determining acceptable condition standards include health and life safety aspects, as well as certain environmental and building code compliance elements. These deficiencies are prioritized and corrected first as they lead to unacceptable conditions.

(1) FCI = 1 – (Repair Backlog / Plant Replacement Value). In general, an FCI score closer to 100 percent would indicate a more positive asset condition.

Deferred Maintenance and Repairs Costs
(Dollars in Thousands)

Asset Category	FY 2024 Ending Balance	FY 2024 Beginning Balance
Funded:		
Structures, facilities and improvements		
Active	$ 95,244	$90,487
Inactive	466	440
Subtotal, funded	**95,710**	**90,927**
Unfunded:		
Structures, facilities and improvements		
Active	518,869	479,797
Inactive	8,509	8,185
Subtotal, unfunded	**527,378**	**487,982**
Total	**$623,088**	**$578,909**

Significant Changes from Prior Year

For reporting purposes, DOL has determined that changes of 10% and $25.0 million between fiscal year beginning and ending balances are significant. Management has determined that the FY 2024 increase of $44.2 million in deficiency costs from FY 2023 is not significant because it also does not meet the 10% threshold.

LAND

FASAB SFFAS 59, "Accounting and Reporting of Government Land." SFFAS 59 provides for disclosures of required supplementary information (RSI). Component reporting entities are required to make certain disclosures in RSI for FYs 2022 through 2025; beginning in FY 2026, the disclosures will be reported as basic information in the notes to the consolidated financial statements.

The majority of DOL's land is used as general-purpose PP&E to operate the Job Corps program. Land is also used as general-purpose PP&E by the Mine Safety and Health Administration (MSHA) to operate its certification and training centers. Land purchases are stated at cost and reported on the Consolidated Balance Sheets as of September 30, 2024, and 2023. Disclosures are provided as of the beginning and end of FY 2024 and FY 2023, respectively.

SFFAS 59 Accounting and Reporting of Government Land, Estimated Acreage as of October 1, 2022
With Purpose or Intent at Acquisition as General PP&E and Predominant Use as Operational

Agency	Description	No. of Acres	Explanatory Note
ETA/OJC	Job Corps Centers	4,037.59	1
MSHA	Approval and Certification Center, Triadelphia, WV	95.91	2
MSHA	National MSHA Academy, Beaver, WV	74.12	3
MSHA	Subtotal	170.03	2 and 3
DOL-wide	**Total**	**4,207.62**	1, 2, and 3

Explanatory Notes as of October 1, 2022

Note No.	Description
1	The Office of Job Corps has 69 land holdings totaling 4,037.59 acres located in six Regions across the United States. These land holdings are recorded in the ETA and OJC Set of books in the DOL Fixed Asset Listings. The land holdings are managed by the Division of Facilities and Assets Management. Of the 69 land holdings, five Job Corps Centers have parcels of approximately 869 acres of land placed in whole or in parts as GSA Excess Property. It would be anticipated to dispose of these Excess land holdings within the next two years. The land holding in Atlanta, GA is in-active as Construction in Progress (CIP) is on hold due to contractor termination. All other properties are active and operational.
2	MSHA Approval and Certification Center (ACC) land is held for operational purposes. The land holds MSHA's facility for Testing equipment and approves and certifies certain mining products for use in underground coal and gassy underground metal and nonmetal mines. The Center performs other technical functions in support of MSHA's programs where engineering, scientific, and technical expertise is provided to other Agency project areas.
3	The National MSHA Academy land is held for operational purposes. The land holds MSHA's central training facility for federal mine inspectors, mine safety professionals from other government agencies, and the mining industry.

SFFAS 59 Accounting and Reporting of Government Land, Estimated Acreage as of September 30, 2023 (and October 1, 2023)
With Purpose or Intent at Acquisition as General PP&E and Predominant Use as Operational

Agency	Description	No. of Acres	Explanatory Note
ETA/OJC	Job Corps Centers	4,037.59	1
MSHA	Approval and Certification Center, Triadelphia, WV	95.91	2
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MSHA	Subtotal	170.03	2 and 3
DOL-wide	**Total**	**4,207.62**	1, 2, and 3

Explanatory Notes as of September 30, 2023 (and October 1, 2023)

Note No.	Description
1	The Office of Job Corps has 69 land holdings totaling 4,037.59 acres located in six Regions across the United States. These land holdings are recorded in the ETA and OJC Set of books in the DOL Fixed Asset Listings. The land holdings are managed by the Division of Facilities and Assets Management. Of the 69 land holdings, five Job Corps Centers have parcels of approximately 869 acres of land placed in whole or in parts as GSA Excess Property. It would be anticipated to dispose of these Excess land holdings within the next two years. The land holding in Atlanta, GA is in-active as Construction in Progress (CIP) is on hold due to contractor termination. All other properties are active and operational.
2	MSHA Approval and Certification Center (ACC) land is held for operational purposes. The land holds MSHA's facility for Testing equipment and approves and certifies certain mining products for use in underground coal and gassy underground metal and nonmetal mines. The Center performs other technical functions in support of MSHA's programs where engineering, scientific, and technical expertise is provided to other Agency project areas.
3	The National MSHA Academy land is held for operational purposes. The land holds MSHA's central training facility for federal mine inspectors, mine safety professionals from other government agencies, and the mining industry.

SFFAS 59 Accounting and Reporting of Government Land, Estimated Acreage as of September 30, 2024,
With Purpose or Intent at Acquisition as General PP&E and Predominant Use as Operational

Agency	Description	No. of Acres	Explanatory Note
ETA/OJC	Job Corps Centers	4,037.59	1
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Explanatory Notes as of September 30, 2024

Note No.	Description
1	The Office of Job Corps has 69 land holdings totaling 4,037.59 acres located in six Regions across the United States. These land holdings are recorded in the ETA and OJC Set of books in the DOL Fixed Asset Listings. The land holdings are managed by the Division of Facilities and Assets Management. Of the 69 land holdings, five Job Corps Centers have parcels of approximately 869 acres of land placed in whole or in parts as GSA Excess Property. It would be anticipated to dispose of these Excess land holdings within the next two years. The land holding in Atlanta, GA is in-active as Construction in Progress (CIP) is on hold due to contractor termination. All other properties are active and operational.
2	MSHA Approval and Certification Center (ACC) land is held for operational purposes. The land holds MSHA's facility for Testing equipment and approves and certifies certain mining products for use in underground coal and gassy underground metal and nonmetal mines. The Center performs other technical functions in support of MSHA's programs where engineering, scientific, and technical expertise is provided to other Agency project areas.
3	The National MSHA Academy land is held for operational purposes. The land holds MSHA's central training facility for federal mine inspectors, mine safety professionals from other government agencies, and the mining industry.

SOCIAL INSURANCE PROGRAMS

The Federal Accounting Standards Advisory Board (FASAB) has classified certain government income transfer programs as social insurance programs. Recognizing that these programs have complex characteristics that do not fit traditional accounting models, the FASAB has developed accounting standards for social insurance programs which require the presentation of supplementary information to facilitate the assessment of the program's long-term sustainability.

DOL operates two programs classified under Federal accounting standards as social insurance programs: the UI Program and the Black Lung Disability Benefits Program. Presented below is the supplementary information for the two programs.

Unemployment Insurance Program

The UI Program was created in 1935 to provide income assistance to unemployed workers who lose their jobs generally through no fault of their own, and are unemployed due to a lack of suitable work. The program protects workers during temporary periods of unemployment through the provision of UC benefits. These benefits replace part of the unemployed worker's lost wages and, in so doing, stabilize the economy during recessionary periods by increasing the unemployed worker's purchasing power. The UI program operates counter cyclically, with benefits exceeding tax collections during recessionary periods and UI tax revenues exceeding benefit payments during periods of recovery.

Program Administration and Funding

The UI program is administered through a unique system of Federal-state partnerships, established in Federal law but executed through conforming state laws by state officials. The Federal government provides broad policy guidance and program direction through the oversight of DOL, while program details are established through individual state UI statutes, administered through state UI agencies.

Federal and State Unemployment Taxes

The UI program is financed through the collection of Federal and state unemployment taxes levied on subject employers and deposited in the UTF and Federal appropriations. The UTF was established to account for the receipt, investment, and disbursement of unemployment taxes. Federal unemployment taxes are used to pay for the administrative costs of the UI program, including grants to each state to cover the costs of state UI operations, and to fund the Extended Unemployment Compensation Account within the UTF to pay the Federal share of extended unemployment benefits (extended benefits). Federal unemployment taxes are also used to fund the Federal Unemployment Account within the UTF, to make advances to state UI accounts that are otherwise unable to make benefit payments because the state UI account balance has been exhausted. State UI taxes are used exclusively for the payment of regular UI benefits, as well as the state's share of extended benefits.

Federal Unemployment Taxes

Under the provisions of the Federal Unemployment Tax Act (FUTA), a Federal tax is levied on covered employers, at a current rate of 6.0 percent of the first $7,000 in annual wages paid to each employee. This Federal tax rate is reduced by a credit of up to 5.4 percent, granted to employers paying state UI taxes under conforming state UI statutes. Accordingly, in conforming states, employers pay an effective Federal tax of 0.6 percent; employers in states with advances from the fund may pay a higher effective Federal tax rate because the Federal tax rate credit of 5.4 percent may be decreased in increments of 0.3 percent if a state has had an outstanding advance for more than two years. Additional Federal unemployment taxes collected as a result of the reduced Federal tax rate credit are used to pay down the state's outstanding advance balance. Federal unemployment taxes are collected by the Internal Revenue Service.

State Unemployment Taxes

In addition to the Federal tax, individual states finance the regular UI benefits paid in their UI programs through state tax contributions from subject employers based on the wages of covered employees. (Three states also collect contributions from employees.) Within Federal confines, state tax rates are assigned in accordance with an employer's experience with unemployment. Actual tax rates vary greatly among the states and among individual employers within a state. At a minimum, these rates must be applied to the Federal tax base of $7,000 of each employee's wages; however, states may adopt a higher wage base than the minimum established by FUTA. State UI agencies are responsible for the collection of state unemployment taxes.

Unemployment Trust Fund

Federal and state UI taxes are deposited into designated accounts within the UTF. The UTF was established under the authority of Title IX, Section 904 of the Social Security Act of 1935, as amended, to receive, hold, invest, loan, and disburse Federal and state UI taxes. The U.S. Department of the Treasury acts as custodian over monies deposited into the UTF, investing amounts in excess of disbursing requirements in Treasury securities. The UTF is comprised of the following accounts:

Federal Accounts

The Employment Security Administration Account (ESAA) was established pursuant to Section 901 of the Act. Tax receipts collected under the FUTA are appropriated to the ESAA and used to pay the costs of Federal and state administration of the UI program and veterans' employment services (ES) and 97 percent of the costs of the state ES; and amounts collected due to FUTA credit reductions are transferred to the FUA and are used to pay down balances of state advances that have been outstanding for more than two years. Excess balances in ESAA, as defined under the Act, are transferred to other Federal accounts within the Fund, as described below.

The Federal Unemployment Account (FUA) was established pursuant to Section 904 of the Act. FUA is funded by any excesses from the ESAA as determined in accordance with Section 902 of the Act. Title XII, Section 1201 of the Act authorizes the FUA to loan Federal monies to state accounts that are otherwise unable to make benefit payments because the state UI account balance has been exhausted. With a few exceptions, Title XII loans must be repaid with interest.

P.L. 116-127, the Emergency Unemployment Insurance Stabilization and Access (EUISA) Act, P.L. 116-260, Continued Assistance to Unemployed Workers Act of 2020 (CAUW Act), and P.L. 117-2, American Rescue Plan Act of 2021 (ARP Act) waived accrued interest and interest payments from March 18, 2020 through September 6, 2021. Interest accrued during FYs 2023 and 2024 and was due on September 30, 2023 and 2024, respectively.

The FUA may borrow from the ESAA or EUCA, without interest, or may also receive repayable advances, with interest, from the general fund of the U.S. Treasury when the FUA has a balance insufficient to make advances to the states.

The Extended Unemployment Compensation Account (EUCA) was established pursuant to Section 905 of the Act. EUCA provides for the payment of extended unemployment benefits (extended benefits) authorized under the Federal-State Extended Unemployment Compensation Act of 1970, as amended. Under the EB program, extended benefits are paid to individuals who have exhausted their regular unemployment benefits. In general, these extended benefits are financed fifty percent by State unemployment taxes and fifty percent by FUTA taxes from the EUCA. The EUCA is funded by a percentage of the FUTA tax transferred from the ESAA in accordance with Section 905(b)(1) and (2) of the Act. The EUCA may borrow from the ESAA or the FUA, without interest, or may also receive repayable advances from the General Fund of the U.S. Treasury when the EUCA has a balance insufficient to pay the Federal share of EB. During periods of sustained high unemployment, the EUCA may also receive payments and non-repayable advances from the General Fund of the Treasury to finance temporary emergency unemployment compensation benefits. Emergency unemployment benefits require Congressional authorization.

The Federal Employees Compensation (FEC) Account was established pursuant to Section 909 of the Act. The FEC Account provides funds to States for unemployment compensation benefits paid to eligible former Federal civilian personnel and ex-service members. Generally, benefits paid are reimbursed to the FEC Account by the various Federal agencies. Any additional resources necessary to ensure that the account can make the required payments to States, due to the timing of the benefit payments and subsequent reimbursements, and for the payment of benefits for census workers which are not reimbursed by the agency, will be provided by non-repayable advances from the General Fund of the U.S. Treasury.

State Accounts

Separate state accounts were established for each state and territory depositing monies into the Fund, in accordance with Section 904 of the Act. State unemployment taxes are deposited into these individual accounts and may be used only to pay state unemployment benefits. States may receive repayable advances from the FUA (as Title XII loans) when their balances in the Fund are otherwise insufficient to pay benefits.

Notably, P.L. 117-2, section 9901, Coronavirus State and Local Fiscal Recovery Funds, provided for general funds, in addition to amounts otherwise available, to respond to the public health emergency with respect to the COVID–19 pandemic or its negative economic impacts, including assistance to households, small businesses, and nonprofits, among others.

The Executive Branch established its policies on the use of these funds through, among other things, a final rule and updated Treasury guidance. Authorized uses by states include transfers from its Fiscal Recovery Fund for:

- Assistance to unemployed workers, including by continuing to provide additional weeks of unemployment benefits to workers whose benefits expired on September 6, 2021, and to workers outside of regular state UI programs and

- Deposits into the state account of the UTF up to the level needed to restore the prepandemic balances of such account as of January 27, 2020, or to repay advances received for the payment of benefits between January 27, 2020 and May 17, 2021. The final rule and updated Treasury guidance provide for, among other things, additional requirements about how the funds may be used and the maximum amount that may be used to repay advances.

With regard to using the Fiscal Recovery Fund to make contributions to the state account of the UTF to restore prepandemic balances and repay principal on advances, the Treasury's 2022 final rule, among other things,

- requires that the maximum amount that a state may use for these purposes is the
  - (i) difference between the balance in the recipient's unemployment insurance trust fund as of January 27, 2020 and the balance of such account as of May 17, 2021, plus
  - (ii) principal amount outstanding as of May 17, 2021 on any advances received between January 27, 2020 and May 17, 2021;
- allows the state to use the funds to pay interest on the advances in (ii) above;
- for the state which fully restores its prepandemic balance in (i) above, the state cannot continue to draw down below the balance and deposit more funds back up to the prepandemic balance; and
- through December 31, 2024, may not take action to reduce benefits available to unemployed workers by changing the computation method governing regular unemployment compensation in a way that results in a reduction of average weekly benefit amounts or the number of weeks of benefits payable (i.e., maximum benefit entitlement) unless certain exceptions apply.

On September 20, 2023, the Treasury issued a 2023 interim final rule and provided guidance that allows a State to use its Fiscal Recovery Fund to provide emergency relief from natural disasters in the form of financial assistance for lost wages. These are supplemental benefits for individuals participating in state unemployment insurance programs or the Disaster Unemployment Assistance program at the time of the disaster or following the disaster. The supplemental benefit may not exceed $400 a week for the duration of the need for emergency relief. States are required to obligate SLFRF funds by December 31, 2024, expend obligated funds by December 31, 2026, and return unused funds to the Treasury.

Railroad Retirement Accounts

The Railroad UI Account and Railroad UI Administrative Account were established under Section 904 of the Act to provide for a separate UI program for railroad employees. This separate UI program is administered by the Railroad Retirement Board, an agency independent of DOL. DOL is not responsible for the administrative oversight or solvency of the railroad UI system. Receipts from taxes on railroad payrolls are deposited in the Railroad UI Account and the Railroad UI Administrative Account to meet benefit payment and related administrative expenses.

UI Program Benefits

The UI program provides regular and extended benefit payments to eligible unemployed workers. Regular UI program benefits are established under state law, payable for a period not to exceed a maximum duration. In 1970, Federal law began to require states to extend this maximum period of benefit duration by 50 percent during periods of high unemployment. In general, these extended benefits are financed fifty percent from Federal accounts and fifty percent from state accounts.

The EUISA Act, enacted March 18, 2020, and P.L. 116-136, the Coronavirus Aid, Relief, and Economic Security and Access Act of 2020 (the CARES Act), Title II, Subtitle A, enacted March 27, 2020 provided for, among other things, Federal funding of certain portions of unemployment assistance and benefits to individuals affected by the COVID-19 pandemic. Statutory weeks of eligibility varied according to the requirements of the relevant sections of the laws.

The CAUW Act, in general, for those programs with ending dates on or before December 31, 2020, amended the EUISA Act and CARES Act and extended the ending dates to on or before March 14, 2021. The ARP Act, in general, for those programs with ending dates on or before March 14, 2021, again amended the EUISA Act and CARES Act and further extended the ending dates to on or before September 6, 2021. Although the EUISA Act and CARES Act programs have expired, the Department continues to process transactions for statutory weeks of eligibility.

Regular UI Benefits

The UI program is a cooperative Federal and state program with the federal government providing oversight. Eligibility requirements, as well as benefit amounts and benefit duration are determined under state law. Under state laws, worker eligibility for benefits depends on experience in covered employment during a past base period, which attempts to measure the workers' recent attachment to the labor force. Three factors are common to state eligibility requirements: (1) a minimum duration of recent employment and earnings during a base period prior to unemployment; (2) unemployment not the fault of the unemployed; and (3) availability of the unemployed for work.

Benefit payment amounts under all state laws vary with the worker's base period wage history. Generally, states compute the amount of weekly UI benefits as a percentage of an individual's average weekly base period earnings, within certain minimum and maximum limits. Most states set the duration of UI benefits by the amount of earnings an individual has received during the base period. Currently, most states have established the maximum duration for regular UI benefits at 26 weeks. Regular UI benefits are paid by the state UI agencies from monies drawn down from the state account within the UTF.

The CARES Act provided for Federal reimbursement of the first week of compensable regular unemployment. During the statutory eligible weeks of unemployment, section 2105 of the CARES Act provided for 100 percent Federal funding for the first week of regular unemployment benefits (where a State's laws do not require a waiting week and that participate in certain Federal-state agreements). The effective date of the program was from the date of the Federal-state agreement to December 31, 2020. In addition to extending the program, the CAUW Act decreased from 100 percent to 50 percent the Federal funding of regular unemployment for first week with no waiting week. In addition to further extending the program, the ARP Act resumed the 100 percent Federal funding of regular unemployment for first week with no waiting week and authorized in certain circumstances retroactive reimbursements for first weeks (with no waiting week) of unemployment.

Extended UI Benefits

The Federal/State Extended Unemployment Compensation Act of 1970 provides for the extension of the duration of UI benefits during periods of high unemployment. When the insured unemployment level within a state, or in some cases total unemployment, reaches certain specified levels, the state must extend benefit duration by 50 percent, up to a combined maximum of 39 weeks; certain states voluntarily extended the benefit duration up to a combined maximum of 46 weeks. Generally, fifty percent of the cost of extended benefits is paid from the EUCA within the UTF and fifty percent is paid from the state's UTF account.

Section 4105 of the EUISA Act provided for 100 percent federal funding of extended benefits for states meeting certain requirements. Additionally, the EUISA Act provided federal matching of the first week of extended benefits for states that met waiting week requirements, providing either 50 percent or 100 percent based on whether states met qualifications associated with emergency administrative grants (also implemented through the EUISA Act). These programs were effective from the date of the Federal-state agreement to December 31, 2020 and were subsequently extended by the CAUW Act and ARP Act.

Emergency UI Benefits

During prolonged periods of high unemployment, Congress may authorize the payment of emergency unemployment benefits to supplement extended benefit payments.

Section 2107 of the CARES Act provided for 100 percent federal funding for Federal Pandemic Emergency Unemployment Compensation (PEUC). During the statutory eligible weeks of unemployment, PEUC provided emergency unemployment benefits to individuals who had exhausted their regular benefits in those states which participated in certain Federal-state agreements. The program applied to weeks of benefits which began after the date on which the Federal-state agreement was entered into and ended on or before December 31, 2020. In addition to extending the program, the CAUW Act and ARP Act increased the weeks of eligibility from 13 weeks to 24 weeks and 53 weeks, respectively.

Federal Pandemic Unemployment Assistance

Federal Pandemic Unemployment Assistance (PUA) was a new program under section 2102 of the CARES Act. PUA covered individuals who may have not otherwise qualify for unemployment benefits, such as those that are self-employed, who seek part-time employment, do not have sufficient work history, or otherwise would not qualify for regular unemployment or extended benefits under state or Federal law or Federal PEUC benefits under section 2107 of the CARES Act. Section 2102 provided for 100 percent Federal funding in those states which participated in certain Federal-state agreements. The program was effective for weeks of unemployment that began on or after January 27, 2020 and ended December 31, 2020 and was subsequently extended by the CAUW Act and ARP Act through September 6, 2021.

In February 2021, DOL issued guidance to the states which provided for expanded eligibility provisions for individuals who were denied benefits under other programs because they refused to return to work that was unsafe or accept an offer of new work. The guidance reflected a new policy/new interpretation of existing law under the CARES Act. In some cases, if the individuals had been receiving unemployment benefits under another program (e.g., regular, extended, PEUC) but were determined to be ineligible or disqualified under state law because they refused an offer of work at a worksite that was not in compliance with local, state, or national health and safety standards directly related to COVID-19, then the individuals would have been eligible for retroactive PUA benefits.

Emergency Unemployment Relief for Governmental Entities and Nonprofit Organizations

In general, state and municipal government entities and nonprofit organizations reimburse the State accounts for 100 percent of UI benefits paid on behalf of their former employees. Section 2103 of the CARES Act provided for Federal financing so that 50 percent of the reimbursements are returned to the governmental entities and non-profit organizations. The program was effective for weeks of unemployment which began on or after March 13, 2020 and ended December 31, 2020 and was subsequently extended by the CAUW Act and ARP Act. P.L. 116-151, Protecting Nonprofits from Catastrophic Cash Flow Strain Act of 2020, allowed for governmental entities and nonprofit organizations to reimburse the State account for 50 percent of benefits instead of reimbursing 100 percent and then waiting for 50 percent to be returned. The CARES Act, when further amended by the ARP Act, increased the Federal financing for the program from 50 percent to 75 percent.

Federal UI Benefits

Unemployment benefits to unemployed Federal civilian personnel and ex-service members are paid from the Federal Employees Compensation Account within the UTF. These benefit costs are reimbursed by the responsible Federal agency and are not considered to be social insurance benefits. Federal UC benefits are not included in this discussion of social insurance programs.

Federal Pandemic Unemployment Compensation

Federal Pandemic Unemployment Compensation (FPUC) was a new program under section 2104 of the CARES Act and provided for 100 percent Federal funding of $600 per week as an amount in addition to regular unemployment benefits and temporary pandemic-related unemployment benefits in those states which participated in certain Federal-state agreements. FPUC was applicable to weeks of benefits which began after the date on which the Federal-state agreement was entered into, and ended on or before July 31, 2020. The benefit was not payable for any week of unemployment that ended after July 31, 2020. The CAUW Act reauthorized the FPUC program for the period after December 26, 2020 but ended on or before March 14, 2021 and reduced the weekly payment from $600 to $300. The ARP Act extended the $300 weekly payments through weeks that ended on or before September 6, 2021. Because the funding for FPUC did not flow through the UTF, the discussions of expected economic conditions and sensitivity analyses do not include the FPUC program.

Mixed Earner Unemployment Compensation (MEUC)

The MEUC program, established by the CAUW Act, was intended to provide certain individuals (who had at least $5,000 of self-employment income in the prior tax year) with a $100 weekly supplemental payment in addition to the $300 weekly FPUC supplemental payment and underlying UI benefit payment. The MEUC program was 100 percent Federally-funded; state participation was optional and participating states had to enter into certain Federal-state agreements. The program was authorized for weeks of unemployment that began after December 26, 2020 (or date of Federal-state agreement, if later) and extended by the ARP Act. Because the funding for MEUC did not flow through the UTF, the discussions of expected economic conditions and sensitivity analyses do not include the MEUC program.

Overpayment Waivers for CARES Act Programs

In May 2021, the Department issued policy instructions to the states for processing overpayment waivers, which, among other things, provided instructions for circumstances under which a state may waive recovery of overpayments. Federal law sets out the authority to waive recovery of overpayments under certain circumstances for the first week with no waiting week for regular state benefits and the programs for PEUC, PUA, FPUC, and MEUC. States have discretion on whether to exercise this waiver authority. The policy instructions provided criteria for waiving recovery of overpayments where an individual is without fault and scenarios for which states may process “blanket waivers” that allow states to waive recovery of overpayments for individuals based on the same set of facts. The Department issued additional policy instructions in February 2022. This policy, among other things, elaborated on the criteria for waiving recovery of overpayments where an individual is without fault, on a case-by-case basis, and expanding the existing limited scenarios for permissible use of blanket waivers.

The Robert T. Stafford Disaster Relief and Emergency Assistance Act of 1974 (the Stafford Act), as amended, authorizes the President to provide benefit assistance to individuals unemployed as a direct result of a major disaster. The Disaster Unemployment Assistance (DUA) program provides financial assistance to individuals whose employment or self-employment has been lost or interrupted as a direct result of a major disaster declared by the President of the United States and who are not eligible for regular UI benefits. DOL oversees the DUA program and coordinates with the Federal Emergency Management Agency (FEMA) to provide the funds to the state UI agencies for payment of DUA benefits and payment of state administration costs under agreements with the Secretary of Labor. DUA program activity occurs as a result of natural disasters such as hurricanes, flooding, and wildfires.

Program Finances and Sustainability

As of September 30, 2024, total assets within the UTF exceeded total liabilities by $66.5 billion. At the present time there is a surplus; any surplus of tax revenues and earnings on these revenues over benefit payment expenses is available to finance benefit payments in future periods when tax revenues may be insufficient. Treasury invests any accumulated surplus in Federal securities. The net value of these securities, including interest receivable, as of September 30, 2024 was $88.7 billion. This interest is distributed to eligible state and Federal accounts within the UTF. Interest income from these investments and income from Title XII advances to states during FY 2024 was $631.4 million. Federal and state UI tax and reimbursable revenues of nearly $40.0 billion and regular, extended, emergency, and disaster unemployment benefit payment expense of $37.2 billion were recognized for the year ended September 30, 2024.

As discussed in Note 1-M.1 and disclosed in Note 10 to the consolidated financial statements, DOL recognized a liability for the following unemployment benefits due and payable: State regular and extended unemployment benefits, Federal regular and extended unemployment benefits, Federal pandemic emergency unemployment benefits, Federal pandemic unemployment assistance benefits, Federal pandemic unemployment benefits, Federal employees' unemployment benefits, Federal emergency unemployment benefits and Federal additional unemployment benefits to the extent of unpaid benefits applicable to the current period and for benefits paid by states that have not been reimbursed by the UTF. As disclosed in Note 21, UTF accrued benefits as of September 30, 2024 were $8.3 billion.

During periods of high unemployment, the balances in the FUA and EUCA may become depleted and the FUA and EUCA borrow from the Treasury general fund as repayable Advances from U.S. Treasury. Although the UTF borrowed from the Treasury in FY 2021, the UTF did not borrow in FYs 2022, 2023, or 2024. As of September 30, 2024, the FUA's outstanding advances totaled $20.0 billion at rates of 1.625 and 1.75 percent and the EUCA's outstanding advances totaled $8.5 billion at rates of 1.625 and 1.75 percent.

Subsequent Events

Except for the disclosure in Note 2 for the UTF, management has determined that there are no subsequent events requiring accrual or disclosure through November 14, 2024.

Effect of Projected Cash Inflows and Outflows on the Accumulated Net Assets of the UTF, in Constant Dollars

The ability of the UI program to meet a participant's future benefit payment needs depends on the availability of accumulated taxes and earnings within the UTF. The Department measures the effect of projected benefit payments on the accumulated net assets of the UTF, under an open group scenario, which includes current and future participants in the UI program. Future estimated cash inflows and outflows of the UTF are tracked by the Department for budgetary purposes. These projections allow the Department to monitor the sensitivity of the UI program to differing economic conditions, and to predict the program's sustainability under varying economic assumptions.

The significant assumptions used in the projections include total unemployment rates, civilian labor force levels, percent of unemployed receiving benefits, total wages, distribution of benefit payments by state, state tax rate structures, state taxable wage bases, interest rates on UTF investments, and the Consumer Price Index-Urban (CPI-U) for goods and services. The use of CPI-U factors allows the projections to be presented in constant dollars with FY 2024 as the base year. The valuation date for the projections is September 30, 2024. Cash projections depend on the assumptions used and actual experience may differ materially from the projections.

Presented on the following pages is the effect of projected economic conditions on the net assets of the UTF, in constant dollars, excluding the Federal Employees Compensation Account. Amount totals for the expected economic conditions analysis and the two sensitivity analyses may differ due to rounding.

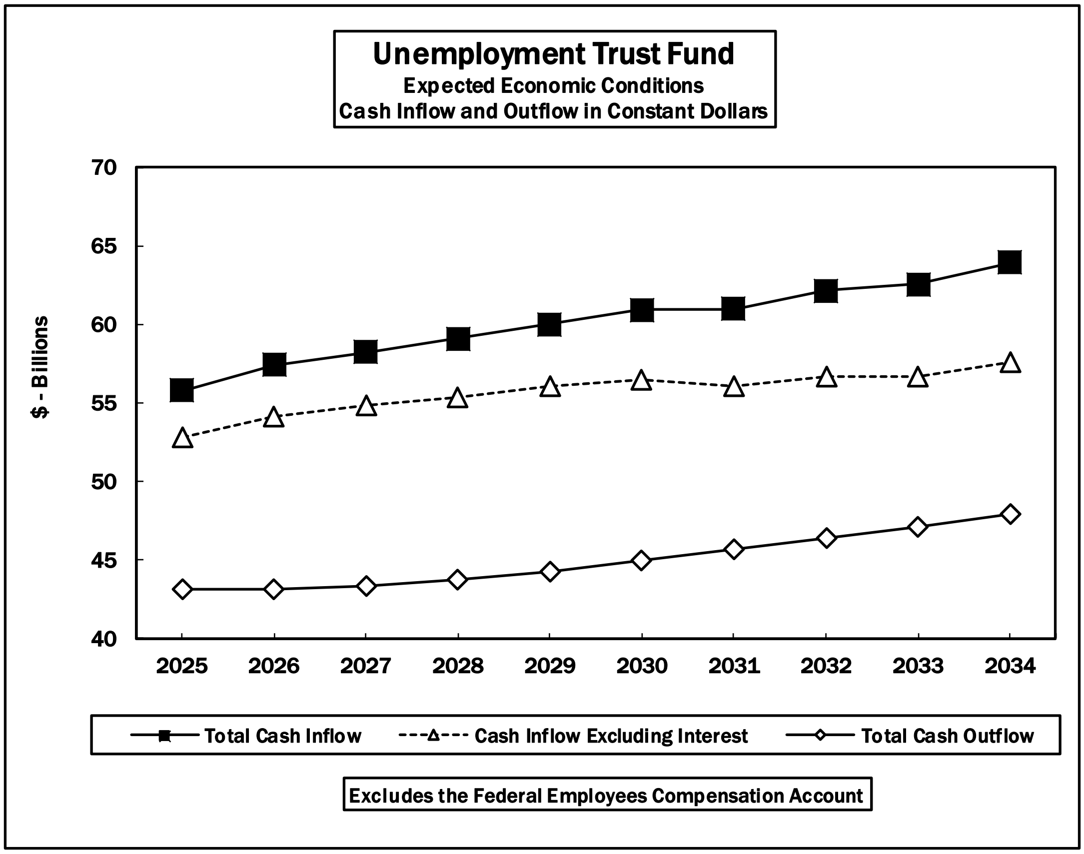
Expected Economic Conditions

Charts I and II graphically depict the effect of expected economic conditions on the UTF, in constant dollars, over the next ten years.

Projected Cash Inflows and Outflows, in Constant Dollars, Under Expected Economic Conditions

Chart I depicts projected cash inflows and outflows of the UTF, in constant dollars, over the next ten years under expected economic conditions. Both cash inflows and cash outflows excluding interest earnings are displayed. Current estimates by the Department are based on expected unemployment of 3.80 percent for the ten-year projection period of FY 2025 through FY 2034. Total cash inflow exceeds total cash outflow through the entire projection period. As presented in table (1) Expected Economic Conditions, the net cash inflow (excluding interest) increases from $9.8 billion in FY 2025 to a peak of $11.8 billion in FY 2029 and then to $9.5 billion in FY 2033. During the projection period, state unemployment tax collections remain steady between $42.5 billion and $46.9 billion during the ten-year projection period. The level unemployment rate of 3.8 percent leads to stable cash flows for total cash inflow (excluding interest) between $52.8 and $57.6 billion, total cash inflows between $55.8 and $63.9 billion, and total cash outflows between $43.1 and $47.9 billion during the ten-year projection period.

Chart I

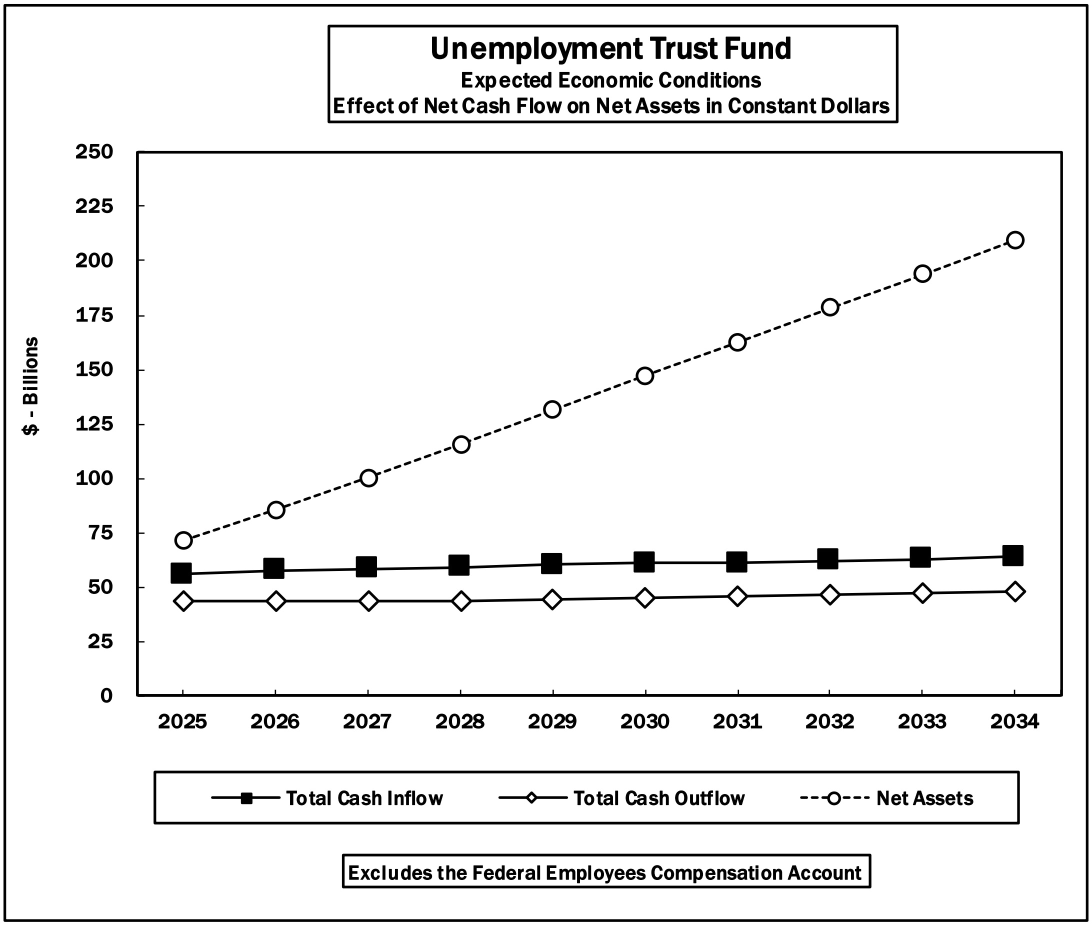


Effect of Expected Cash Flows on UTF Assets in Constant Dollars

Chart II demonstrates the effect of these expected cash inflows and outflows on the net assets of the UTF, in constant dollars, over the ten-year projection period ending September 30, 2034. Yearly projected total cash inflows, including interest earnings, and total cash outflows, including interest payments, are depicted as well as the net effect of these cash flows on UTF assets.

As depicted in Chart II, total cash inflow exceeds total cash outflow in all years in the projection period. The excess of total cash inflow over total cash outflow increases between $12.7 billion and $16.0 billion for FYs 2025 through 2034. As presented in table (1) Expected Economic Conditions, starting at a $58.5 billion fund balance at the beginning of FY 2025, net UTF assets increase $151.3 billion to more than $209.8 billion fund net assets balance by the end of FY 2034. Chart II depicts the increase in the net assets of the fund.

Chart II



Sensitivity Analyses in Constant Dollars

Charts III (Sensitivity Analysis I) and IV (Sensitivity Analysis II) demonstrate the effect on accumulated UTF assets of projected total cash inflows and total cash outflows of the UTF, in constant dollars, over the ten-year projection period ending September 30, 2034, in two sensitivity analyses. Each sensitivity analysis uses an open group, which includes current and future participants in the UI program. Sensitivity Analysis I assumes higher rates of unemployment and Sensitivity Analysis II assumes even higher rates of unemployment when compared to the expected economic conditions as shown in Charts I and II. Table I below summarizes the unemployment rates for expected conditions, Sensitivity Analysis I, and Sensitivity Analysis II.

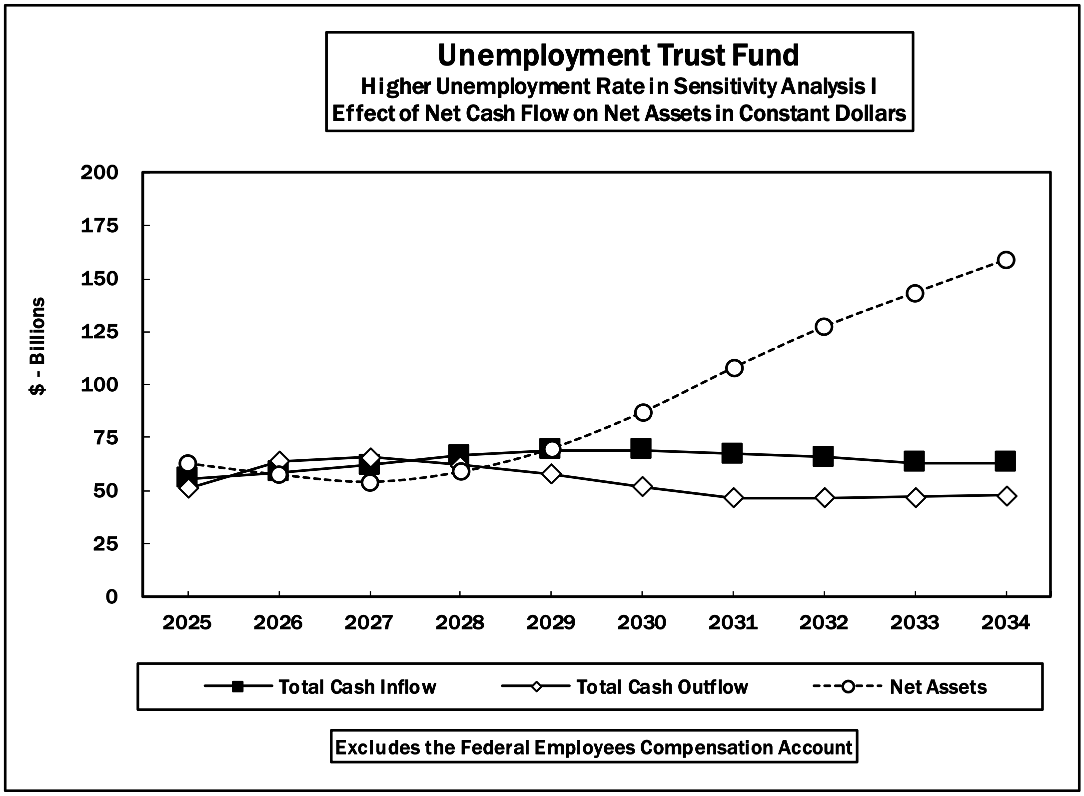
Table I

Total Unemployment Rate for the Ten-Year Period Ending September 30, 2034										
Conditions	**2025**	**2026**	**2027**	**2028**	**2029**	**2030**	**2031**	**2032**	**2033**	**2034**
Expected	3.80%	3.80%	3.80%	3.80%	3.80%	3.80%	3.80%	3.80%	3.80%	3.80%
Sensitivity Analysis I	4.75%	5.78%	5.99%	5.52%	5.04%	4.39%	3.84%	3.80%	3.80%	3.80%
Sensitivity Analysis II	5.67%	9.27%	9.62%	8.94%	8.07%	7.38%	6.16%	5.28%	4.62%	3.94%

Effect on UTF Assets, in Constant Dollars, in Sensitivity Analysis I

In this sensitivity analysis, which utilizes gradually increasing unemployment rates of 4.75 percent beginning in FY 2025, reaching a high of 5.99 percent in FY 2027, then gradually decreasing to 3.84 percent in FY 2031 and stabilizing at 3.80 percent in FYs 2032 through 2034. As presented in table (2) Sensitivity Analysis I Higher Unemployment Rate, there is a net cash inflow in FY2025, net cash outflows in FYs 2026 and 2027, and then net cash inflows again in FYs 2028 through 2034. Chart III depicts the cross-over point where cash outflow exceeds cash inflow for the second and third years and cash inflow exceeds cash outflow afterward. Starting at a $58.5 billion fund balance at the beginning of FY 2025, net UTF assets first increase by $4.5 billion in FY 2026, then decrease by $5.3 billion and $3.4 billion in FYs 2026 and 2027, respectively. Net UTF assets increase in FYs 2028 through 2034 and the largest increase occurs in FY 2031 for $20.9 billion and remain as increases to net UTF assets through FY 2034. Chart III depicts the change in net assets of more than $100.4 billion from $58.5 billion at the beginning of FY 2025 to $158.9 billion at the end of FY 2034.

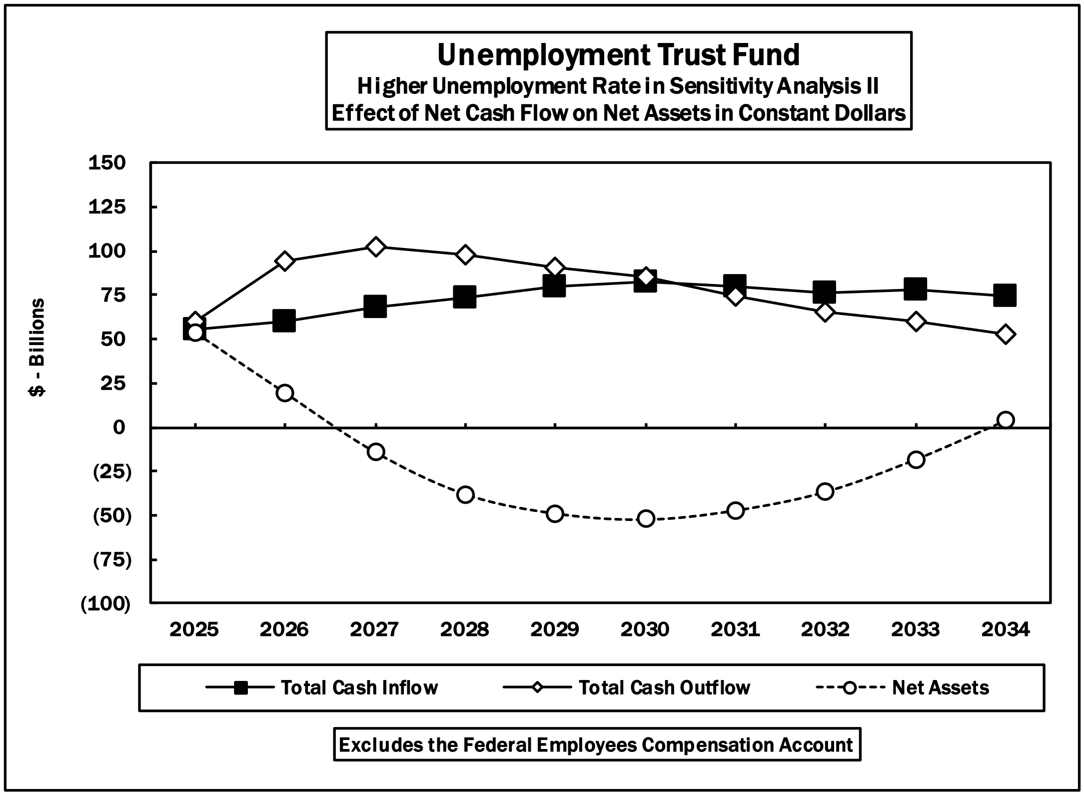
Chart III



Effect on UTF Assets, in Constant Dollars, in Sensitivity Analysis II

In this sensitivity analysis, as presented in the table (3) Sensitivity Analysis II Higher Unemployment Rate, net cash outflows are projected in FYs 2025 through 2030 by amounts between $(4.3) billion and $(34.5) billion, but inflows exceed outflows in FYs 2031 through 2034 by amounts between $5.2 billion and $22.1 billion. Net cash inflows are reestablished in FY 2031 and peak in FY 2034 with a decrease in the unemployment rate to 3.94percent in FY 2034. Chart IV depicts the cross-over points where outflows exceed inflows until FY 2031 and inflows exceed outflows until FY 2034. The fund net assets decrease about $110.8 billion from a $58.5 billion fund balance at the beginning of FY 2025 to a $(52.3) billion fund net assets deficit in FY 2030. Chart IV depicts the low point in the fund's financial position at a fund net assets deficit of $(52.9) billion in FY 2030 and then the steadily decreasing fund net assets deficit through 2034 before reestablishing a net assets surplus in FY 2034. At the end of the projection period of Sensitivity Analysis II, the fund net assets surplus is $4.1 billion. There is a difference of $205.8 billion in net assets between expected economic conditions net assets of $209.8 billion in FY 2034 and sensitivity analysis II fund net assets of $4.1 billion in FY 2034.

Chart IV



The example of expected economic conditions and two sensitivity analyses, in constant dollars, demonstrate the counter cyclical nature of the UI program, which experiences net cash inflows during periods of low unemployment that are depleted by net cash outflows during periods of increased unemployment. During the expected conditions and two sensitivity analyses, state accounts without sufficient reserve balances to absorb negative cash flows are forced to obtain advances from the FUA in order to meet benefit payment requirements. Advances to states also deplete the FUA, which borrows from the ESAA and the EUCA until they are depleted. The FUA then requires advances from the General Fund of the U.S. Treasury to provide borrowings to states. (See following discussion of solvency measures for state UI programs.)

REQUIRED SUPPLEMENTARY INFORMATION
(Unaudited)

U.S. DEPARTMENT OF LABOR
SUPPLEMENTARY SOCIAL INSURANCE INFORMATION IN CONSTANT DOLLARS
CASH INFLOW AND OUTFLOW OF THE
UNEMPLOYMENT TRUST FUND EXCLUDING THE FEDERAL EMPLOYEES COMPENSATION ACCOUNT
FOR THE TEN-YEAR PERIOD ENDING SEPTEMBER 30, 2034
(1) EXPECTED ECONOMIC CONDITIONS

(Dollars in millions)	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034
Balance, start of year	$ 58,501	$ 71,223	$ 85,488	$ 100,368	$ 115,685	$ 131,425	$ 147,378	$ 162,692	$ 178,409	$ 193,822
Cash inflow										
State unemployment taxes	42,523	43,625	44,002	44,283	44,617	45,080	45,652	46,300	46,167	46,863
Federal unemployment taxes	8,946	9,456	9,911	10,358	10,772	10,817	9,902	10,119	10,319	10,515
General revenue appropriation	478	266	152	89	53	32	19	12	-	-
Interest on loans	834	763	665	552	456	357	257	155	59	19
Deposits by the Railroad Retirement Boa	45	44	54	83	164	226	183	120	126	178
Total cash inflow excluding interest	52,827	54,155	54,785	55,366	56,063	56,513	56,014	56,707	56,672	57,576
Interest on Federal securities	2,972	3,248	3,439	3,696	3,962	4,395	4,955	5,424	5,877	6,341
Total cash inflow	55,799	57,403	58,224	59,062	60,025	60,908	60,969	62,131	62,549	63,917
Cash outflow										
State unemployment benefits	37,209	37,450	37,898	38,511	39,235	39,972	40,701	41,471	42,213	43,009
State administrative costs	4,558	4,617	4,621	4,602	4,581	4,558	4,534	4,511	4,489	4,469
Federal administrative costs	271	272	272	272	272	273	272	273	274	274
Interest on tax refunds	28	30	31	32	34	34	31	33	34	34
Interest on advances	925	667	410	209	45	-	-	-	-	-
Railroad Retirement Board withdrawals	86	102	112	119	118	118	117	126	126	125
Total cash outflow	43,077	43,138	43,344	43,745	44,285	44,955	45,655	46,414	47,136	47,911
Excess of total cash inflow excluding interest over total cash outflow	9,750	11,017	11,441	11,621	11,778	11,558	10,359	10,293	9,536	9,665
Excess of total cash inflow over total cash outflow	12,722	14,265	14,880	15,317	15,740	15,953	15,314	15,717	15,413	16,006
Balance, end of year	$ 71,223	$ 85,488	$ 100,368	$ 115,685	$ 131,425	$ 147,378	$ 162,692	$ 178,409	$ 193,822	$ 209,828
Total unemployment rate	3.80%	3.80%	3.80%	3.80%	3.80%	3.80%	3.80%	3.80%	3.80%	3.80%

U.S. DEPARTMENT OF LABOR
SUPPLEMENTARY SOCIAL INSURANCE INFORMATION IN CONSTANT DOLLARS
CASH INFLOW AND OUTFLOW OF THE
UNEMPLOYMENT TRUST FUND EXCLUDING THE FEDERAL EMPLOYEES COMPENSATION ACCOUNT
FOR THE TEN-YEAR PERIOD ENDING SEPTEMBER 30, 2034
(2) SENSITIVITY ANALYSIS I HIGHER UNEMPLOYMENT RATE

(Dollars in millions)	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034
Balance, start of year	$ 58,501	$ 62,958	$ 57,660	$ 54,255	$ 58,953	$ 69,946	$ 87,026	$ 107,938	$ 127,296	$ 143,434
Cash inflow										
State unemployment taxes	42,604	45,063	48,165	51,656	52,740	52,340	50,584	48,741	47,677	47,481
Federal unemployment taxes	8,836	9,401	10,207	11,171	12,251	12,451	12,293	12,380	10,573	10,500
General revenue appropriation	478	274	152	89	53	32	19	12	-	-
Interest on loans	865	941	1,073	1,160	1,125	1,004	805	607	464	347
Deposits by the Railroad Retirement Boa	45	44	54	83	164	226	183	120	126	178
Total cash inflow excluding interest	52,829	55,724	59,652	64,160	66,334	66,054	63,885	61,861	58,841	58,507
Interest on Federal securities	2,858	2,727	2,540	2,525	2,668	2,971	3,484	3,944	4,317	4,768
Total cash inflow	55,687	58,451	62,192	66,685	69,002	69,025	67,369	65,805	63,158	63,275
Cash outflow										
State unemployment benefits	45,259	57,705	59,535	55,996	52,179	46,316	41,125	41,346	42,089	42,882
State administrative costs	4,641	4,831	4,864	4,801	4,726	4,633	4,547	4,512	4,489	4,469
Federal administrative costs	271	272	272	272	272	273	272	273	274	274
Interest on tax refunds	28	29	32	35	38	39	39	40	34	34
Interest on advances	945	810	782	764	676	566	357	150	8	(16)
Railroad Retirement Board withdrawals	86	102	112	119	118	118	117	126	126	125
Total cash outflow	51,230	63,749	65,597	61,987	58,009	51,945	46,457	46,447	47,020	47,768
Excess (deficiency) of total cash inflow excluding interest over (under) total cash outflow	1,599	(8,025)	(5,945)	2,173	8,325	14,109	17,428	15,414	11,821	10,739
Excess (deficiency) of total cash inflow over (under) total cash outflow	4,457	(5,298)	(3,405)	4,698	10,993	17,080	20,912	19,358	16,138	15,507
Balance, end of year	$ 62,958	$ 57,660	$ 54,255	$ 58,953	$ 69,946	$ 87,026	$ 107,938	$ 127,296	$ 143,434	$ 158,941
Total unemployment rate	4.75%	5.78%	5.99%	5.52%	5.04%	4.39%	3.84%	3.80%	3.80%	3.80%

REQUIRED SUPPLEMENTARY INFORMATION
(Unaudited)

U.S. DEPARTMENT OF LABOR
SUPPLEMENTARY SOCIAL INSURANCE INFORMATION IN CONSTANT DOLLARS
CASH INFLOW AND OUTFLOW OF THE
UNEMPLOYMENT TRUST FUND EXCLUDING THE FEDERAL EMPLOYEES COMPENSATION ACCOUNT
FOR THE TEN-YEAR PERIOD ENDING SEPTEMBER 30, 2034
(3) SENSITIVITY ANALYSIS II HIGHER UNEMPLOYMENT RATE

(Dollars in millions)	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034
Balance, start of year	$ 58,501	$ 54,206	$ 19,702	$ (13,980)	$ (37,915)	$ (48,882)	$ (52,288)	$ (47,122)	$ (36,494)	$ (18,072)
Cash inflow										
State unemployment taxes	42,861	46,952	54,562	57,567	61,972	60,993	57,695	52,925	52,968	48,895
Federal unemployment taxes	8,863	9,074	9,754	11,251	12,763	15,354	15,512	17,079	18,669	19,239
General revenue appropriation	483	292	174	89	53	32	19	12	-	-
Interest on loans	895	1,322	2,314	3,146	3,710	4,111	4,267	4,194	3,944	3,533
Deposits by the Railroad Retirement Boa	45	44	54	83	164	226	183	120	126	178
Total cash inflow excluding interest	53,148	57,685	66,859	72,137	78,663	80,717	77,677	74,331	75,708	71,846
Interest on Federal securities	2,738	2,277	1,793	1,578	1,537	1,640	1,842	2,116	2,443	2,846
Total cash inflow	55,886	59,962	68,652	73,715	80,200	82,357	79,519	76,447	78,151	74,692
Cash outflow										
State unemployment benefits	54,121	87,698	94,624	89,251	82,364	76,665	65,302	56,937	51,115	44,415
State administrative costs	4,730	5,184	5,321	5,188	5,053	4,944	4,796	4,672	4,580	4,491
Federal administrative costs	271	272	272	272	272	273	272	273	274	274
Interest on tax refunds	28	28	31	35	40	48	49	55	61	62
Interest on advances	945	1,182	1,974	2,785	3,320	3,715	3,817	3,756	3,573	3,200
Railroad Retirement Board withdrawals	86	102	112	119	118	118	117	126	126	125
Total cash outflow	60,181	94,466	102,334	97,650	91,167	85,763	74,353	65,819	59,729	52,567
Excess (deficiency) of total cash inflow excluding interest over (under) total cash outflow	(7,033)	(36,781)	(35,475)	(25,513)	(12,504)	(5,046)	3,324	8,512	15,979	19,279
Excess (deficiency) of total cash inflow over (under) total cash outflow	(4,295)	(34,504)	(33,682)	(23,935)	(10,967)	(3,406)	5,166	10,628	18,422	22,125
Balance, end of year	$ 54,206	$ 19,702	$ (13,980)	$ (37,915)	$ (48,882)	$ (52,288)	$ (47,122)	$ (36,494)	$ (18,072)	$ 4,053
Total unemployment rate	5.67%	9.27%	9.62%	8.94%	8.07%	7.38%	6.16%	5.28%	4.62%	3.94%

***States with Minimally Solvent UTF Account Balances**

Each state's accumulated UTF net assets or reserve balance should provide a defined level of benefit payments over a defined period. To be minimally solvent, a state's reserve balance should provide for one year's projected benefit payment needs based on the highest levels of benefit payments experienced by the state over the last twenty years. A ratio of 1.00 or greater indicates that the state UTF account balance is minimally solvent. States below this level are vulnerable to exhausting their funds in a recession. States exhausting their reserve balance must borrow funds from either the FUA or private markets to make benefit payments. As of September 30, 2024, the FUA and EUCA outstanding advances were $20.0 billion and $8.5 billion, respectively.

Chart V presents the state by state results of this analysis at September 30, 2024 in descending order by ratio. As the chart below illustrates, 31 state UTF accounts plus the accounts of the District of Columbia, Puerto Rico, and the Virgin Islands were below the minimal solvency ratio of 1.00 at September 30, 2024. Some states borrow from the FUA and then issue bonds to repay their FUA borrowings; the ratios do not reflect a state's debt to bondholders.

Chart V

States that are Minimally Solvent	Ratio
Alaska	2.27
Oregon	2.27
Wyoming	2.22
Maine	1.86
South Dakota	1.78
Kansas	1.71
Montana	1.51
Idaho	1.48
Iowa	1.47
Nebraska	1.41
Mississippi	1.26
Utah	1.21
North Carolina	1.16
Alabama	1.13
Arkansas	1.11
Maryland	1.10
South Carolina	1.10
North Dakota	1.06
Delaware	1.02

States that are Not Minimally Solvent	Ratio
Arizona	0.96
New Hampshire	0.96
Vermont	0.95
Rhode Island	0.83
Puerto Rico	0.82
West Virginia	0.82
District of Columbia	0.80
Florida	0.80
Virginia	0.77
Louisiana	0.76
Tennessee	0.76
Indiana	0.73
Wisconsin	0.71
Oklahoma	0.69
Missouri	0.67
Nevada	0.66
Washington	0.64

States that are Not Minimally Solvent	Ratio
Kentucky	0.63
New Mexico	0.59
Hawaii	0.58
Georgia	0.51
Michigan	0.50
Ohio	0.48
Massachusetts	0.44
Minnesota	0.38
New Jersey	0.33
Illinois	0.28
Colorado	0.24
Pennsylvania	0.20
Texas	0.15
Connecticut	0.05
New York	0.00
California	0.00
Virgin Islands	0.00

*Includes the District of Columbia, Commonwealth of Puerto Rico, and the Virgin Islands.

Black Lung Disability Benefit Program

The Black Lung Disability Benefit Program provides for compensation, medical, and survivor benefits for eligible coal miners who are totally disabled due to pneumoconiosis (black lung disease) arising out of their coal mine employment and the Black Lung Disability Trust Fund (BLDTF) provides benefit payments when no responsible mine operator can be assigned the liability or when the liability is adjudicated to the BLDTF, which may occur as a result of, among other things, bankruptcy of the Responsible Mine Operator (RMO). Other information about the BLDTF and social insurance reporting is also presented in Financial Performance Overview section of the Management's Discussion and Analysis and Notes 1-W and 1-Y of the financial statements.

Program Administration

The Federal Coal Mine Health and Safety Act sets Black Lung benefits at 37.5 percent of the base salary of a Federal employee at level GS-2, Step 1. Black Lung Disability Benefit payments are funded by excise taxes from coal mine operators based on the domestic sale of coal, as are the program's administrative costs. These taxes are collected by the Internal Revenue Service and transferred to the BLDTF, which was established under the authority of the Black Lung Benefits Revenue Act and administered by the U.S. Department of the Treasury (Treasury).

Program Finances and Sustainability

Enacted on August 16, 2022, the Inflation Reduction Act of 2022, P.L. 117-169, section 13901, permanently raised the coal excise tax rates effective for domestic sales of coal on or after October 1, 2022: $1.10 per ton of underground-mined coal and $0.55 per ton of surface-mined coal sold, with a cap of 4.4 percent of sales price; these assumptions were used for the required supplementary information as of September 30, 2024.

As of September 30, 2024, total liabilities of the BLDTF exceeded assets by $6.64 billion. This net position deficit represents the accumulated shortfall of excise taxes necessary to meet benefit payments, administrative costs, and interest expense incurred prior to and subsequent to the debt refinancing pursuant to P.L. 110-343. Prior to enactment of P.L. 110-343, this shortfall was funded by repayable advances to the BLDTF, which were repayable with interest. Pursuant to P.L. 110-343, any shortfall will be financed with discounted debt instruments with a maturity date of one year and bear interest at the Treasury 1-year rate. Outstanding debt as of September 30, 2024 was $6.88 billion, bearing interest rates ranging from 4.194 percent to 4.556 percent. (See Notes 1.J and 8)

Excise tax revenues of $242.6 million, benefit payment expense of $123.0 million, and interest expense of $323.5 million were recognized for the year ended September 30, 2024. The interest expense is accrued and capitalized to the principal of the debt until the debt reaches its face value at the time of maturity. On September 30, 2024 the BLDTF issued debt in the amount of $3.03 billion, bearing interest at 3.938 percent and maturing on September 30, 2025. At September 30, 2024, there were 17 debt instruments with a total carrying value of $6.88 billion and a total face value at maturity of $8.69 billion. Of these 17 debt instruments, 16 are from the October 2008 refinancing authorized by P.L. 110-343 and have staggered maturities of September 30 for years 2025 through 2040 and one is a one-year debt instrument that was issued on September 30, 2024 and matures on September 30, 2025. (See Notes 1.J, 8, and 21)

In FY 2024, the BLDTF received $36 million from a mine operator and the fund assumed responsibility for paying basic benefits (monthly disability benefits, medical benefits, and diagnostic expenses) for certain active claims and future claims of certain classes of claimants; these claims are included in the model's projections. The $36 million receipt was treated as an offset to FY 2024 benefit costs and decreased total benefit costs in FY 2024.

In FY 2024, DOL continued to review a claim from the U.S. Department of Health and Human Services (HHS), Centers for Medicare and Medicaid Services (CMS), issued to the BLDTF for reimbursement of black lung medical treatments paid by CMS. In FY 2024, CMS and DOL signed an MOU, that included, among other things, which Medicare services and prescriptions would be reimbursed by DOL, policies and procedures for data exchange and reimbursement, and that claims would not cover periods earlier than January 2015. No reimbursement was made to CMS in FY 2024.

Subsequent Events

Except for the disclosure in Note 1.W.3, as of November 14, 2024 management has determined that there are no subsequent events requiring disclosure for the social insurance financial statements or required supplementary information.

Projected Cash Inflows and Outflows, in Constant Dollars, for the Open Group

The significant assumptions used in the projections, in constant dollars, are the coal excise tax revenue estimates, tax rate structure, number of beneficiaries, life expectancy, Federal civilian pay raises, medical cost inflation, interest rate on new debt issued by the BLDTF, and the CPI-U for goods and services. The use of CPI-U factors allows the projections to be presented in constant dollars with FY 2024 as the base year. In FY 2024, the source of the CPI-U factors was OMB. The valuation date for the projections is September 30, 2024.

DOL's projection period is a rolling 25-year period beginning on the valuation date. The 25-year projection period ends on September 30, 2049. In making the projections, management's assumptions include an increase in the number of new participants. In FY 2024, DOL's methodology continued to estimate diagnostic medical costs separately from medical treatment costs.

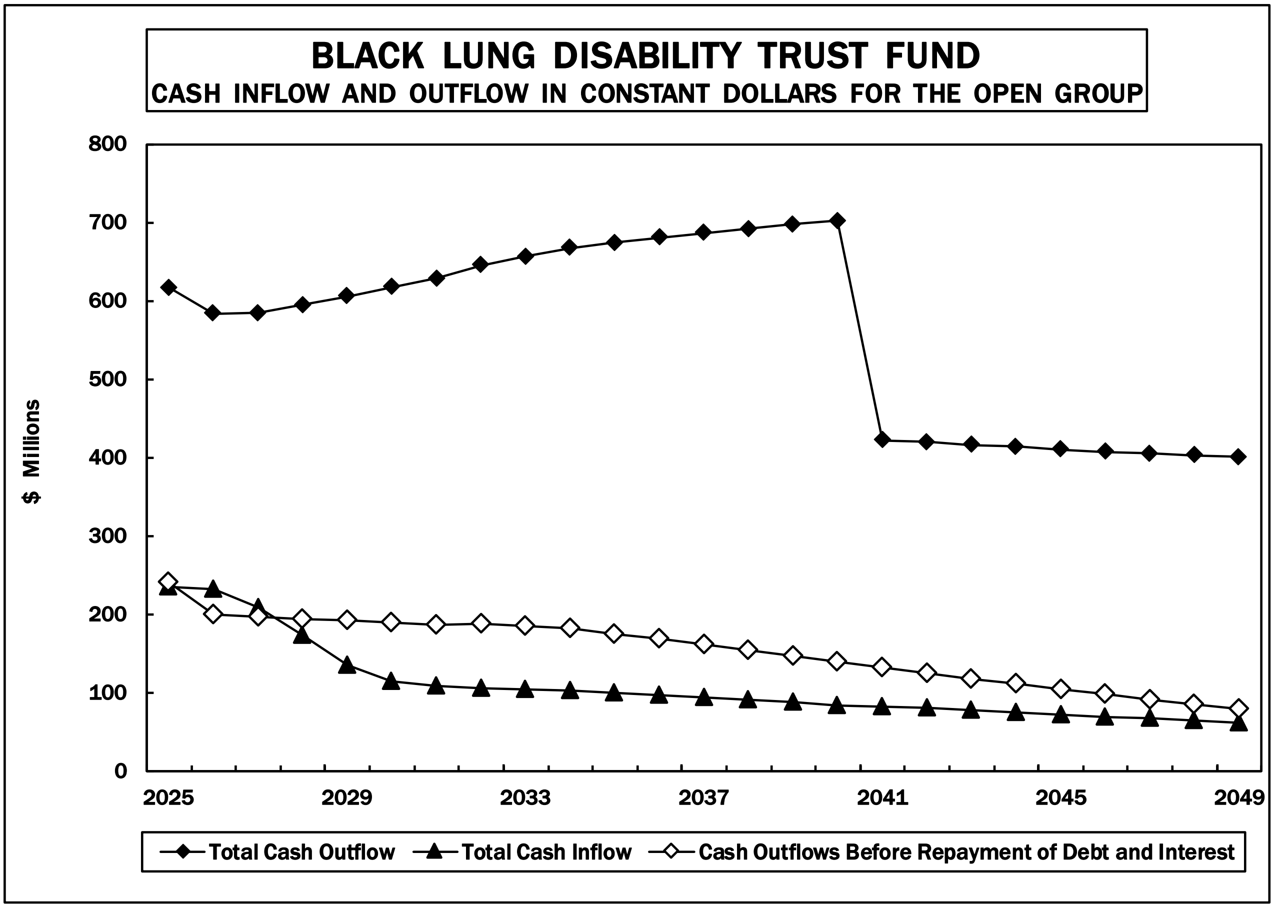
DOL's estimates of future excise tax income were based on, among other things, Energy Information Administration (EIA) projections These projections included assumptions based on energy-related tax credits and incentives—as authorized by P.L. 117-169, IRA—that support, in general, energy industries that compete with the coal industry; however, the effects of these tax credits and incentives were limited in scope because EIA excluded tax credits and incentives from their models for various reasons (e.g., time constraints and lack of guidance on how the Federal government would implement the tax credits and incentives). The EIA projections, which were published in March 2023, reflect long-term economic and demographic trends. To reflect the effects of events after March 2023, management used short-term EIA projections published in September 2024.

The effects of the Inflation Reduction Act's tax credits and incentives caused a decrease in projections of domestic coal production, which in turn would decrease projections of coal excise tax collections, even though there was a permanent increase in the coal excise tax rates from the Inflation Reduction Act.

The projections, in constant dollars for the open group, made over the 25-year period ending September 30, 2049, indicate that cash inflows from excise taxes will exceed cash outflows for benefit payments and administrative expenses for only two years in the projection period (FYs 2026 and 2027) and the cash outflows for benefit payments and administrative expenses will exceed cash inflows from excise taxes in all other fiscal years through FY 2040. Chart I demonstrates the cross-over points at FY 2026 and FY 2027 where cash outflows for benefit payments and administrative expenses—which are the cash outflows before repayment of debt and interest—exceed cash inflows from excise taxes. Cumulative net cash outflows before repayment of debt and interest are projected as nearly $1.12 billion by FY 2049. Furthermore, when payments from the BLDTF's maturing debt are added to the net cash outflows, the BLDTF's net cash outflows after payments on maturing debt are projected to reach nearly $11.32 billion by the end of FY 2049, resulting in a projected deficit of $14.43 billion at September 30, 2049. Cash projections depend on the assumptions used and actual experience may differ materially from the projections. (See Chart I and Table I of this section)

The net present value of future projected benefit payments and other cash inflow and outflow activities for the closed group and the open group together with the fund's deficit positions as of September 30, 2024, 2023, 2022, 2021, and 2020 are presented in the SOSI.

Chart I

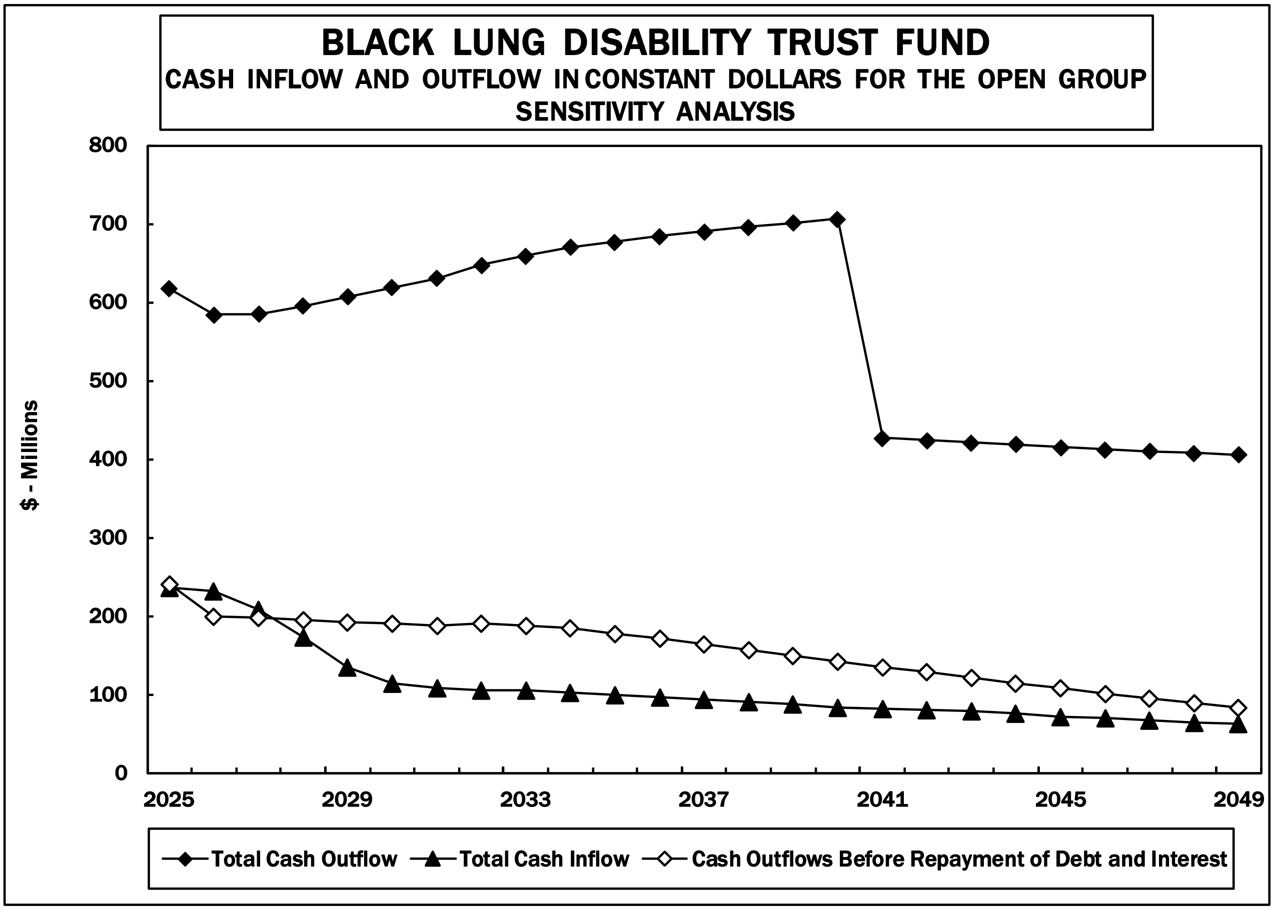


Projected Cash Inflows and Outflows with Sensitivity Analysis, in Constant Dollars, for the Open Group

For the projected cash inflows and outflows with sensitivity analysis, in constant dollars for the open group, the significant assumption for medical cost inflation was increased 1.00 percent for each year in the projection period. For the sensitivity analysis, the other significant assumptions (coal excise tax revenue estimates, tax rate structure, number of beneficiaries, life expectancy, Federal civilian pay raises, interest rate on new debt issued by the BLDTF, and CPI-U for goods and services) were left unchanged.

These projections with sensitivity analysis, in constant dollars for the open group, made over the 25-year period ending September 30, 2049, indicate that cash outflows for benefit payments and administrative expenses will exceed cash inflows from excise taxes for only two years, FYs 2026 and 2027, in the projection period. Cumulative net cash outflows before repayment of debt and interest would be projected to reach $1.18 billion by the year 2049. Furthermore, when payments from the BLDTF's maturing debt are added to the net cash outflows before repayment of debt and interest, the BLDTF's net cash outflows after payments on maturing debt would be projected to reach $11.39 billion by the end of the year 2049, and would result in a projected deficit of $14.51 billion at September 30, 2049. Cash projections depend on the assumptions used and actual experience may differ materially from the projections. (See Chart II and Table II of this section)

Chart II



<u>Closed Group, New Participants, and Open Group with Sensitivity Analysis</u>

For the closed group, new participants, and open group with sensitivity analysis, we modified the significant assumptions as described above (see Projected Cash Inflows and Outflows with Sensitivity Analysis, in Constant Dollars for the Open Group) for the medical cost inflation but the other significant assumptions were left unchanged.

For the Sensitivity Analysis, the changes that we made in the assumptions as described above (see Projected Cash Inflows and Outflows with Sensitivity Analysis, in Constant Dollars for the Open Group) had the following effects (in thousands of dollars):

(a) In the SOSI, for the closed group:

(1) the present value of estimated future excise tax income during the projection period would decrease $23,800 from $1,332,784 to $1,308,984;
(2) the present value of estimated future administrative costs during the projection period would decrease $16,159 from $904,933 to $888,774;
(3) the actuarial present value of future benefit payments to disabled coal miners and dependent survivors during the projection period would increase $7,992from $936,084 to $944,076; and
(4) the closed group measure would decrease $15,633 from $(508,233) to $(523,866).

(b) In the SOSI, for the new participants:

(1) the present value of estimated future excise tax income during the projection period would increase $23,800 from $1,047,187 to $1,070,987;
(2) the present value of estimated future administrative costs during the projection period would increase $16,159 from $711,019 to $727,178;
(3) the actuarial present value of future benefit payments to disabled coal miners and dependent survivors during the projection period would increase $33,735 from $740,682 to $774,417; and
(4) the excess (deficiency) of present value of estimated future excise tax income over (below) present value of estimated future administrative costs and actuarial present value of future benefit payments during the projection period would decrease $26,094 from $(404,514) to $(430,608).

(c) In the SOSI, for the open group:

(1) the present value of estimated future excise tax income during the projection period of $2,379,971 would remain unchanged;
(2) the present value of estimated future administrative costs during the projection period of $1,615,952 would remain unchanged;
(3) the actuarial present value of future benefit payments to disabled coal miners and dependent survivors during the projection period would increase $41,727 from $1,676,766 to $1,718,493; and
(4) the open group measure would decrease $41,727 from $(912,747) to $(954,474).

(d) In the SOSI, the trust fund net position deficit at start of the projection period of $(6,636,295) would remain unchanged.

(e) In the SOSI Summary Section, for the closed group:

(1) the closed group measure would decrease $15,633 from $(508,233) to $(523,866);
(2) the Fund Balance with Treasury and receivables from benefit overpayments of $290,172 would remain unchanged; and
(3) the total of closed group measure plus fund assets would decrease $15,633 from $(218,061) to $(233,694).

(f) In the SOSI Summary Section, for the open group:

(1) the open group measure would decrease $41,727 from $(912,747) to $(954,474);
(2) the Fund Balance with Treasury and receivables from benefit overpayments of $290,172 would remain unchanged; and
(3) the total of open group measure plus fund assets would decrease $41,727 from $(622,575) to $(664,302).

Cash projections depend on the assumptions used and actual experience may differ materially from the projections.

Table I

U.S. DEPARTMENT OF LABOR

SUPPLEMENTARY SOCIAL INSURANCE INFORMATION

CASH INFLOW AND OUTFLOW OF THE BLACK LUNG DISABILITY TRUST FUND IN CONSTANT DOLLARS

FOR THE 25-YEAR PERIOD ENDING SEPTEMBER 30, 2049

OPEN GROUP

(Dollars in thousands)	2025	2026	2027	2028	2029	2030 - 2049	Total
Balance, start of year	$ (4,727,647)	$ (4,986,892)	$ (5,218,600)	$ (5,477,373)	$ (5,785,086)	$ (6,144,521)	$ (4,727,647)
Cash inflow							
Excise taxes	235,708	232,532	208,544	172,900	135,280	1,741,027	2,725,991
Total cash inflow	235,708	232,532	208,544	172,900	135,280	1,741,027	2,725,991
Cash outflow							
Disabled coal miners benefits	153,938	112,630	109,942	107,166	104,318	1,337,068	1,925,062
Administrative costs	86,365	86,690	86,884	87,129	87,426	1,482,818	1,917,312
Cash outflows before repayment of debt and interest	240,303	199,320	196,826	194,295	191,744	2,819,886	3,842,374
Cash inflow over cash outflow (cash outflow over cash inflow) before repayment of debt and interest	(4,595)	33,212	11,718	(21,395)	(56,464)	(1,078,859)	(1,116,383)
Maturity of obligations refinanced October 2008	260,851	267,364	272,437	276,744	280,406	3,159,147	4,516,949
Interest on annual borrowings	116,219	117,647	115,278	123,868	134,082	5,074,606	5,681,700
Total cash outflow	617,373	584,331	584,541	594,907	606,232	11,053,639	14,041,023
Total cash outflow over total cash inflow	(381,665)	(351,799)	(375,997)	(422,007)	(470,952)	(9,312,612)	(11,315,032)
Reduction of debt refinanced October 2008	122,420	120,091	117,224	114,294	111,517	1,022,854	1,608,400
Balance, end of year	$ (4,986,892)	$ (5,218,600)	$ (5,477,373)	$ (5,785,086)	$ (6,144,521)	$ (14,434,279)	$ (14,434,279)

Table II

U.S. DEPARTMENT OF LABOR

SUPPLEMENTARY SOCIAL INSURANCE INFORMATION SENSITIVITY ANALYSIS

CASH INFLOW AND OUTFLOW OF THE BLACK LUNG DISABILITY TRUST FUND IN CONSTANT DOLLARS

FOR THE 25-YEAR PERIOD ENDING SEPTEMBER 30, 2049

OPEN GROUP

(Dollars in thousands)	2025	2026	2027	2028	2029	2030 - 2049	Total
Balance, start of year	$ (4,727,647)	$ (4,986,892)	$ (5,218,879)	$ (5,478,222)	$ (5,786,803)	$ (6,147,406)	$ (4,727,647)
Cash inflow							
Excise taxes	235,708	232,532	208,544	172,900	135,280	1,741,027	2,725,991
Total cash inflow	235,708	232,532	208,544	172,900	135,280	1,741,027	2,725,991
Cash outflow							
Disabled coal miners benefits	153,938	112,909	110,503	108,007	105,433	1,394,228	1,985,018
Administrative costs	86,365	86,690	86,884	87,129	87,426	1,482,818	1,917,312
Cash outflows before repayment of debt and interest	240,303	199,599	197,387	195,136	192,859	2,877,046	3,902,330
Cash inflow over cash outflow (cash outflow over cash inflow) before repayment of debt and interest	(4,595)	32,933	11,157	(22,236)	(57,579)	(1,136,019)	(1,176,339)
	(4,595)	33,212	11,718	(21,395)	(56,464)	(1,078,859)	(1,116,383)
Maturity of obligations refinanced October 2008	260,851	267,364	272,437	276,744	280,406	3,159,148	4,516,950
Interest on annual borrowings	116,219	117,647	115,287	123,895	134,135	5,092,256	5,699,439
Total cash outflow	617,373	584,610	585,111	595,775	607,400	11,128,450	14,118,719
Total cash outflow over total cash inflow	(381,665)	(352,078)	(376,567)	(422,875)	(472,120)	(9,387,423)	(11,392,728)
Reduction of debt refinanced October 2008	122,420	120,091	117,224	114,294	111,517	1,022,854	1,608,400
Balance, end of year	$ (4,986,892)	$ (5,218,879)	$ (5,478,222)	$ (5,786,803)	$ (6,147,406)	$ (14,511,975)	$ (14,511,975)

COMBINING STATEMENTS OF BUDGETARY RESOURCES

The principal Combined Statements of Budgetary Resources present the budgetary resources available to DOL and net outlays of budgetary resources for the years ended September 30, 2024 and 2023; and the status of these resources for the years ended September 30, 2024 and 2023. Presented on the following pages is the disaggregation of this combined information for each of the Department's major budget agencies.

Included in the Combining Statements of Budgetary Resources for the years ended September 30, 2024 and 2023 are management's significant accounting estimates about future outlays from the unemployment programs authorized by the CARES Act (as amended) which expired, in general, on or before September 6, 2021. However, states will continue to submit claims for weeks of unemployment that occurred before the programs expired. These outlays are obligations for the years ended September 30, 2024 and 2023.

COMBINING STATEMENT OF BUDGETARY RESOURCES
For the Year Ended September 30, 2024

(Dollars in thousands)	Employment and Training Administration	Office of Workers' Compensation Programs	Office of Job Corps	Occupational Safety and Health Administration	Bureau of Labor Statistics
BUDGETARY RESOURCES					
Unobligated Balance from prior year Budget Authority, Net (Discretionary and Mandatory)	$ 3,867,396	$ 967,468	$ 1,409,156	$ 13,582	$ 12,320
Appropriations (discretionary and mandatory)	47,503,437	3,984,830	1,760,155	640,178	629,952
Borrowing Authority (Discretionary and Mandatory)	-	176,725	-	-	-
Spending Authority from Offsetting Collections (Discretionary and Mandatory)	4,024,930	2,807,964	431	2,672	105,244
Total Budgetary Resources	$ 55,395,763	$ 7,936,987	$ 3,169,742	$ 656,432	$ 747,516
STATUS OF BUDGETARY RESOURCES					
New Obligations and Upward Adjustments (Total)	$ 52,641,689	$ 7,462,164	$ 1,834,985	$ 643,292	$ 740,986
Unobligated Balance, End of Year					
Apportioned, Unexpired Accounts	849,884	430,329	946,058	813	443
Exempt from Apportionment, Unexpired Accounts	-	9,544	-	-	-
Unapportioned, Unexpired Accounts	36,137	32,424	254	-	-
Unexpired Unobligated Balance, End of Year	886,021	472,297	946,312	813	443
Expired Unobligated Balance, End of Year	1,868,053	2,526	388,445	12,327	6,087
Unobligated Balance, End of Year (Total)	2,754,074	474,823	1,334,757	13,140	6,530
Total Budgetary Resources	$ 55,395,763	$ 7,936,987	$ 3,169,742	$ 656,432	$ 747,516
OUTLAYS, NET					
Outlays, Net (Total) (Discretionary and Mandatory)	$ 44,280,581	$ 4,579,316	$ 1,862,935	$ 663,716	$ 677,592
Distributed Offsetting Receipts (-)	(901,685)	(3,831)	-	-	-
Agency Outlays, Net (Discretionary and Mandatory)	$ 43,378,896	$ 4,575,485	$ 1,862,935	$ 663,716	$ 677,592

COMBINING STATEMENT OF BUDGETARY RESOURCES - Continued
For the Year Ended September 30, 2024

(Dollars in thousands)	Mine Safety and Health Administration	Employee Benefits Security Administration	Veterans' Employment and Training Service	Wage and Hour Division	Other Program Agencies	TOTAL
BUDGETARY RESOURCES						
Unobligated Balance from prior year Budget Authority, Net (Discretionary and Mandatory)	$ 6,110	$ 3,252	$ 25,855	$ 31,554	$ 403,554	$ 6,740,247
Appropriations (discretionary and mandatory)	387,816	191,100	65,652	308,941	715,605	56,187,666
Borrowing Authority (Discretionary and Mandatory)	-	-	-	-	-	176,725
Spending Authority from Offsetting Collections (Discretionary and Mandatory)	1,199	7,503	269,841	5,300	745,853	7,970,937
Total Budgetary Resources	$ 395,125	$ 201,855	$ 361,348	$ 345,795	$ 1,865,012	$ 71,075,575
STATUS OF BUDGETARY RESOURCES						
New Obligations and Upward Adjustments (Total)	$ 389,660	$ 198,707	$ 344,763	$ 317,052	$ 1,590,115	$ 66,163,413
Unobligated Balance, End of Year						
Apportioned, Unexpired Accounts	226	1,482	242	27,332	234,019	2,490,828
Exempt from Apportionment, Unexpired Accounts	-	-	-	-	145	9,689
Unapportioned, Unexpired Accounts	-	701	-	61	16,412	85,989
Unexpired Unobligated Balance, End of Year	226	2,183	242	27,393	250,576	2,586,506
Expired Unobligated Balance, End of Year	5,239	965	16,343	1,350	24,321	2,325,656
Unobligated Balance, End of Year (Total)	5,465	3,148	16,585	28,743	274,897	4,912,162
Total Budgetary Resources	$ 395,125	$ 201,855	$ 361,348	$ 345,795	$ 1,865,012	$ 71,075,575
OUTLAYS, NET						
Outlays, Net (Total) (Discretionary and Mandatory)	$ 395,131	$ 190,948	$ 67,572	$ 317,666	$ 887,404	$ 53,922,861
Distributed Offsetting Receipts (-)	-	-	-	-	(20,820)	(926,336)
Agency Outlays, Net (Discretionary and Mandatory)	$ 395,131	$ 190,948	$ 67,572	$ 317,666	$ 866,584	$ 52,996,525

COMBINING STATEMENT OF BUDGETARY RESOURCES
For the Year Ended September 30, 2023

(Dollars in thousands)	Employment and Training Administration	Office of Workers' Compensation Programs	Office of Job Corps	Occupational Safety and Health Administration	Bureau of Labor Statistics
BUDGETARY RESOURCES					
Unobligated Balance from prior year Budget Authority, Net (Discretionary and Mandatory)	$ 5,325,359	$ 1,498,287	$ 1,597,766	$ 56,987	$ 32,106
Appropriations (discretionary and mandatory)	38,947,906	3,014,872	1,760,154	608,144	629,952
Borrowing Authority (Discretionary and Mandatory)	-	56,216	-	-	-
Spending Authority from Offsetting Collections (Discretionary and Mandatory)	4,373,695	2,687,673	-	3,380	106,744
Total Budgetary Resources	$ 48,646,960	$ 7,257,048	$ 3,357,920	$ 668,511	$ 768,802
STATUS OF BUDGETARY RESOURCES					
New Obligations and Upward Adjustments (Total)	$ 45,664,369	$ 6,292,906	$ 2,059,270	$ 658,929	$ 760,262
Unobligated Balance, End of Year					
Apportioned, Unexpired Accounts	1,539,213	918,686	937,559	2,853	2,941
Exempt from Apportionment, Unexpired Accounts	-	12,044	-	-	-
Unapportioned, Unexpired Accounts	537	30,769	937	49	-
Unexpired Unobligated Balance, End of Year	1,539,750	961,499	938,496	2,902	2,941
Expired Unobligated Balance, End of Year	1,442,841	2,643	360,154	6,680	5,599
Unobligated Balance, End of Year (Total)	2,982,591	964,142	1,298,650	9,582	8,540
Total Budgetary Resources	$ 48,646,960	$ 7,257,048	$ 3,357,920	$ 668,511	$ 768,802
OUTLAYS, NET					
Outlays, Net (Total) (Discretionary and Mandatory)	$ 39,783,931	$ 3,592,698	$ 1,772,014	$ 663,903	$ 602,921
Distributed Offsetting Receipts (-)	(857,025)	(3,015)	-	-	-
Agency Outlays, Net (Discretionary and Mandatory)	$ 38,926,906	$ 3,589,683	$ 1,772,014	$ 663,903	$ 602,921

COMBINING STATEMENT OF BUDGETARY RESOURCES - Continued
For the Year Ended September 30, 2023

(Dollars in thousands)	Mine Safety and Health Administration	Employee Benefits Security Administration	Veterans' Employment and Training Service	Wage and Hour Division	Other Program Agencies	TOTAL
BUDGETARY RESOURCES						
Unobligated Balance from prior year Budget Authority, Net (Discretionary and Mandatory)	$ 14,395	$ 4,149	$ 13,954	$ 32,246	$ 404,947	$ 8,980,196
Appropriations (discretionary and mandatory)	385,275	191,100	65,652	310,523	726,401	46,639,979
Borrowing Authority (Discretionary and Mandatory)	-	-	-	-	-	56,216
Spending Authority from Offsetting Collections (Discretionary and Mandatory)	1,127	6,691	269,841	2,800	807,187	8,259,138
Total Budgetary Resources	$ 400,797	$ 201,940	$ 349,447	$ 345,569	$ 1,938,535	$ 63,935,529
STATUS OF BUDGETARY RESOURCES						
New Obligations and Upward Adjustments (Total)	$ 396,901	$ 198,612	$ 336,197	$ 314,199	$ 1,616,024	$ 58,297,669
Unobligated Balance, End of Year						
Apportioned, Unexpired Accounts	189	1,203	153	29,816	283,296	3,715,909
Exempt from Apportionment, Unexpired Accounts	-	-	-	-	145	12,189
Unapportioned, Unexpired Accounts	-	648	152	22	16,527	49,641
Unexpired Unobligated Balance, End of Year	189	1,851	305	29,838	299,968	3,777,739
Expired Unobligated Balance, End of Year	3,707	1,477	12,945	1,532	22,543	1,860,121
Unobligated Balance, End of Year (Total)	3,896	3,328	13,250	31,370	322,511	5,637,860
Total Budgetary Resources	$ 400,797	$ 201,940	$ 349,447	$ 345,569	$ 1,938,535	$ 63,935,529
OUTLAYS, NET						
Outlays, Net (Total) (Discretionary and Mandatory)	$ 396,881	$ 190,953	$ 50,959	$ 311,393	$ 785,796	$ 48,151,449
Distributed Offsetting Receipts (-)	-	-	-	-	(16,357)	(876,397)
Agency Outlays, Net (Discretionary and Mandatory)	$ 396,881	$ 190,953	$ 50,959	$ 311,393	$ 769,439	$ 47,275,052

Other Information

Department of Labor's Top Management and Performance Challenges

U.S. Department of Labor

Office of Inspector General
Washington, D.C. 20210

October 11, 2024

MEMORANDUM FOR THE ACTING SECRETARY

FROM: LARRY D. TURNER
Inspector General

SUBJECT: DOL Top Management and Performance Challenges

As required by the Reports Consolidation Act of 2000, the Office of Inspector General has identified the most serious management and performance challenges facing the Department of Labor (DOL). The Department plays a vital role in the nation's economy and in the lives of workers and retirees; therefore, it must remain vigilant in its important stewardship of taxpayer funds, particularly in an era of shrinking resources.

In this report, we summarize the challenges, significant DOL progress to date, and what remains to be done. The challenges we identified are:

- Reducing Unemployment Insurance Improper Payments
- Protecting the Safety and Health of Workers
- Helping Adults and Youth Succeed in the Labor Market
- Maintaining the Integrity of Foreign Labor Certification Programs
- Protecting Retirement, Health, and Other Benefit Plans for Workers, Retirees, and Their Families
- Providing a Safe, Secure, and Healthy Learning Environment at Job Corps Centers
- Managing Medical Benefits in the Office of Workers' Compensation Programs
- Managing and Securing Data and Information Systems

I would be pleased to meet with you concerning any aspect of this report.

Attachment

cc: Allison L. Zelman, Chief of Staff
Kevin L. Brown, Deputy Chief Financial Officer

Working for America's Workforce

TOP MANAGEMENT AND PERFORMANCE CHALLENGES

FACING THE U.S. DEPARTMENT OF LABOR

Office Inspector General, November 2024

Visit the Office of Inspector General's website to view the Top Management and Performance Challenges.

CHALLENGE: Reducing Unemployment Insurance Improper Payments

Background

The unemployment insurance (UI) program is a joint federal-state program with each state[1] administering a separate UI program under its own laws while following uniform guidelines established by federal law. The UI program provides benefits to eligible workers who are unemployed through no fault of their own and meet other state eligibility requirements. UI benefits are typically funded by state employer taxes, with administrative costs covered by the federal government; however, during emergencies or disasters, enhanced UI benefits are generally funded federally. The U.S. Department of Labor's (Department or DOL) Employment and Training Administration (ETA) is responsible for providing UI program direction and oversight.

For over 20 years, the Office of Inspector General (OIG) has reported[2] on weaknesses in the Department's ability to measure, report, and reduce improper payments in the UI program. The UI program has experienced some of the highest improper payment rates across the federal government, with an estimated rate above 10 percent[3] for 17 of the last 20 years.[4] The long-standing challenge with UI improper payments can be further exacerbated in times of crisis, including natural disasters and economic downturns.[5]

Over the last 3 years, the Department has reported historically high rates of improper payments, including fraud, in the UI program. Specifically, the Department reported an estimated improper payment rate of 18.71 percent for Fiscal Year (FY) 2021 and 21.52 percent for FY 2022. Based on our audit and investigative work, the actual improper payment rate for these periods was likely higher. Although the improper payment rate for FY 2023 has been reduced to 14.83 percent,[6] this rate still exceeds pre-pandemic levels and fails to meet federal requirements.

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[1] When referring to UI, this Top Management and Performance Challenges report uses "state" or "state workforce agency" to refer to the administrative body that administers the program within the state, district, or territory. For the 50 states, as well as the U.S. Virgin Islands, the Commonwealth of Puerto Rico, and the District of Columbia, that administrative body is a state workforce agency. There are, therefore, 53 state workforce agencies that signed agreements with the Department to administer pandemic-related UI programs under the Coronavirus Aid, Relief, and Economic Security (CARES) Act. The CARES Act also provided certain UI benefits to American Samoa, the Commonwealth of the Northern Mariana Islands, the Federated States of Micronesia, Guam, the Marshall Islands, and the Republic of Palau, provided they signed an agreement with the Department.
[2] To learn more about the UI program and our oversight in this area, please visit our UI Oversight webpage at: https://www.oig.dol.gov/doloiguioversightwork.htm.
[3] To fully comply with the Payment Integrity Information Act of 2019, agencies must report an improper payment rate of less than 10 percent for each program and activity for which an estimate was published.
[4] UI improper payments data for Fiscal Year (FY) 2004 through FY 2023 as reported to the Office of Management and Budget.
[5] Recent examples include hurricanes, the Great Recession, and the COVID-19 pandemic. For instance, we identified over $100 million in potential improper payments related to UI program benefits in response to the devastating impact of Hurricanes Katrina and Rita in 2005. States also did not detect an estimated $6.5 billion in improper payments from the UI funding provided by the American Recovery and Reinvestment Act of 2009.
[6] The U.S. Department of Labor Did Not Meet the Requirements for Compliance with the Payment Integrity Information Act for FY 2023, Report No. 22-24-007-13-001 (May 29, 2024), available at: https://www.oig.dol.gov/public/reports/oa/2024/22-24-007-13-001.pdf

WHAT IS AN IMPROPER PAYMENT?

A payment is improper if it should not have been made or was to the wrong recipient.

*

Examples include overpayments and underpayments.

*

An improper payment can be unintentional or intentional.

*

Intentional improper payments are more commonly referred to as financial fraud.

Challenge for the Department

The Department continues to face challenges in ensuring UI improper payments are reduced—first and foremost through prevention. When prevention fails, timely and accurate detection and reporting—as well as recovery of all practicable funds—become essential. If sufficient action to course correct is not taken, improper payments within the UI program will likely remain high.

Improper payments have largely resulted from a combination of four primary causes. First, some claimants fail to demonstrate that they meet their states' requirements for searching for new jobs (work search).[7] Second, some claimants continue to claim UI benefits after returning to work or misreport earnings (benefit year earnings). Third, some employers, or their third-party administrators, fail to provide prompt and adequate information about why individuals left their employment (employee separation). Fourth, individuals intentionally commit deceptive acts related to the payment or collection of UI benefits.[8]

Prevention

One key challenge in preventing improper payments is ensuring UI benefits are paid to only those individuals eligible under program requirements. Accurate initial determinations of eligibility are critical to ensuring that benefits are provided only to those eligible under the program. States struggle to accurately determine eligibility and identify sophisticated fraud schemes due to factors such as limited staff and outdated information technology (IT) systems.

Our audit work confirmed that the issues of staffing and system capabilities persisted into the pandemic and beyond. Staffing shortages and outdated IT systems were identified, at least in part, as causes for the issues found in over 70 percent of our pandemic-related UI audits. According to ETA's FY 2023 Unemployment Insurance Integrity Strategic Plan, states continue to face significant challenges with staff turnover and outdated IT systems.

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[7] The Middle Class Tax Relief and Job Creation Act of 2012 requires that individuals receiving UI benefits must be able to work, available to work, and actively seeking work, as a condition of eligibility for regular compensation for any week. Accordingly, states generally require that unemployed workers demonstrate they were actively seeking work. Work search overpayments occur when states pay UI claimants who do not comply with a state's required work search activities.

[8] ETA has included fraud as an element of the leading causes rather than as a separate cause. For Program Year 2023, ETA reported the top three causes for overpayments resulted in more than $2.9 billion in overpayments. Of this total, over $1.2 billion was attributable to fraud. Overpayments, a subset of improper payments, constitute the majority of improper payments.

Detection

Over the past 4 years, we have continued to identify internal control weaknesses in the UI program to prevent improper payments, particularly fraud. Currently, states face ever-evolving fraud schemes, including those by malicious cyber-enabled[9] bad actors and criminal enterprises, which can overwhelm state systems. Our work identified that the pandemic turned UI into a lucrative target for criminals who continue to focus on the program, adapting their tactics to exploit systemic weaknesses. ETA's FY 2023 Unemployment Insurance Integrity Strategic Plan reported that underfunding and outdated technology have limited states' responsiveness. It also reported that states worked to combat relentless fraud schemes—such as cyber-attacks, claims filed with stolen identities, spoofing of state UI websites to steal personally identifiable information, and bot attacks that overwhelm state systems—that circumvent many prevention and detection tools.

Establishing a data analytics capability with a dedicated team of data scientists at the federal level would allow ETA to monitor and analyze UI claims data on an ongoing basis. ETA would then be able to identify high-risk areas across multiple states and quickly flag potentially fraudulent claims to refer to the OIG and states for further action. These early detection flags could help prevent losses due to fraud. For example, our investigators, auditors, and data scientists collaboratively identified $46.9 billion in potentially fraudulent UI benefits paid from March 2020 to April 2022 in six specific high-risk areas, involving claims with Social Security numbers:

- filed in multiple states,
- of deceased persons,
- of federal prisoners,
- used to file UI claims with suspicious email accounts,
- belonging to individuals under 14 years of age, and
- belonging to individuals 100 years of age or older.

Furthermore, our investigators have identified crimes related to UI fraud both throughout the United States and by foreign bad actors, resulting in the conviction of over 1,300 criminals. Notable cases included a criminal organization involved in murder and narcotics trafficking; former federal and state employees targeting UI funds; federal and state inmates committing fraud; a criminal enterprise committing UI fraud with stolen personally identifiable information and operating a fentanyl distribution ring; and a foreign national convicted of UI and elder fraud schemes.

Reporting

In May 2021, we reported that, during the first 6 months of the Coronavirus Aid, Relief, and Economic Security (CARES) Act, states did not complete required reporting for nonfraudulent and fraudulent overpayments.[10] This, in part, ultimately resulted in the Department receiving its first qualified opinion on its consolidated financial statements in 25 years.[11] Specifically, the $4.4 billion reported in UI benefit overpayments could not be relied upon because certain states did not

[9] Per Executive Order 13984, issued January 19, 2021, "the term 'malicious cyber-enabled activities' refers to activities, other than those authorized by or in accordance with United States law that seek to compromise or impair the confidentiality, integrity, or availability of computer, information, or communications systems, networks, physical or virtual infrastructure controlled by computers or information systems, or information resident thereon."

[10] COVID-19: States Struggled to Implement CARES Act Unemployment Insurance Programs, Report No. 19-21-004-03-315 (May 28, 2021), available at: https://www.oig.dol.gov/public/reports/oa/2021/19-21-004-03-315.pdf

[11] The Department received a qualified opinion on its FY 2021 financial statement audit. The FY 2021 Independent Auditor's Report on the DOL Financial Statements, Report No. 22-22-003-13-001 (November 19, 2021), is available at: https://www.oig.dol.gov/public/reports/oa/2022/22-22-003-13-001.pdf.

report UI overpayment activity. In August 2022, we issued an alert memorandum[12] reporting that some states continued to not submit reports to ETA or inaccurately reported zero activity.

As of September 25, 2024, approximately 4 out of 53 states have not completed all required overpayment reporting for CARES Act programs. This lack of accurate state performance information hinders Congress and ETA's ability to assess state activities, identify program weaknesses, and improve future temporary programs.

To meet improper payment reporting requirements under federal law, ETA uses the Benefit Accuracy Measurement (BAM) program. BAM is a diagnostic tool designed for federal and state staff to identify systemic errors, determine their root causes, implement corrective actions, and estimate the improper payment rate for states and the nation. Each state selects weekly random samples of UI paid and denied claims. BAM investigators then audit these claims to determine whether the claimant was properly paid or denied UI benefits. The criteria for determining payment and denial accuracy include federal and state laws, administrative codes, rules, and official policies.

However, because BAM relies on statistical sampling, the improper payment rate determined by the BAM program may not accurately reflect the true rate or causes of improper payments. Additionally, the complexity of the criteria used for assessments can be interpreted and applied differently across states. This variability can complicate efforts to accurately measure and address improper payments. Due to these concerns, the OIG plans to assess ETA's use of the BAM system as a tool to measure the accuracy of states' paid and denied claims and identify root causes to reduce improper payments in UI programs.

Recovery

The OIG estimated states may have paid $191 billion improperly during the COVID-19 pandemic period, with the majority being overpayments.[13] ETA and individual states continue to face the daunting task of recovering overpayments. From April 1, 2020, to September 25, 2024, states have reported recovering approximately $8.6 billion in improperly paid UI program funds.[14]

Of this amount, states have reported recovering only about $1.7 billion of the estimated $76 billion in fraudulent UI funds paid. A critical timeline underpins this recovery effort. The statute of limitations pertaining to the majority of these UI cases, which occurred during the pandemic period, will begin to expire in early 2025. Beyond that point, not only will the recovery of these UI funds become exceedingly difficult, but the ability to hold fraudsters accountable will also become increasingly unlikely. The importance of swift and effective action in these recovery efforts cannot be overstated. In addition, the OIG is concerned about the possible untimely disposal of pandemic UI program claims data and supporting records by state workforce agencies. Without this data, the OIG will not be able to conduct effective audit and investigative oversight even if Congress extends the statute of limitations for pandemic UI fraud.

According to ETA, many of the estimated fraudulent overpayments, especially those from the pandemic, involve UI identity fraud, where the perpetrator of the fraud is unknown. Identity fraud is often perpetrated by sophisticated criminal organizations, with many of these fraud rings operating outside of the United States. States indicated that if they can identify the individual responsible for the identity fraud, they will establish an overpayment and initiate prosecution

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[12] Alert Memorandum: The Employment and Training Administration Needs to Ensure State Workforce Agencies Report Activities Related to CARES Act Unemployment Insurance Programs, Report No. 19-22-004-03-315 (August 2, 2022), available at: https://www.oig.dol.gov/public/reports/oa/2022/19-22-004-03-315.pdf

[13] With the exception of Pandemic Unemployment Assistance, for which claims could be backdated to January 27, 2020, we define the UI pandemic period as March 27, 2020, through September 6, 2021.

[14] This recovery amount includes benefits paid under regular UI, Federal Pandemic Unemployment Compensation, Pandemic Unemployment Assistance, Pandemic Emergency Unemployment Compensation, and Mixed Earners Unemployment Compensation. Some of these recoveries may apply to overpayments made after September 6, 2021, when the pandemic period ended.

and recovery efforts. However, if the perpetrator remains unknown, overpayment recovery is not possible until the individual is identified.

We are also concerned that the ability of state workforce agencies to recover UI overpayments is negatively affected by the waiver authority granted by the CARES Act. In addition, under ETA's guidance, blanket waivers allow states to waive the recovery of multiple claimants' overpayments at once using a single set of facts instead of on a case-by-case basis. In August 2023, we started assessing the effects of waivers, including blanket waivers, on the recovery of UI overpayments, including fraud. While the Department has provided guidance stating the recovery of fraudulent overpayments may not be waived, there is a risk that states—operating under weak program controls—may have waived or will waive fraudulent overpayments. As of September 25, 2024, states reported waiving recovery of more than $12 billion in overpayments for the three key[15] CARES Act programs.

Furthermore, in December 2023, ETA's guidance granted states the authority to apply their finality laws[16] to CARES Act claims. The OIG is concerned that the application of finality laws may have a negative impact on the detection of fraudulent pandemic UI claims and the recovery of overpayments.

Department's Progress

The Department has emphasized the progress it has made in addressing challenges with the UI program. For example, on August 31, 2021, the Department established the Office of Unemployment Insurance Modernization to work with state agencies and federal partners to modernize and reform the UI system. According to DOL, the Office of Unemployment Insurance Modernization will provide oversight and management of the $1 billion[17] allotted to UI initiatives by the American Rescue Plan Act of 2021. These initiatives aim to prevent and detect fraud, promote equitable access, ensure timely benefit payments, and reduce backlogs. To achieve this, ETA, in coordination with the Office of Unemployment Insurance Modernization, has awarded targeted grants to states and territories, offered improved guidance, directed assistance, and tested technology-driven solutions.

To this end, in April 2024, the Department reported that it had awarded $783 million in grants to 52 states. This included, but was not limited to, $226 million in fraud prevention grants to 51 states and territories, $219 million in equity grants to 45 states and the District of Columbia, $113 million in Tiger Teams funding and assistance to 36 states, and $204 million in IT modernization grants to 19 states.

Furthermore, ETA continued to provide oversight and technical assistance through State Quality Service Plans, the FY 2023 Unemployment Insurance Integrity Strategic Plan, and information provided by the OIG. Additionally, in response to a Government Accountability Office recommendation, ETA worked with the Office of the Chief Financial Officer to develop a UI fraud risk profile in line with the Government Accountability Office's Fraud Risk Framework. Also, in response to a Government Accountability Office recommendation, the Department published a plan to transform the UI program.[18] According to DOL, this plan represents a more complete account of activities and strategies underway and being pursued

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[15] The CARES Act established three key new UI programs: Pandemic Unemployment Assistance, Federal Pandemic Unemployment Compensation, and Pandemic Emergency Unemployment Compensation.

[16] There are two common types of finality laws. The first limits the ability of the state agency to redetermine or reconsider one of its prior determinations or decisions. The second limits the ability of a claimant or employer to seek redetermination or reconsideration of a decision or to file an appeal from a determination or decision outside of the specific timelines set out in state law. ETA's guidance applies to the first type of finality laws—state laws limiting the state agency's authority to reconsider or redetermine prior determinations or decisions, not those related to appeals.

[17] The American Rescue Plan Act of 2021 initially allotted $2 billion to UI initiatives; however, $1 billion was rescinded by the Fiscal Responsibility Act of 2023.

[18] ETA, "Building Resilience: A Plan for Transforming Unemployment Insurance" (April 18, 2024), available at: https://oui.doleta.gov/unemploy/transformation_plan.asp

by the Department—along with recommendations for necessary legislative action. The plan is structured around DOL's key action areas:

- adequately funding UI administration,
- delivering high-quality customer service,
- building resilient and responsive state IT systems,
- bolstering state UI programs against fraud,
- ensuring equitable access to robust benefits and services,
- rebuilding and stabilizing the long-term funding of state UI benefits, and
- strengthening reemployment and connections to suitable work.

Finally, as part of efforts to bolster state UI programs against fraud, the Department also made available a nationwide tool for states to strengthen identity verification. According to ETA, states cannot rely solely on an identity verification service or a single fraud prevention solution to detect complex, evolving fraud threats. The Department is supporting states through antifraud strategies like the UI Integrity Center, which offers program integrity resources. In October 2021, DOL enabled state access to the Social Security Administration's Prisoner Update Processing System via the Interstate Connection Network to help flag UI claims by incarcerated individuals. Thirty-seven states are either connected or establishing a connection to the Prisoner Update Processing System. Additionally, the UI Integrity Center partnered with the U.S. Department of the Treasury's Bureau of the Fiscal Service to provide states access to the Do Not Pay system, a resource that provides access to data sources and services to support eligibility determinations and analytics services for agencies.

ETA also announced its intent to amend its regulations to facilitate the OIG's ongoing access to state claims and wage data, and it anticipates a notice of proposed rulemaking by May 2025. In July 2023, ETA published a request for information on potential revisions that would require states to disclose unemployment compensation data to the OIG for oversight activities, including audits. Currently, ETA is using the responses to draft the updated regulations. In the interim, ETA has required the sharing of state UI data as a condition of the fraud prevention grants to provide such access through 2025, and recently issued guidance supporting additional grants that would provide access for potentially the next 2 to 5 years. The Inspector General is authorized to have timely access to this data without constraints under the Inspector General Act of 1978, as amended, and needs access to all UI program data to fulfill his mission.

What Remains to Be Done

It is crucial that the Department take proactive steps to improve improper payment prevention and detection. These improvements are essential in ordinary circumstances, and their importance escalates during emergencies.

For the UI program, the Department needs to:

- Continue to work with states to modernize their UI systems, upgrade their technological capabilities, and leverage technology and automated solutions to protect federal benefits from improper payments, including fraud.
- Amend 20 C.F.R. § 603.5 and § 603.6(a) to ensure and reinforce that state UI information must be provided to the OIG for all Inspector General engagements authorized under the Inspector General Act of 1978, as amended, including audits, evaluations, and investigations. This needs to be done by the end of 2025, when integrity grants expire and the OIG's direct access to state UI information could again be impeded.
- Obtain access to state UI data and wage records and develop a data analytics capability at the federal level to regularly monitor the data to proactively detect and prevent improper payments, including fraud, and to identify trends and emerging issues that could negatively impact the UI program.
- Implement OIG recommendations on reporting, including by:
    - assisting states with claims, overpayment, and fraud reporting to create clear and accurate information; then, using the overpayment and fraud reporting to prioritize and assist states with fraud detection and recovery;

- designing and implementing controls over certain UI program estimates to ensure management's review of the estimates are performed and documented at a sufficient level of detail; and
- designing and implementing controls to timely reconcile state monthly financial summary reports to the Department's financial statements and determine the appropriate accounting treatment for adjustments.

CHALLENGE: Protecting the Safety and Health of Workers

Background

Federal law entitles U.S. workers to a safe and healthful workplace. Failure to keep workplaces free of known safety and health hazards can lead to injuries, illnesses, fatalities, and serious legal consequences. The Federal Mine Safety and Health Act of 1977 and the Occupational Safety and Health Act of 1970 are federal laws administered by, respectively, the Mine Safety and Health Administration (MSHA) and the Occupational Safety and Health Administration (OSHA) to keep employees safe and healthy at work. MSHA is responsible for the safety and health of more than 320,000 miners who work at nearly 13,000 mines, and OSHA is responsible for the safety and health of approximately 130 million workers employed at more than 8 million worksites.

Challenge for the Department

MSHA and OSHA face significant challenges in completing their mandates to ensure the protection of American workers' safety and health, particularly in high-risk industries such as health care, meat packing, agriculture, construction, fishing, forestry, manufacturing, and underground and surface mining. Specifically, MSHA experienced challenges with completing inspections, writing violations, verifying operators abated hazards timely, improving the frequency of sampling for silica, and reducing the number of powered haulage and machinery accidents. OSHA faced challenges with employers' reporting of injuries and illnesses, inspecting enough worksites, developing standards on infectious diseases, and addressing workplace violence.

MSHA has not completed mandatory inspections mostly due to the elimination of inspection requirements when a mine was initially inaccessible by an inspector.[19] This led to MSHA not inspecting 176 mines for at least 2—and, in some cases, 4—consecutive years. Additionally, MSHA is challenged with identifying when a mine needs a change in the mine's operating status or verifying its status, which factors into how many inspections MSHA conducts at the mine. Not maintaining accurate mine statuses in its systems has also led to other significant issues. For example, MSHA's system showed 6,070 underground coal mines that it had changed to "abandoned" status prior to FY 2018 but had not changed to "abandoned-sealed" status. This indicated the mine's underground openings still had not been sealed in accordance with the Federal Mine Safety and Health Act of 1977 and potentially presented a danger to the public.

We also found thousands of violations did not comply with the Federal Mine Safety and Health Act of 1977 and MSHA handbook requirements.[20] MSHA inspectors terminated nearly a third of violations after the abatement due date.

Regarding issues related to silica exposure limits, on April 18, 2024, MSHA issued its final rule on respirable crystalline silica, which is found in coal mine dust and various construction materials. However, there is still a risk of miners being susceptible to higher levels of exposure during the 12 to 24-month compliance transition period. The OIG is also focused on MSHA's efforts to improve the frequency of testing for silica exposure levels and is monitoring MSHA's progress to close a related audit recommendation.

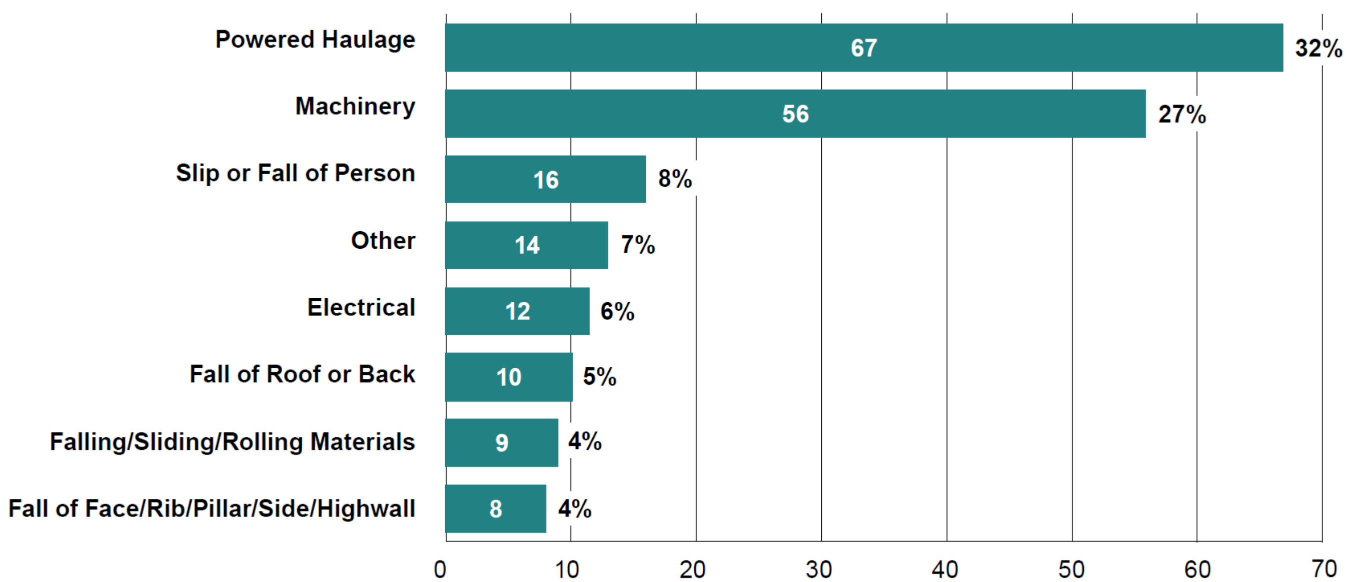
[19] COVID-19: MSHA Did Not Complete or Accurately Report Mandatory Inspections, Report No. 19-24-001-06-001 (October 17, 2023), available at: https://www.oig.dol.gov/public/reports/oa/2024/19-24-001-06-001.pdf

[20] MSHA Can Improve How Violations Are Issued, Terminated, Modified, and Vacated, Report No. 05-21-002-06-001 (March 31, 2021), available at: https://www.oig.dol.gov/public/reports/oa/2021/05-21-002-06-001.pdf

In our November 2020 audit report,[21] we noted MSHA generally performed sampling during its mandatory quarterly inspections for underground coal mines and semiannually for surface mines. Since silica levels can fluctuate, we have concerns regarding whether this frequency is enough to ensure the safety of miners at high-risk mines. Therefore, we recommended MSHA enhance its sampling program to increase the frequency of inspector samples where needed, such as through implementation of a risk-based approach. While MSHA agreed to study this recommendation and determine the necessity of increasing the frequency of inspector sampling by November 2021, it has yet to provide the results of that study or any corrective actions.

MSHA must also make the reduction of powered haulage and machinery accidents a top priority. These accidents have accounted for more than half of all mine fatalities for nearly 7 years (see Figure 1).

Figure 1: Number and Percentage of Top 8 Classes of Mining Fatalities, Calendar Years 2018–2024



Source: MSHA's Accident Injuries public dataset, as of August 30, 2024

Regarding OSHA, the underreporting of injuries and reporting noncompliance by employers limited OSHA's ability to focus inspection and compliance efforts where they were most needed. A recent OIG audit identified, on average, between 2016 and 2020,[22] 59 percent of establishments in all industries failed to report their mandatory annual injury and illness data to OSHA. Additionally, OSHA could not identify if an establishment met the criteria for mandatory reporting. Therefore, OSHA could neither proactively remind specific establishments that they must report, nor effectively cite employers for non-compliance. Non-reporting continues to be a challenge for OSHA and results in an incomplete view of workplace injury and illness.

While OSHA has increased its number of inspectors—from 750 in 2021 to 846 as of February 29, 2024—it continues to be challenged with reaching the number of worksites for which it is responsible. Lack of available inspectors and time for an inspector to become fully trained can lead to less inspections, diminished enforcement of high-risk industries, and,

[21] MSHA Needs to Improve Efforts to Protect Coal Miners from Respirable Crystalline Silica, Report No. 05-21-001-06-001 (November 12, 2020), available at: https://www.oig.dol.gov/public/reports/oa/2021/05-21-001-06-001.pdf

[22] At the time of our fieldwork, Calendar Year 2021 data for the "Summary of Work-Related Injuries and Illnesses" form was not available. This information was reported in COVID-19: OSHA Needs to Do More to Address High Injury Rates of Warehouse Workers, Report No. 19-23-013-10-105 (September 27, 2023), available at: https://www.oig.dol.gov/public/reports/oa/2023/19-23-013-10-105.pdf.

ultimately, greater risk of injuries or compromised health for workers. OSHA, with its state partners, has approximately 1,850 inspectors responsible for the safety and health of workers at their worksites—translating to about 1 compliance officer for every 70,000 workers (see Figure 2).

Figure 2: Inspector to Worker Ratio

Source: OSHA's Commonly Used Statistics

In March 2022, we reported that OSHA did not attempt to collaborate with external federal agencies' enforcement and oversight personnel during the COVID-19 pandemic. This led to missed opportunities to protect vulnerable workers through interagency collaboration.[23] In the event of a future global health crisis, it would help OSHA to be prepared with a whole-of-government approach by leveraging partnerships within the regulatory community.

OSHA continues to be hampered by the lack of a permanent standard on infectious diseases aimed at protecting workers in all high-risk industries. Without this standard, OSHA will not be in a position to effectively protect the safety and health of workers operating in high-risk industries during future emergencies.

OSHA also needs to enhance its efforts to address workplace violence, which may include taking regulatory action to mitigate a worsening problem. Workplace violence is a growing hazard that has resulted in serious physical harm or death to employees. It is the third-leading cause of death on the job and an increasing cause of nonfatal injuries resulting in days away from work in private industry. In 2022, nearly 1 in every 6 work-related deaths were attributed to workplace violence, resulting in a total of 849 deaths—an increase from 761 in 2021 and 705 in 2020. These deaths exceeded the total number of reported fatalities resulting from exposure to harmful substances or environments, or fires and explosions.

Department's Progress

MSHA published its final rule on respirable crystalline silica on April 18, 2024. In the final rule, the permissible exposure limit was lowered to 50 micrograms per cubic meter of air (µg/m3) for a full shift, calculated as an 8-hour time-weighted average for all miners. This rule is designed to lower miners' exposure to respirable crystalline silica and improve respiratory protection.

[23] COVID-19: To Protect Mission Critical Workers, OSHA Could Leverage Inspection Collaboration Opportunities with External Federal Agencies, Report No. 19-22-003-10-105 (March 31, 2022), available at: https://www.oig.dol.gov/public/reports/oa/2022/19-22-003-10-105.pdf

MSHA continues its initiative to lower powered haulage accidents through guidance on preventing accidents and meeting with mine personnel to emphasize best safety practices and training. On January 19, 2024, MSHA's final rule for the Safety Program for Surface Mobile Equipment became effective. The rule requires mine operators to develop, implement, and update written safety programs describing the actions it will take to identify hazards and risks to reduce accidents, injuries, and fatalities related to surface mobile equipment. This final rule is a positive mitigating step in conjunction with the performance of other prevention outreach.

OSHA finalized a new injury and illness reporting rule that went into effect on January 1, 2024. The rule revises the injury and illness reporting requirements for employers by adding a new category of workplace—establishments with 100 or more employees in industries designated as very high-risk. Specifically, the rule not only requires continued annual submission of the "Summary of Work-Related Injuries and Illnesses" (300A) form but also requires annual submission of the "Log of Work-Related Injuries and Illnesses" (300) form as well as the "Injury and Illness Incident Report" (301) form, which provide details on those injuries and illnesses suffered at these workplaces.

To support the implementation of this final rule, OSHA also advised it updated the data collection capabilities of its Injury Tracking Application. This included developing a methodology and applications to collect, process, and analyze individual case reports of establishment-specific occupational injury and illness data from establishments with 100 or more employees in certain high-risk industries nationwide. OSHA conducted initial analysis of the data, assigned occupation codes to individual cases, developed guidance materials for data users, and began initial steps to categorize data. Following the implementation of the newly effective final rule, OSHA received over 378,000 Form 300A submissions and over 778,000 Form 300 and 301 records from over 81,000 establishments as of April 2024.

What Remains to Be Done

To improve the safety and health of miners, MSHA needs to:

- Improve the internal control system for the mandatory inspections program.
- Provide additional training to inspectors and improve internal controls related to its violation process.
- Enhance its sampling program to increase the frequency of inspector samples where needed.

To protect the safety and health of workers, OSHA needs to:

- Create a permanent standard aimed at protecting workers in all high-risk industries from infectious diseases.
- Complete its initiatives to improve employer reporting of severe injuries and illnesses.
- Explore mechanisms to enhance interagency collaboration, such as memoranda of understanding or other agreements, to take advantage of inspections being conducted by OSHA's counterparts in the federal government.

CHALLENGE: Helping Adults and Youth Succeed in the Labor Market

Background

ETA manages programs that provide U.S. workers with job training services to enhance their employment opportunities primarily through state and local workforce development systems. In FY 2023, ETA received $4.1 billion to operate a system of education, skill-based training, and employment services for U.S. workers, including low-income and dislocated adults as well as at-risk and out-of-school youth. ETA also received more than $1.7 billion for its Job Corps program, which provides education, training, career counseling, and support services to disadvantaged, at-risk youth at more than 120 Job Corps centers. While in the program, Job Corps students can earn their high school diploma (or equivalent) and industry-recognized credentials, with the goal of obtaining employment or entering a registered apprenticeship or the military.

Challenge for the Department

The Department is challenged to ensure its job training programs provide participants with the education, skill-based training, and employment services they need to succeed in the labor market. This includes effectively managing its workforce development grants, ensuring its training investments align with employers' needs, and ensuring Job Corps funding is used efficiently to help youth succeed in the labor market.

In March 2022, we issued an advisory report that highlighted three areas of concern where our body of work over the past decade identified weaknesses in DOL's management of its workforce development grants: (1) awarding grants, (2) reviewing grant recipients' use of funds, and (3) measuring grant recipients' performance.[24] Although DOL has addressed many of the related recommendations from our prior reports, the Department needs to ensure these issues do not reoccur. In our September 2021 report,[25] we found ETA's American Apprenticeship Initiative grant program was unlikely to achieve at least one of its major goals because of the way it was designed and executed. Insufficiently designed grant goals and metrics make it difficult for ETA to determine if the goals and agency's expected outcomes are being achieved.

In September 2023,[26] we reported ETA needs to improve its oversight of grant recipients and sub-recipients[27] in New Jersey to ensure grant funds serve their intended purposes. New Jersey received statutory and discretionary grant funds[28] to provide training and supportive services to eligible job seekers, but ETA did not ensure these funds were consistently used for the grants' intended purposes. Specifically, we found ETA did not ensure grant recipients effectively: (1) used over $100 million to serve the intended population, (2) enrolled eligible individuals, and (3) complied with federal requirements when paying $168,460 for services. In addition, statutory grant sub-recipients did not have a system in place to account for $6.9 million in grant funding, including how it was spent. The OIG is currently conducting additional work in New York and Texas to further evaluate ETA's grant oversight.

In our work on ETA's administration of the Disaster National Dislocated Worker Grants (DWG) published in October 2024,[29] we reported on the DWG awarded under the Additional Supplemental Appropriations for Disaster Relief Act, 2019. The act provided ETA with $50 million[30] for the dislocated workers assistance national reserve[31] for necessary expenses directly related to the consequences of multiple natural disasters. We found ETA did not establish written interagency agreements with the Federal Emergency Management Agency (FEMA) to formalize collaboration efforts in disaster recovery. ETA needs to strengthen its controls over how grant recipients and subrecipients: (1) coordinate with FEMA, (2) document participant eligibility, (3) receive timely grant funds to prevent future work stoppages, and (4) use grant funds. In total, we identified questioned costs of $926,513 consisting of $909,240 for ineligible participants and $17,273 in costs not allocable to the grant.

[24] ETA's Management of Workforce Development Grants: Key Concerns, Report No. 09-22-001-03-001 (March 31, 2022), available at: https://www.oig.dol.gov/public/reports/oa/2022/09-22-001-03-001.pdf

[25] ETA Did Not Sufficiently Plan and Execute the American Apprenticeship Initiative Grant Program, Report No. 05-21-004-03-375 (September 30, 2021), available at: https://www.oig.dol.gov/public/reports/oa/2021/05-21-004-03-375.pdf

[26] COVID-19: The Employment and Training Administration Needs to Improve Oversight of Grants Awarded in New Jersey, Report No. 19-23-016-03-391 (September 28, 2023), available at: https://www.oig.dol.gov/public/reports/oa/2023/19-23-016-03-391.pdf

[27] A sub-recipient is a non-federal entity that receives a sub-award from a pass-through entity to carry out part of a federal program. It does not include an individual who is a beneficiary of the program.

[28] Statutory grants are noncompetitive grants required by law to be given to the state or outlying area based on statistical criteria. Discretionary grants are awarded based on competitive selection and eligibility.

[29] ETA Needs to Improve Oversight of Disaster Dislocated Worker Grants, Report No. 02-25-001-03-391 (October 24, 2024), available at: https://www.oig.dol.gov/public/reports/oa/2025/02-25-001-03-391.pdf

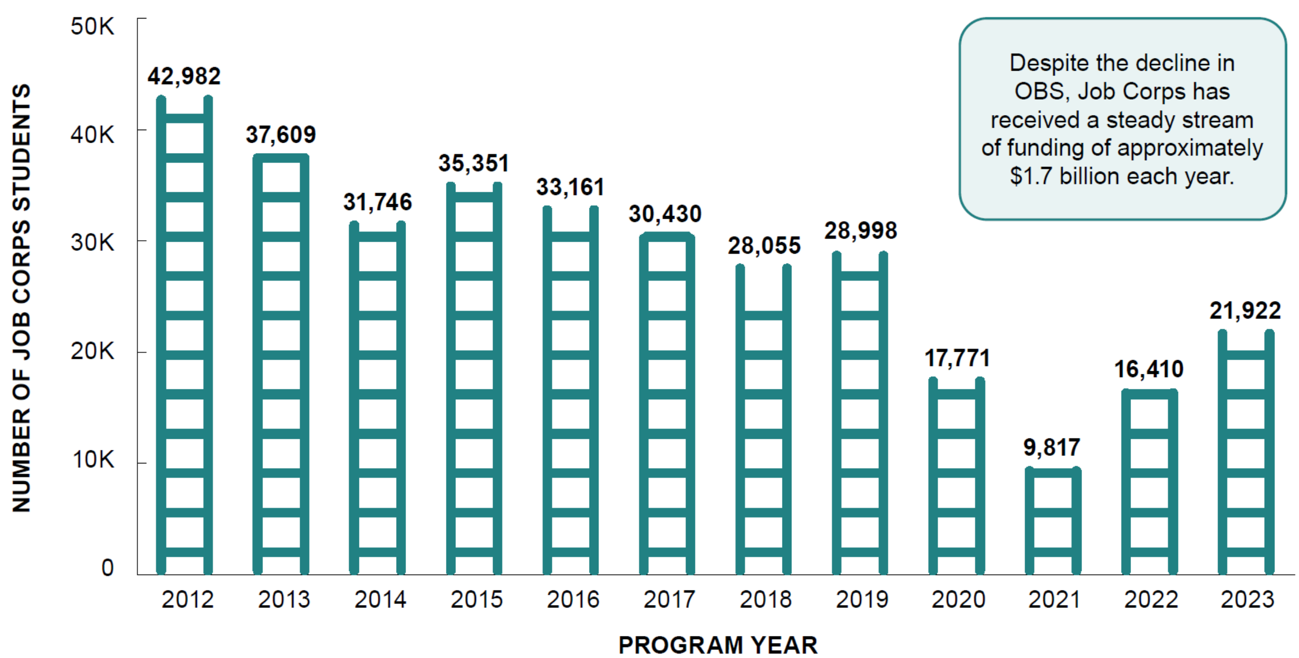
[30] Of the $50 million, $500,000 was transferred to the OIG for oversight of activities responding to the covered disasters or emergencies.

[31] Approximately 80 percent of the Workforce Innovation and Opportunity Act's Dislocated Worker funding is allotted to states by formula, and the remaining 20 percent is for a national reserve to address specific dislocation events.

ETA is also challenged to ensure its training investments align with employers' needs. Our audit work from September 2020[32] found that, although ETA had data to determine whether participants were employed after exiting grant-funded training programs, it lacked more specific data to measure the impact of credentials on participants' professional outcomes, such as job titles and the necessity of credentials for the jobs in question. Similarly, in a 2018 audit[33] that followed up on the employment status of a sample of Job Corps students 5 years after they left the program, we found ETA was unable to demonstrate the extent to which its training programs helped those participants obtain meaningful jobs appropriate to their training.

Another challenge for the Job Corps program is ensuring funds are used efficiently to help youth succeed in the labor market—particularly because enrollment has continued to decline as a long-term trend while funding has remained relatively the same. Prior to the pandemic, average on-board strength (OBS)[34] declined from a high of 42,982 students in Program Year (PY)[35] 2012 to 28,998 in PY 2019. During the pandemic, average OBS dropped to as low as 9,817 students during PY 2021 due to suspending in-person instruction and new enrollments. In April 2021, Job Corps began to transition back to in-person instruction and started enrolling students again. However, in PY 2023, average OBS was still significantly below pre-pandemic levels (see Figure 3). Despite the decline in average OBS, Job Corps has requested and received a constant level of similar funding of approximately $1.7 billion each year. The OIG plans to examine how Job Corps is spending funds in light of the decline in student enrollment and the effectiveness of Job Corp's actions taken to address declining program enrollment.

Figure 3: Job Corps Average On-Board Strength from PY 2012 to PY 2023



Source: Data provided by ETA as of July 31, 2024

[32] ETA Could Not Demonstrate That Credentials Improved WIOA Participants' Employment Outcomes, Report No. 03-20-002-03-391 (September 30, 2020), available at: https://www.oig.dol.gov/public/reports/oa/2020/03-20-002-03-391.pdf

[33] Job Corps Could Not Demonstrate Beneficial Job Training Outcomes, Report No. 04-18-001-03-370 (March 30, 2018), available at: https://www.oig.dol.gov/public/reports/oa/2018/04-18-001-03-370.pdf

[34] On-board strength measures the number of students active in the program on a given day.

[35] Job Corps is operated on a program year basis, which runs from July 1 of a given year to June 30 of the following year. For example, PY 2022 ran from July 1, 2022, through June 30, 2023.

Department's Progress

With regard to credentials, ETA officials stated they have continued to provide resources through CareerOneStop.org to better inform job seekers, businesses, and career counselors about: (1) which credentials are available; (2) the quality and labor market value of those credentials; and (3) the licensing, education, and training requirements for given credentials and occupations. ETA also stated it has continued to emphasize the importance of credential attainment in its grant competitions. It has provided technical assistance to states on credentials, including information to further define and accurately report credentials, and convened a group of several state teams to develop useful strategies and tools to assess appropriate credentials.

ETA has also taken actions to improve grant oversight of its Disaster National Dislocated Worker Program. A prior audit[36] found ETA needed to improve grant recipient oversight to ensure timely community restoration, expedited disaster relief assistance, and efficient use of grant funds for maximum employment outcomes. In March 2020, ETA issued its Training and Employment Guidance Letter 12-19 to update the documents grant recipients need to collect and maintain to support eligibility for DWG participants. In addition, in June 2022, ETA issued Training and Employment Guidance Letter 16-21,[37] which emphasizes the importance of quickly beginning services to support post-disaster employment and economic recovery. It clarifies self-attestation as an acceptable use of eligibility determination and the expectation for subsequent efforts at obtaining appropriate documentation. The guidance also provides additional information on allowable cleanup and recovery activities.

What Remains to Be Done

The Department needs to continue to:

- Manage its workforce development grants more effectively by having sufficient controls to ensure proposals submitted by grant applicants meet all solicitation requirements and grant program objectives.
- Establish performance goals and metrics that appropriately measure grant recipient performance against grant and program objectives using reliable and accurate data.
- Improve and strengthen its processes to assess risk and review grant recipients' and sub-recipients' use of funds to ensure funds are used efficiently and as intended.
- Coordinate with FEMA and update Dislocated Worker Grant program guidance to establish requirements for coordinating with FEMA during large-scale disasters.
- Bolster Job Corps student enrollment while reassessing the program's budgetary needs as student enrollment remains significantly below capacity.

CHALLENGE: Maintaining the Integrity of Foreign Labor Certification Programs

Background

Foreign labor certification programs permit U.S. employers to hire foreign workers on a temporary or permanent basis to fill jobs essential to the U.S. economy. These programs are designed to assure that the admission of foreign workers into the United States on a permanent or temporary basis will not adversely affect the job opportunities, wages, and working conditions of U.S. workers.

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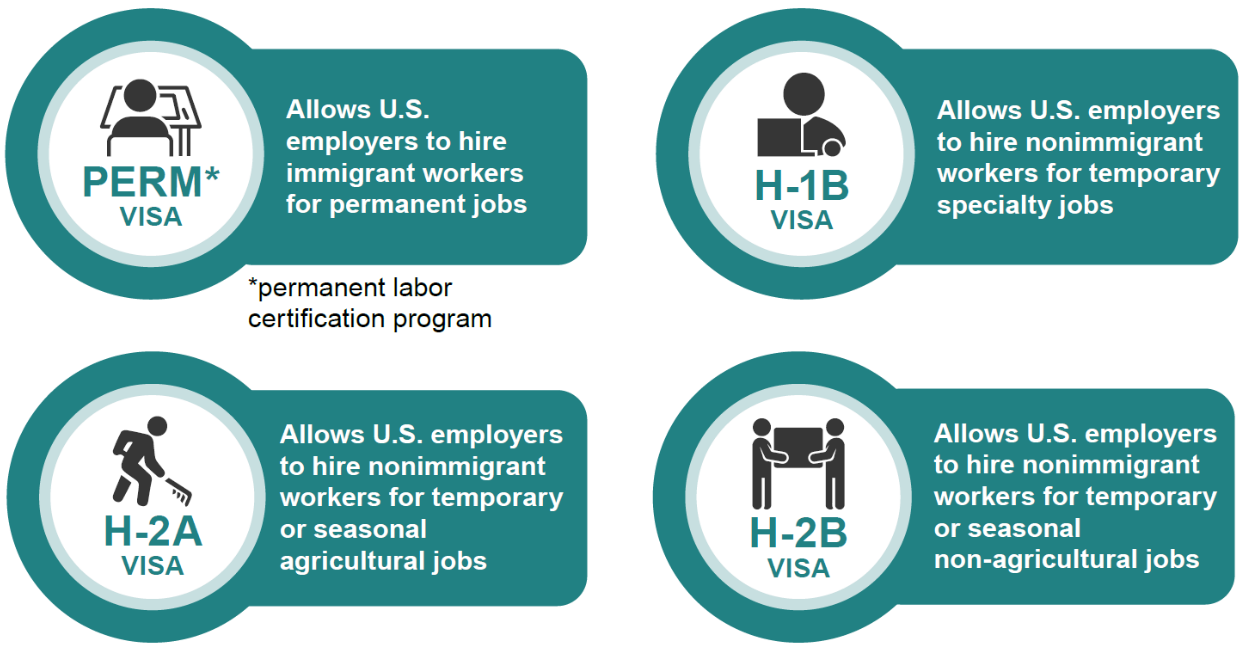
[36] ETA Needs to Improve Its Disaster National Dislocated Worker Program, Report No. 02-21-002-03-391 (January 29, 2021), available at: https://www.oig.dol.gov/public/reports/oa/2021/02-21-002-03-391.pdf

[37] ETA, Training and Employment Guidance Letter 16-21, Updated National Dislocated Worker Grant Program Guidance (June 16, 2022), available at: https://www.dol.gov/sites/dolgov/files/ETA/advisories/TEGL/2021/TEGL_16-21.pdf

The programs involve a number of agencies within the Department, as well as the state workforce agencies, U.S. Citizenship and Immigration Services, and the U.S. Department of State. The Immigration and Nationality Act and related laws assign specific responsibilities to the U.S. Secretary of Labor for employment-based immigration and temporary nonimmigrant programs.

The Department's responsibilities include certifying whether able, willing, and qualified U.S. workers are available for jobs and whether there would be any adverse impacts on similarly employed U.S. workers if labor certifications allowing admission of foreign workers were granted. To carry out these responsibilities, the Secretary has delegated to ETA's Office of Foreign Labor Certification the processing of prevailing wage[38] determinations and reviewing the permanent labor certification program (PERM), H-1B, H-2A, and H-2B employer applications. In addition, the Department's Wage and Hour Division (WHD) conducts civil investigations of employer-issued Foreign Labor Certifications (FLC) to enforce certain worker protections that involve wages, working conditions, and similarly employed U.S. workers not being adversely affected in terms of working conditions and other employment benefits as a direct result of foreign workers being hired.



Challenge for the Department

The Department's primary challenge in ensuring the integrity of FLC programs is approving applications for all four FLC programs based on employers' attestations. Such attestations are the main criteria—meaning, employers agree to the conditions of employment without providing supporting documentation to validate their agreements. For example, a farmer may apply and state that, due to a lack of appropriate skilled local labor, a farm needs 50 foreign laborers for the upcoming season. Among other attestations, the farmer attests that the farm: (1) needs all those workers, (2) will pay the proper wage, and (3) will provide proper working conditions.

The Department is reliant on an employer's attestation that a given application meets its requirements for impacts on U.S. workers. For instance, whether employers meet requirements to determine if there is actually local labor available or if hiring a foreign worker might otherwise adversely affect wages and working conditions of similarly employed U.S. workers. In addition, DOL must balance a thorough review of FLC visa applications with the need to timely process

[38] The prevailing wage rate is defined as the average wage paid to similarly employed workers in a specific occupation in the area of intended employment. For more details, DOL's webpage on "Prevailing Wage Information and Resources" is available at: https://www.dol.gov/agencies/eta/foreign-labor/wages.

these applications to meet workforce demands. For example, with the H-2B program, which is used to hire foreign workers for temporary non-agricultural jobs, application processing delays tend to occur in advance of the peak spring and summer hiring seasons, typically December and January, when application levels and employer workforce demands spike.

OIG investigations continue to reveal FLC program integrity challenges. Over the last 11 years, the OIG, along with other federal partners, have conducted 189 criminal investigations related to fraud in FLC programs (see Table).

Table: Breakdown of the OIG's Criminal Investigations Related to FLC Programs from 2013 to the Present

FLC Program	Number of Investigations	Percentage of Investigations
H-1B	85	45%
H-2A	30	16%
H-2B	44	23%
PERM	23	12%
Other (e.g., multiple programs)	7	4%
Total	**189**	**100%**

Source: OIG investigations data

These investigations have shown FLC programs to be susceptible to significant fraud and abuse by perpetrators, including immigration agents, attorneys, labor brokers, employers, and organized criminal enterprises. For example, in one recent OIG investigation, an employer was sentenced to 18 months in prison and ordered to pay more than $1.1 million in restitution for fraudulently placing H-2B workers in jobs not approved by DOL and for exploiting workers by paying them significantly less than the wages required under the H-2B program.

Significantly, OIG investigations also uncovered illegal activities of employers misusing FLC programs to engage in human trafficking—with victims being exploited for employers' economic gain. For example, in an ongoing OIG investigation,[39] 16 individuals have pled guilty, and 13 individuals have been sentenced to date as part of a federal racketeering conspiracy, which victimized agricultural workers admitted to the United States under the H-2A temporary visa program. The investigation revealed the conspirators committed multiple offenses, including subjecting H-2A workers to forced labor, harboring and concealing workers, visa fraud, and fraud in foreign labor contracting. The conspirators used coercive means to obtain thousands of hours of physically demanding agricultural labor from the victimized H-2A workers, all for lesser pay. The coercive means included: (1) confiscating the workers' passports; (2) subjecting the workers to crowded, unsanitary, and degrading living conditions; and (3) isolating the workers and limiting their ability to interact with anyone other than employees.

Also, each of the four FLC programs have unique rules, some resulting in specific integrity challenges. In 2020, we issued a report[40] that found rulemaking since 2003 had revamped the PERM, H-2A, and H-2B visa programs and addressed some of the vulnerabilities cited in audits and investigations by the OIG and the Government Accountability Office. Those same

[39] U.S. Department of Justice, U.S. Attorney's Office, Southern District of Georgia, "Human Smuggling, Forced Labor Among Allegations in South Georgia Federal Indictment," press release (November 22, 2021), available at: https://www.justice.gov/usao-sdga/pr/human-smuggling-forced-labor-among-allegations-south-georgia-federal-indictment; and U.S. Department of Justice, U.S. Attorney's Office, Southern District of Georgia, "Three Men Sentenced to Federal Prison on Charges Related to Human Trafficking," press release (March 31, 2022), available at: https://www.justice.gov/usao-sdga/pr/three-men-sentenced-federal-prison-charges-related-human-trafficking

[40] Overview of Vulnerabilities and Challenges in Foreign Labor Certification Programs, Report No. 06-21-001-03-321 (November 13, 2020), available at: https://www.oig.dol.gov/public/reports/oa/2021/06-21-001-03-321.pdf

rules created challenges regarding DOL's responsibilities, specifically, implementing employer attestation programs. Additionally, the Department continues to have limited authority over the H-1B and PERM programs, which challenges the goal of protecting the welfare of the nation's workforce.

The statute limits DOL's ability to deny H-1B applications and to investigate potential violations. Specifically, DOL may only deny incomplete and obviously inaccurate H-1B applications and has only limited authority to conduct H-1B investigations in the absence of a complaint. DOL established a process for information-sharing between U.S. Citizenship and Immigration Services and WHD related to Secretary-certified H-1B investigations. The PERM program itself is persistently vulnerable to employers not complying with its qualifying criteria. Therefore, both the PERM and H-1B programs remain prone to fraud.

The H-1B visa program, which allows U.S. employers to temporarily hire foreign workers in specialty occupations such as software engineers, software developers, or systems analysts, has significant vulnerability. OIG investigations have shown the H-1B visa program is susceptible to significant fraud and abuse by certain immigration agents, attorneys, labor brokers, employers, and organized criminal enterprises. One reason for this is the statutory requirement that the Department certify H-1B visa applications within a short 7-day window unless it determines the applications to be "incomplete or obviously inaccurate."[41] The OIG continues to investigate and discover various fraud schemes within the H-1B program, including labor leasing,[42] benching of foreign workers,[43] and wage kickbacks.[44] In addition, WHD is generally limited by statute[45] to conducting investigations of alleged H-1B violations only when a complaint has been filed. That puts tremendous pressure on and increases the risk for vulnerable individuals as foreign workers are generally reluctant to file complaints in fear of retaliation and losing their jobs.

The H-2B program, which allows U.S. employers to hire foreign workers for temporary or seasonal jobs, has seen rising demand while the availability of visas remains limited. The increase in applications impacts DOL's ability to process applications in a timely manner. These increases can temporarily overload FLC's case processing and increase the risk of delays. DOL is challenged to balance a thorough review of H-2B visa applications with the need to timely process these applications to meet workforce demands.

PERM, which allows employers to hire foreign workers on a permanent basis in the United States, is another program that predominantly relies on attestations to verify whether employers are complying with its qualifying criteria. Once PERM visa applications are certified, ETA does not review applications post-adjudication—unlike the H-2A and H-2B programs—to validate the integrity of employers' attestations. Furthermore, WHD does not have investigatory authority in the PERM program and does not conduct follow-up investigations to verify whether the foreign workers are still working for those employers indicated in the original application.

[41] According to 8 U.S.C. § 1182(n) and (t)

[42] Labor leasing is when workers are provided to a third party that usually offers limited or no benefits to the workers and for a limited time.

[43] Benching of foreign workers is when employers, during a period of low productivity or otherwise slow business, refuse to pay foreign workers their wages, also known as "benching" them.

[44] Wage kickbacks are when third-party placement firms obtain H-1B workers and pay them lower wages than what U.S. employers would have paid. Moreover, this arrangement does not meet the employer-employee relationship required by U.S. Citizenship and Immigration Services whereby H-1B beneficiaries are being used to supplement needs of staffing companies to fulfill contracts at various end client users with little to no oversight by the petitioning employer.

[45] Under the Immigration and Nationality Act, before the Secretary may investigate an employer of H-1B workers, the Secretary must either: (a) have already found an employer to have willfully failed to meet the statutory requirements or (b) receive specific credible information from a known source likely to have knowledge of an employer's non-compliance or willful violations.

Department's Progress

According to the Department, as part of its technology modernization initiative, the Foreign Labor Application Gateway (FLAG) system and SeasonalJobs.dol.gov website were developed to: (1) replace the legacy iCERT System, (2) improve customer service, and (3) modernize the administration of FLC programs. Employers can electronically file applications and upload documents into FLAG, the Department's case management system, which issues all decisions on employers' applications electronically from DOL to the U.S. Department of Homeland Security (DHS). According to DOL, the FLAG system also enhanced data sharing between the Department and state workforce agencies.

The SeasonalJobs.dol.gov website is an online portal to help job seekers identify and apply for open seasonal and temporary jobs under the H-2A and H-2B visa programs. In addition to providing more search capabilities that tailor results to the geographic location of U.S. workers, the website was designed to integrate employment postings with third-party job search websites to make these job opportunities more accessible to job seekers.

As of June 2023, ETA has transitioned the PERM application process to the FLAG system and updated the PERM application forms. According to WHD, DOL has established a process to initiate Secretary-certified H-1B investigations and entered into a memorandum of agreement with DHS. The memorandum of agreement allows DHS to share data and U.S. Citizenship and Immigration Services referrals of suspected violations of the terms of H-1B labor condition applications with WHD.

According to Department officials, every year since FY 2016, the Department has requested authorization through its annual budget formulation process to establish and retain fees to cover the operating costs for FLC programs. This proposal aligns DOL with the funding structures used by DHS and the U.S. Department of State to finance their application-processing activities related to these programs. Having a similar model for foreign labor certifications at DOL would eliminate the need for Congressional appropriations and create a funding structure responsive to market conditions.

What Remains to Be Done

For all FLC programs, the Department needs to:

- Refer all potentially criminal violations to the OIG in a timely manner.
- Enhance the reporting and application of suspensions and debarments government-wide when employers are found culpable of abusing the programs.
- Pursue statutory and regulatory authority to strengthen its ability to debar employers who abuse these programs.

For the H-1B visa program, the Department needs to:

- Take action to protect U.S. workers from any adverse effects on wages and working conditions caused by employing H-1B visa holders.[46]
- Seek statutory authority to verify the accuracy of information provided on H-1B labor condition applications.

For the H-2B visa program, the Department needs to:

- Continue its efforts to ensure applications are processed in time to hire foreign workers by employers' dates of need while also ensuring the review process protects the interests of U.S. workers.

[46] As required of DOL and DHS, according to Executive Order 13940, issued on August 3, 2020.

For the PERM visa program, the Department needs to:

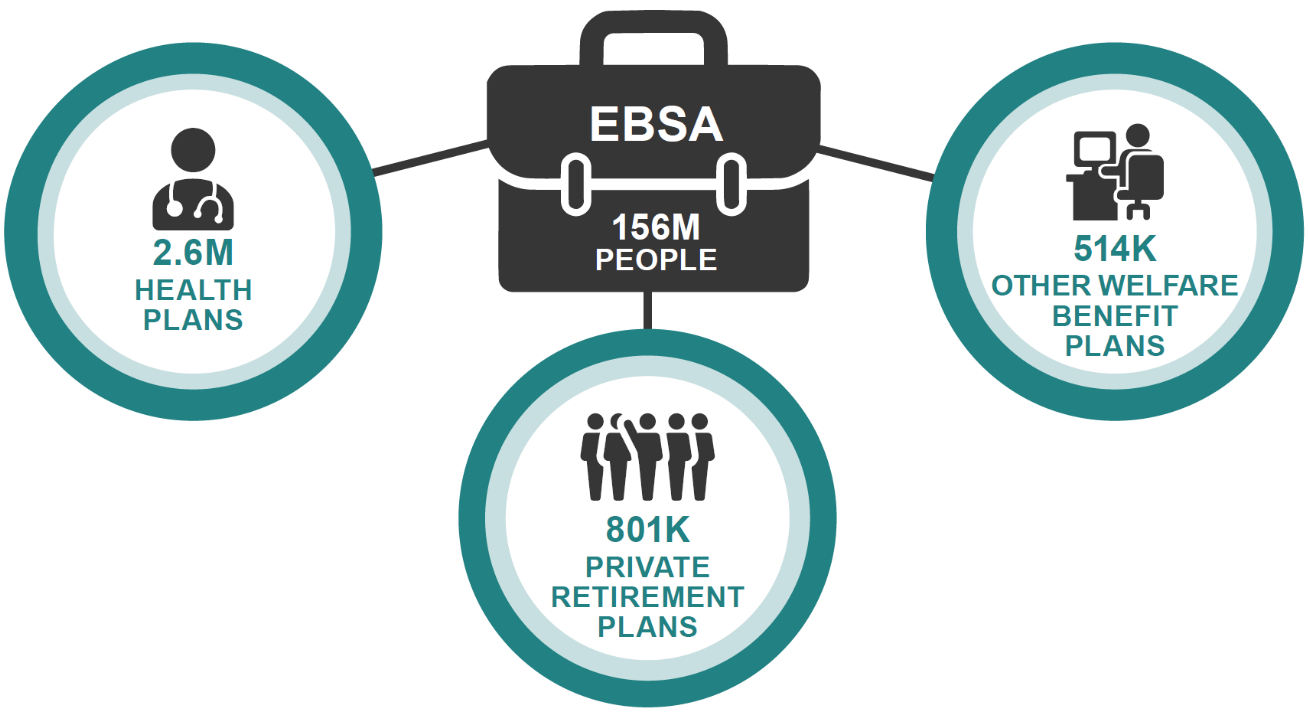
- Perform post-adjudication reviews to validate the integrity of employers' attestations once applications have been certified since the majority of the applications are submitted for review without documentation to prove or support employers' attestations.
- Investigate whether PERM workers are still working for the employers designated in the applications.

CHALLENGE: Protecting Retirement, Health, and Other Benefit Plans for Workers, Retirees, and Their Families

Background

The Employee Benefits Security Administration (EBSA) protects the integrity of pension, health, and other employee benefit plans of about 156 million workers, retirees, and their families under the Employee Retirement Income Security Act of 1974 (ERISA).[47] The agency's responsibilities include enforcement authority over approximately 2.6 million health plans, 801,000 private retirement plans, and 514,000 other welfare benefit plans, which altogether hold approximately $13.6 trillion in assets. It also has interpretive and regulatory responsibilities for Individual Retirement Accounts, which hold about $14.3 trillion in assets.

Additionally, EBSA provides oversight of the federal government's Thrift Savings Plan (TSP), the largest defined contribution retirement plan in the United States, with nearly 7.1 million federal employees and uniformed military service members participating and $927 billion in assets according to EBSA as of July 31, 2024.[48]

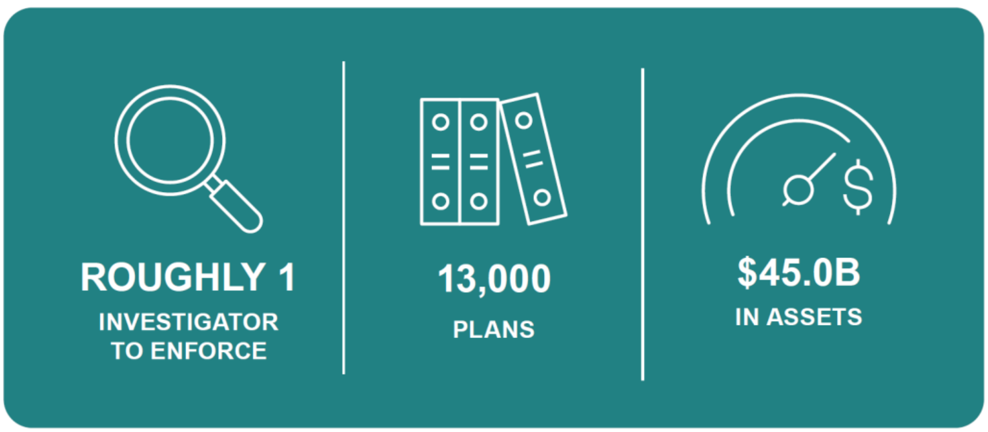


[47] ERISA is a federal law that sets minimum standards for most voluntarily established retirement and health plans in private industry to protect individuals in these plans.
[48] The total value of TSP assets fluctuates over time and is affected by market volatility. For example, per EBSA, the TSP financial statement's asset value was $726 billion as of December 31, 2022, as compared to $927 billion as of July 31, 2024.

Challenge for the Department

EBSA faces the challenge of how to allocate limited resources in a way that will maximize its efforts. For example, at current staffing levels, EBSA has the enforcement capacity of roughly 1 investigator for every 13,000 plans and $45 billion in assets. This challenge is especially significant given the necessity of being able to quickly adapt to fast-paced market conditions, new and emerging retirement investment options (e.g., cryptocurrencies), and regulatory changes affecting ERISA-covered plans. These regulatory changes include:

- Congress' creation of a new class of plan sponsor (pooled plan providers) in 2019;
- the Consolidated Appropriations Act of 2021's comprehensive amendments to ERISA, which translated into fundamental changes to laws governing:
    - surprise medical bills,
    - price transparency,
    - fee disclosure,
    - prescription drug coverage reporting,
    - air ambulance reporting, and
    - parity in the provision of mental health and substance use disorder benefits; and
- requirements mandated by the SECURE 2.0 Act of 2022.



EBSA also faces the challenge of ensuring private-sector group health plans—which cover approximately 135.6 million workers and their families—comply with federal health insurance regulations. This includes the Mental Health Parity and Addiction Equity Act of 2008, which requires most plans and health insurance companies to cover mental health and substance use disorder benefits in parity with the way they cover benefits for physical health. This is critical as workers suffering from mental health and substance use disorder conditions could be economically and socially disadvantaged with limited resources to access and pay for care when benefits have been improperly denied or limited. The OIG is currently examining the extent of EBSA's enforcement of mental health parity laws and regulations and plans to issue a report in FY 2025.

EBSA is further challenged because it has no statutory authority to force certain plans to conduct full-scope audits, which provide significantly stronger assurances than limited-scope audits. Past OIG work[49] revealed that approximately $3 trillion in pension assets—including an estimated $800 billion to $1.1 trillion in hard-to-value alternative investments—received only limited-scope audits. According to EBSA, the pension asset amount increased to $5.3 trillion as of 2022. Independent public accountants performing these limited-scope audits generally were not required to audit investment information

[49] EBSA Needs to Provide Additional Guidance and Oversight to ERISA Plans Holding Hard-to-Value Alternative Investments, Report No. 09-13-001-12-121 (September 30, 2013), available at: https://www.oig.dol.gov/public/reports/oa/2013/09-13-001-12-121.pdf

already certified by certain banks or insurance carriers, which meant the independent public accountants expressed "no opinion" on the valuation of these assets.

Because limited-scope audits provide little to no confirmation regarding the actual existence or value of plan assets, they deliver weak assurance to plan participants while putting retirement plan assets at great risk. According to EBSA, over 80 percent of plan audits are limited-scope audits. Though this percentage has remained generally stable in the last 10 years, it is markedly higher than in the early 2000s, when closer to half of plan audits were limited-scope. In 2019, the American Institute of Certified Public Accountants replaced limited-scope audits with ERISA Section 103(a)(3)(C) audits and imposed new performance requirements on plan management and auditors. However, it is unclear how these changes impact EBSA's oversight of the vast amount of pension assets it oversees. In FY 2025, the OIG plans to follow up on our previous work on EBSA's oversight of limited-scope audits.

Additionally, EBSA has limited legal authority to enforce its oversight of $927 billion in TSP assets and to compel the Federal Retirement Thrift Investment Board (the Board), which administers the TSP, to act on EBSA's recommendations, including significant recommendations related to cybersecurity. While EBSA has worked with the Board to improve the TSP's cybersecurity posture, a significant portion of the TSP's infrastructure was recently transferred to an outside third-party vendor. Accordingly, EBSA may need to take additional action to ensure TSP assets, accounts, and data are adequately protected. Due to the threat cybersecurity breaches pose to the TSP and potentially trillions of dollars in other ERISA-covered retirement plan assets—and due to the technical expertise required to assess plan security—this is a crucial management challenge as well.

Department's Progress

EBSA is currently reviewing plans for compliance, which include using a service provider approach to correct violations. In addition, to address cybersecurity risks, EBSA developed a red flag analysis tool and investigative plan to identify vulnerabilities to cyberattacks. EBSA also issued extensive guidance aimed at improving cybersecurity in private retirement plans and routinely includes cybersecurity inquiries as part of its investigations of ERISA-covered plans, such as retirement plans. It has also been working with TSP staff to conduct joint cybersecurity reviews, which has strengthened the TSP's cybersecurity posture.

What Remains to Be Done

Regarding the challenge of protecting retirement, health, and other benefit plans for workers, retirees, and their families, EBSA needs to:

- Continue to explore options to maximize the impact of its constrained resources to carry out the type and number of investigations, audits, reviews, and compliance assistance activities necessary to best protect workers' pensions, health, and other benefits.
- Effectively protect federal employees' retirement assets by seeking amendments to the Federal Employees' Retirement System Act of 1986 that would broaden its enforcement authority and thus compel the Board to implement its audit recommendations regarding the TSP.
- Pursue legislative repeal of the limited-scope audit exemption for meaningful oversight and greater protection of the trillion-plus dollars' worth of assets in retirement plans. Limited-scope audits, as opposed to full-scope audits, offer participants weak assurance of plan asset values. With the proliferation of pension plan assets subject only to limited-scope audits, retirement investments are at much greater risk of loss in value.

CHALLENGE: Providing a Safe, Secure, and Healthy Learning Environment at Job Corps Centers

Background

The Job Corps program provides room and board to most of its students at more than 120 Job Corps centers across the country and is responsible for the safety, security, and health of its on-campus population.

Challenge for the Department

The Job Corps program faces challenges in maintaining a safe, secure, and healthy learning environment for its students and staff. Previous OIG audits[50] have found a wide range of safety and security issues at Job Corps centers, including security staff shortages and failure to report and investigate serious student misconduct such as drug abuse and assaults. We also found some Job Corps centers downgraded incidents of violence to lesser infractions, creating an unsafe environment for students and staff.

In PY 2022, Job Corps centers reported almost 1,300 on-campus assaults, or approximately 4.66 assaults[51] per 100 students. Preventing on-campus violence and other potentially criminal behavior remains a significant challenge for Job Corps centers. The OIG will soon resume an audit focused on whether Job Corps ensured the safety of and mitigated program disruptions involving its minor students, who can be living on campus with adults up to age 27.[52]

In addition to physical security protocols, part of establishing a safe, secure, and healthy learning environment entails Job Corps considering how the program can better serve students facing difficulties, such as those attributed to mental health challenges and substance abuse, which frequently occur in tandem. Our audit from 2021[53] found center personnel frequently attributed student and staff safety issues to mental health challenges or substance abuse or both. Moreover, the number of students experiencing these issues has steadily increased over time.

The use of fentanyl and other dangerous drugs is also a concern. In PY 2022, six Job Corps students died of suspected unintentional drug overdoses, including three on campus. The OIG continues to monitor various safety initiatives and actions taken by Job Corps to keep students and staff safe.

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[50] Job Corps Needs to Improve Enforcement and Oversight of Student Disciplinary Policies to Better Protect Students and Staff at Centers, Report No. 26-15-001-03-370 (February 27, 2015), available at: https://www.oig.dol.gov/public/reports/oa/2015/26-15-001-03-370.pdf; and Review of Job Corps Center Safety and Security, Report No. 26-17-001-03-370 (March 31, 2017), available at: https://www.oig.dol.gov/public/reports/oa/2017/26-17-001-03-370.pdf

[51] Job Corps defines an assault as "taking a physical action with the intent to cause immediate bodily harm to another person unless taken in immediate response to another person taking such an action with the intent to prevent its continuation."

[52] Individuals aged 16 through 24 years are eligible to enroll in Job Corps and, once enrolled, can be in training for up to 3 years before finishing the program.

[53] Job Corps Should Improve Its Pre-Admission Evaluation Process, Report No. 05-21-001-03-370 (March 25, 2021), available at: https://www.oig.dol.gov/public/reports/oa/2021/05-21-001-03-370.pdf

Department's Progress

In response to our audits, Job Corps has taken steps to improve center safety and security by establishing stronger internal controls and security measures, which included the installation of security cameras, perimeter fencing, and better lighting at centers.

To help prevent opioid overdoses, Job Corps developed an emergency response strategy in 2023 requiring that Narcan[54] and other life-saving devices be readily available on campus. Additionally, it requires all staff and students to be trained in how to identify an opioid overdose and administer Narcan.

Job Corps has also been performing an ongoing assessment of centers for safety and security risks to allow it to prioritize and address those risks. It is seeking to align its center security standards with the standards of college campuses, which include installing video surveillance, access control, and emergency notification systems. Job Corps officials indicated the program is seeing fewer security-related incidents, while its center entry screening process has been successful in catching students who attempt to bring unauthorized goods, including weapons, on campus.

What Remains to Be Done

To advance health, safety, and security measures for its students and staff on-site at its centers, Job Corps needs to continue to:

- Ensure existing policies and procedures are periodically reviewed and monitored for compliance.
- Ensure center operators and regional office personnel fully enforce Job Corps safety and security policies to improve campus security and control violence.

To inform agency decision-making and to assess the impact of proposed, planned, and implemented security reforms, Job Corps needs to continue to:

- Timely identify and remediate noncompliance.

[54] Narcan (generic Naloxone) is a lifesaving emergency treatment that can reverse the effects of an opioid overdose if administered quickly.

CHALLENGE: Managing Medical Benefits in the Office of Workers' Compensation Programs

Background

The Department's Office of Workers' Compensation Programs (OWCP) provides compensation and medical benefits to workers for employment-related injuries or occupational diseases. During FY 2023, OWCP paid medical benefits in the amounts of $760 million under the Federal Employees' Compensation Act (FECA) and approximately $1.1 billion for home health care under the Energy Employees Occupational Illness Compensation Program Act (Energy).

Challenge for the Department

OWCP is challenged to address the inherent high risk of fraud, waste, and abuse as it manages medical benefits in its workers' compensation programs. This challenge includes effectively managing the use and cost of pharmaceuticals in the FECA program. Similar to agencies DOL-wide, OWCP is challenged by flat budgets and rising costs that reduce the resources it has to ensure timeliness in processing claims and the necessity and appropriateness of home health care costs in the Energy program.

Our audit work in the FECA program has identified numerous concerns with OWCP's management of pharmaceuticals. Most recently, in March 2023,[55] we reported OWCP did not effectively manage pharmaceutical spending in the FECA program from FY 2015 through FY 2020. We found OWCP did not pay the best available prices for prescription drugs, which resulted in up to $321 million in excess spending during the audit period. We also found OWCP did not timely identify and address emerging issues, which resulted in OWCP spending hundreds of millions of dollars on drugs that may not have been necessary or appropriate for FECA claimants.

For the Energy program, in May 2024,[56] we reported OWCP could improve its medical claims processing. For example, we found OWCP did not use complete information to measure and publicly report how long it took to make claims decisions, from start to finish. This distorted the perception of how long claimants waited for decisions needed to receive compensation and medical expense coverage. Our analyses showed wait times for final decisions increased from an average of 182 days in FY 2018 to 207 days in FY 2022, even though the volume of final decisions dropped. In addition, annual home and residential health care costs have risen from almost $100 million in FY 2010 to approximately $1.1 billion in FY 2023. With an aging claimant population and an increased demand for home health care services, there is potential for providers to exploit these benefits through unethical practices.

Department's Progress

OWCP has taken actions to better manage pharmaceuticals in the FECA program. For instance, OWCP started requiring prior authorizations for specialty and compounded drugs and enhanced its opioid policies to include drug utilization reviews and quantity limits on fills and refills. In 2021, OWCP contracted with a pharmacy benefit manager[57] to be responsible for pharmaceutical transactions, including implementation of FECA eligibility determinations and pricing for prescription drugs. These actions have resulted in a significant reduction to overall pharmaceutical spending—from $436 million in FY 2016 to $55.8 million in FY 2023—and practically eliminated spending on compounded drugs in the FECA program (see Figure 4).

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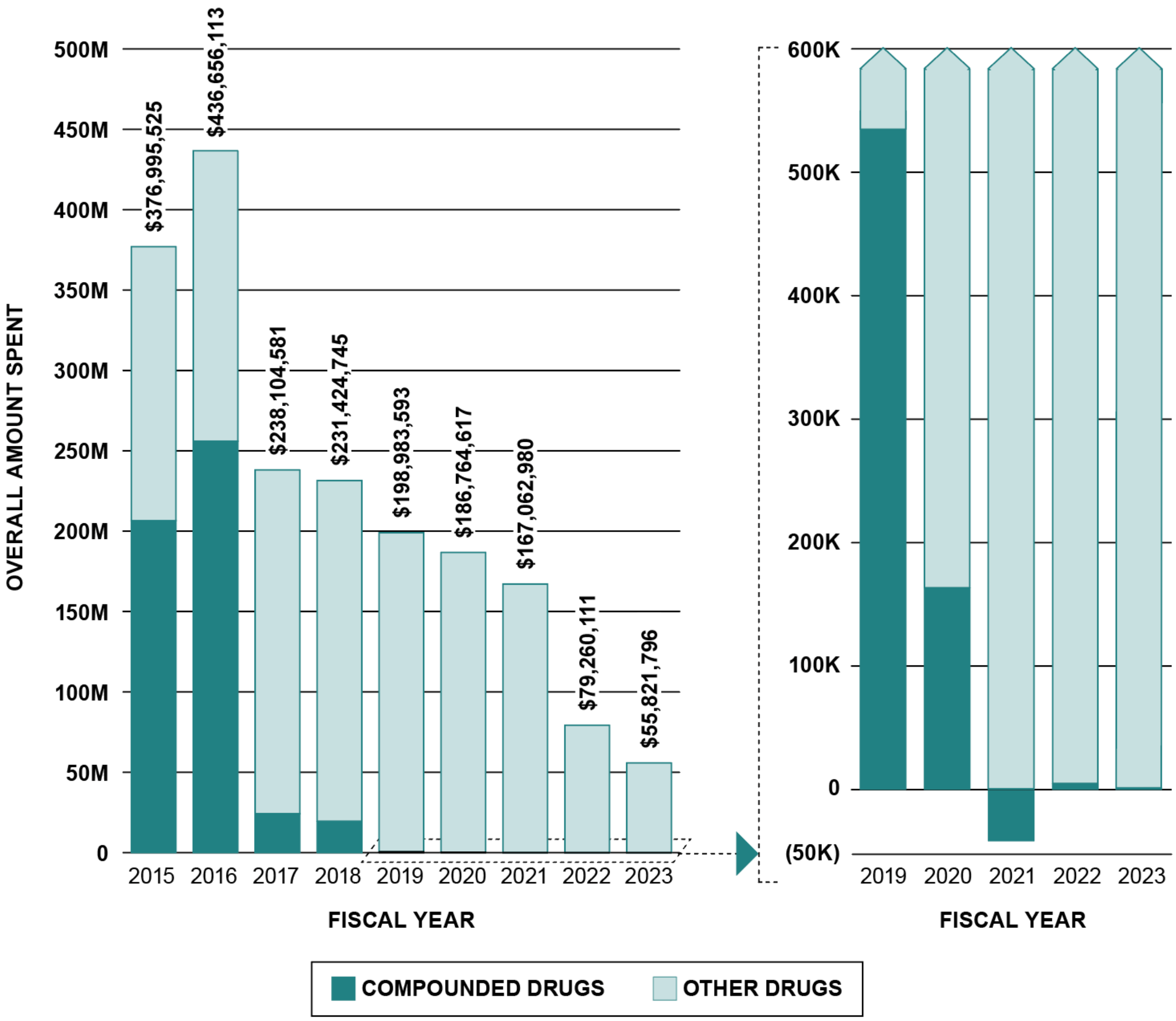
[55] OWCP Did Not Ensure Best Prices and Allowed Inappropriate, Potentially Lethal Prescriptions in the FECA Program, Report No. 03-23-001-04-431 (March 31, 2023), available at: https://www.oig.dol.gov/public/reports/oa/2023/03-23-001-04-431.pdf

[56] OWCP Could Improve Its Existing Guidelines for Processing DEEOIC Claims, Report No. 09-24-001-04-437 (May 2, 2024), available at: https://www.oig.dol.gov/public/reports/oa/2024/09-24-001-04-437.pdf

[57] Pharmacy benefit managers are third-party administrators of prescription drug programs, primarily responsible for: (1) developing and maintaining formularies, which include an approved listing of prescriptions; (2) negotiating discounts and rebates with drug manufacturers; and (3) processing and paying prescription drug claims.

Figure 4: OWCP's Reduced FECA Pharmaceutical Spending



Source: OIG analysis of FY 2017–2023 FECA pharmaceutical data as of August 8, 2024. Data for FY 2015–2016 provided by OWCP.

For the Energy program, OWCP is working to improve the timeliness of performance metrics for its claims processing. In addition, OWCP continues to analyze and audit home health care billing practices in the Energy program for the purpose of modifying billing rules and policies when it uncovers abusive practices.

In 2023, OWCP contracted with another pharmacy benefit manager to cover pharmaceutical transactions for both the Energy and Black Lung programs. In 2025, OWCP plans to award a comprehensive pharmacy benefit manager contract—covering prescription drugs, durable medical equipment, and diagnostic services—for all four of its programs: FECA, Energy, Black Lung, and Longshore.

What Remains to Be Done

To more effectively manage medical benefits in its workers' compensation programs, OWCP needs to:

- Determine the best practices insurance providers and other federal, state, and local agencies have adopted to successfully manage medical costs and identify those that might be most suitable for its own programs.
- Expand its use of data analytics to monitor medical costs and identify risks, trends, and emerging issues before they become critical issues.
- Monitor closely the performance of its pharmacy benefit manager contractor(s) to ensure appropriate price and savings.

For the FECA program, OWCP needs to:

- Continue to analyze and monitor FECA costs to promptly detect and address problems given the high risk of fraud and abuse related to prescription payments.
- Evaluate alternate pricing methodologies and other sources regularly and update its pricing methodology as appropriate to ensure competitive prices.
- Continue to monitor the effectiveness of policy and process changes related to claimant prescriptions to ensure appropriate implementation.

For the Energy program, OWCP needs to:

- Revise its "average number of days to issue a final decision" metric to include remand time,[58] show it is regularly assessing progress toward meeting performance metrics and goals related to processing claims from start to finish, and publicly report results.
- Regularly analyze home health care billings for unethical practices and refer instances involving potential fraud or abuse to the OIG for further investigation.

CHALLENGE: Managing and Securing Data and Information Systems

Background

The Department and its program agencies depend on reliable and secure IT systems to perform their mission critical functions. These systems maintain critical and sensitive data related to financial activities, enforcement actions, job training services, pensions, welfare benefits, and worker safety and health. In FY 2024, DOL invested an estimated $807 million in IT to implement services and functions needed to safeguard the U.S. workforce.

Between 2019 and 2021, the Department moved from its decentralized IT management and operations to an IT shared services model that centralized IT for approximately 70 percent of its information systems under the Office of the Assistant Secretary for Administration and Management. Currently, the information systems of the Bureau of Labor Statistics, Office of Job Corps, Office of Inspector General, and Office of the Chief Financial Officer are only partially integrated into DOL's IT Shared Services.

Challenge for the Department

The Department continues to be challenged in securing and managing data and information systems, particularly in the following areas: (1) maintaining an effective information security program and (2) ensuring the Chief Information Officer is able to represent the IT needs of the Department at executive level function area discussions.

[58] The time a claims examiner takes to perform additional development for a claim is referred to as "remand time."

While the Department has moved its information systems to a centralized IT shared services model to improve the management and security of its systems, DOL remains challenged to adequately implement information security controls and technology tools required to manage and monitor IT security. In our 2024 audit of DOL's information security program,[59] the Department's IT security program was assessed overall as not effective according to the CyberScope rating.[60] This rating is based on the Department's challenges in identifying security weaknesses, protecting its systems and data, and recovering from incidents.

In addition, we have continuing concerns about the Department's IT governance. The Department consolidated approximately 70 percent of its IT and resources under the Assistant Secretary for Administration and Management as part of an IT shared services model. We are still concerned the remaining systems and agencies that are not part of DOL's IT Shared Services environment are not receiving the governance and oversight required to sufficiently secure all of DOL's data and information systems. Furthermore, the Department has not ensured the Chief Information Officer is a leading member with voting rights of DOL's executive strategy and management boards and committees.

Department's Progress

The Department has shown improvement in managing and securing IT as part of its shared services model. DOL continues to implement new IT programs and systems designed to strengthen security operations, such as expanding its vulnerability scanning coverage. To better manage resources and projects by modernizing, securing, and consolidating IT, the Department has reorganized some of its IT resources and capabilities into a shared services environment under the Office of the Assistant Secretary for Administration and Management. This effort includes realigning information processes and personnel.

What Remains to Be Done

The Department needs to improve its governance and management over all DOL agencies' IT and systems. To improve the security of its information systems, the Department needs to:

- Strengthen its oversight in implementing information security policies, procedures, and controls.
- Focus on recurring information security deficiencies.
- Ensure the implementation of security requirements with its third-party cloud systems and IT services.

While DOL has implemented a shared services model within the Office of the Assistant Secretary for Administration and Management for its IT, to improve the management of its information systems, the Department needs to:

- Incorporate the remaining information systems into DOL's IT Shared Services model.
- Ensure the Chief Information Officer is a leading member with voting rights of DOL's executive strategy and management boards and committees.

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[59] Under the Federal Information Security Modernization Act of 2014 (FISMA), the OIG is required to perform annual independent evaluations of the Department's information security program and practices.

[60] CyberScope, operated by DHS on behalf of the Office of Management and Budget, is a web-based application designed to streamline IT security reporting for federal agencies. It gathers and standardizes data from federal agencies to support FISMA compliance. The rating of "not effective" was based on a calculated score of the individually assessed maturity levels for the FY 2024 Core Inspector General Metrics and Supplemental Metrics Group 2.

Summary of Financial Statement Audit and Management Assurances

The tables provide a summary of DOL's FY 2024 financial statement audit and its management assurances.

Summary of Financial Statement Audit					
Audit Opinion	Modified				
Restatement	No				
Material Weaknesses	Beginning Balance	New	Resolved	Consolidated	Ending Balance
Improvements Needed in Controls Over Financial Reporting Related to Unemployment Trust Fund Balances and Activity	1	0	0	0	1
Total Material Weaknesses	1	0	0	0	1
Significant Deficiency	Beginning Balance	New	Resolved	Consolidated	Ending Balance
Total Significant Deficiencies	0	0	0	0	0

Summary of Management Assurances						
Effectiveness of Internal Control over Financial Reporting (FMFIA § 2)						
Statement of Assurance	Unmodified					
Material Weaknesses	Beginning Balance	New	Resolved	Consolidated	Reassessed	Ending Balance
Improvements Needed in Controls Over Financial Reporting Related to Unemployment Trust Fund Balances and Activity	1	0	0	0	0	1
Total Material Weaknesses	1	0	0	0	0	1
Effectiveness of Internal Control over Operations (FMFIA § 2)						
Statement of Assurance	Unmodified					
Material Weaknesses	Beginning Balance	New	Resolved	Consolidated	Reassessed	Ending Balance
Total Material Weaknesses	0	0	0	0	0	0
Conformance with Financial Management System Requirements (FMFIA § 4)						
Statement of Assurance	Systems conform to financial management system requirements					
Non-Conformances	Beginning Balance	New	Resolved	Consolidated	Reassessed	Ending Balance
Total Non-Conformances	0	0	0	0	0	0
Compliance with Federal Financial Management Improvement Act (FFMIA)						
	Agency			Auditor		
1. System Requirements	No lack of substantial compliance noted			No lack of substantial compliance noted		
2. Accounting Standards	No lack of substantial compliance noted			No lack of substantial compliance noted		
3. United States Standard General Ledger (USSGL) at Transaction Level	No lack of substantial compliance noted			No lack of substantial compliance noted		

Payment Integrity

The Payment Integrity Information Act (PIIA) of 2019 (3/02/2020) requires Federal agencies to identify and reduce improper payments (IP) and report annually on their efforts according to guidance promulgated by the Office of Management and Budget (OMB): OMB Circular A-123 Appendix C (3/05/2021) and OMB Circular A-136 (5/30/2024). For FY 2024 reporting, OMB indicated in A-136 that "*Each Executive Branch agency must complete the Annual Data Call issued by OMB and provide a link to PaymentAccuracy.gov in their AFR or PAR. The Data Call helps to fulfill reporting requirements under the Payment Integrity Information Act of 2019 (Pub. L. No. 116-117) (PIIA) and provides the public with comprehensive improper payment data and information on PaymentAccuracy.gov.*" All applicable reporting requirements, including details regarding the Federal-State Unemployment Insurance program's internal recovery audit program have been reported to OMB in the Annual Data Call and OMB reporting may be found at *PaymentAccuracy.gov*. DOL programs did not use a "recovery audit contractor" and therefor received no recommendations to report.

High-Priority Program: Unemployment Insurance (UI) Program Integrity

UI HISTORICAL IP SUMMARY

Fiscal Year	Outlays Amount ($M)	Improper Payment Amount ($M)	Payment Accuracy Rate	Improper Payment Rate
2004	$37,335.00	$3,861.00	89.66%	10.34%
2005	$32,248.00	$3,267.00	89.87%	10.13%
2006	$30,976.00	$3,376.00	89.10%	10.90%
2007	$31,530.00	$3,248.00	89.70%	10.30%
2008	$42,430.00	$4,226.00	90.04%	9.96%
2009	$119,249.00	12,283.00	89.70%	10.30%
2010	$156,000.00	$17,472.00	88.80%	11.20%
2011	$114,140.00	$13,697.00	88.00%	12.00%
2012	$90,160.00	$10,296.00	88.58%	11.42%
2013	$66,788.00	$6,225.00	90.68%	9.32%
2014	$48,411.88	$5,604.16	88.42%	11.58%
2015	$32,895.31	$3,530.16	89.27%	10.73%
2016	$32,524.19	$3,788.09	88.35%	11.65%
2017	$32,530.00	$4,065.92	87.50%	12.50%
2018	$28,690.00	$3,743.47	86.95%	13.05%
2019	$26,910.00	$2,855.15	89.39%	10.61%
2020	$86,866.54	$7,963.92	90.83%	9.17%
2021	$412,964.60	$77,282.20	81.08%	18.71%
2022	$85,235.60	$18,342.70	77.80%	21.52%
2023	$28,149.28	$4,173.98	83.53%	14.83%
2024	$35,196.61	$5,073.24	84.05%	14.41%

DOL has one program designated as high-priority under OMB guidance – the Federal-State Unemployment Insurance program (UI). The UI program provides partial wage replacement for eligible unemployed workers who become unemployed through no fault of their own and meet certain other eligibility requirements under Federal and state law. 53 state UI agencies administer their own UI program under guidelines established by federal statute. States establish their own UI eligibility requirements for the state UI program under state UI law and in compliance with Federal minimum standards and are responsible for reviewing all applications, collecting state UI taxes, determining eligibility, establishing weekly benefit amounts, making all benefit payments, and preventing improper payments. UI is a weekly benefit and eligibility is determined for each week claimed.

DOL bases the Federal-State UI improper payment estimates on results of the Benefit Accuracy Measurement (BAM) survey, which examines a nationwide statistically valid sample of payments made in the three largest permanently authorized unemployment compensation programs: State UI program, Unemployment Compensation for Federal Employees (UCFE), and Unemployment Compensation for Ex-service members (UCX). The BAM sample does not include payments made under episodic programs such as Extended Benefits (EB) and temporary programs like the Emergency Unemployment Compensation (EUC) program and the UI-related programs created by the Coronavirus Aid, Relief, and Economic Security Act of 2020, including Pandemic Unemployment Assistance (PUA), Pandemic Emergency Unemployment Compensation (PEUC), Federal Pandemic Unemployment Compensation (FPUC), and Mixed-Earners Unemployment Compensation (MEUC) programs. As a result, the $35,196.6M in reported outlays for 2024 include $34,949.69M in outlays from the regular Federal-State UI program and $246.92M in outlays from the UCFE and UCX programs.

The period of benefits coverage for all pandemic-related UI programs, including PUA, PEUC, FPUC, and MEUC, expired in law on September 6, 2021, though some states stopped offering these benefits prior to that date. States continued to work backlogs, adjudicate and pay benefits, resolve appeals, and determine and collect overpaid benefits under these temporary programs in the current reporting period. Several pandemic-related UI programs report negative outlays, which is due to states' ongoing overpayment recovery efforts. Since the total outlays for each of the pandemic-related programs were less than $10,000,000, no specific data is reported on PaymentAccuracy.gov for these programs. These negative outlays were not used to artificially reduce normal UI program reported outlays nor impact IP estimates. However, for transparency purposes, DOL is reporting the 2024 program outlays for the pandemic-related UI programs and other temporary and episodic UI programs here:

EB = $12.06M
EUC = $0.14M
FPUC = $-1,852.87M
MEUC = $0.43M
PEUC = $-269.75M
PUA = $-1,737.83M

The PUA program was determined "susceptible" in FY21. DOL submitted a Sampling and Estimation Methodology Plan (S&EMP) for estimating the PUA program's improper payment rate and amount to the Office of Management and Budget (OMB) on June 30, 2022. In October 2022, OMB requested that DOL conduct further analysis of the outcomes recorded through the PUA case review process. OMB and DOL agreed to collaborate in conducting this additional analysis. In direct collaboration with OMB, the Employment and Training Administration (ETA) updated the PUA S&EMP. OMB accepted the update and DOL published information on the methodology and the IP estimation on August 21, 2023.

FY23 Payment Integrity reporting for PUA was census reporting covering the full life of the weeks of eligibility of the program from its beginning through its expiration in law on September 6, 2021 (though many states terminated the program earlier). Because the program is expired in law and no longer active, no further payment integrity action is possible, nor is it possible to provide an updated improper payment rate under the S&EMP. Consistent with the prior year's Agency Financial Report and PaymentAccuracy.gov reporting, DOL Office of Unemployment Insurance (OUI) determined that no further annual payment integrity in the PaymentAccuracy.gov is possible. In its PIIA compliance report, DOL-OIG recommended reporting PUA regardless. However, if DOL were to do so, it would result in reporting consisting almost entirely of "NA" responses since the program has expired. To address DOL-OIG's concern and to be transparent in sharing information, DOL is providing the outlays for FY 2024 in the PUA program. As noted above, the amount of the PUA outlays is $-1,737.83M. DOL would apply the previously estimated 18.53% IP rate, which was developed for the life of the PUA program, to any PUA outlays – however this is not applicable to negative outlays. DOL notified OMB of the decision to reclassify FPUC, PEUC, and PUA as Phase 0 and is not expected to provide further reporting under M-21-19.

In addition to estimating the UI improper payment rate, ETA produces data from the BAM survey identifying the top root causes of IP. The top root causes of UI improper payments for PIIA 2024 reporting (July 1, 2023 through June 30, 2024), were Work Search, Benefit Year Earnings (BYE), and Separation Issues IPs. The UI IP rate and amount will be published on PaymentAccuracy.gov and a historic summary is provided in the chart above. The UI program's reduction target for FY24 was 15.0%. For FY25, the reduction target is decreased to 14.25%.

The frequency and complexity of fraud attacks against state UC programs increased significantly during the COVID-19 pandemic, specifically occurrences of identity (ID) fraud. ID fraud occurs when one person or a group of persons uses the identifying information of another person to illegally receive benefits. ID fraud also occurs when an individual's UI account is taken over by a person or group and the benefit payments are re-directed to another account by changing data such as the bank account and/or address after the claim has been established. ID fraud also includes fictitious employer schemes.

State UI systems continue to be targeted by sophisticated and organized fraud, perpetrated by domestic and international criminal organizations. While states have implemented new solutions and services to identify and combat fraud, the fraud schemes continue to evolve to circumvent prevention and detection tools implemented by states. ETA is supporting states in strengthening UI program integrity and strongly encouraging states to use a multi-layered approach to combatting fraud, which requires states to adopt an array of strategies and tools to more effectively identify potentially fraudulent activity and prevent improper payments. ETA and state UI agencies also continue to work collaboratively with the Department's Office of Inspector General (OIG) and refer cases of UI fraud, waste, abuse, mismanagement, and misconduct to the Department's OIG for investigation and prosecution.

ETA remains fully committed to reducing IPs and combatting fraud in the UC programs and continues to make UI program integrity a top agency priority. ETA maintains a UI Fraud Risks Profile in alignment with GAO's Fraud Risks Framework, and ETA updates this profile, as appropriate, to add new risks and mitigation strategies. ETA develops, updates, and oversees implementation of a robust and dynamic UI Integrity Strategic Plan, which continuously evolves and includes innovative strategies to address emerging fraud risks, prevent and reduce UI improper payments, and recover benefits that were overpaid. ETA's FY 2024 efforts included providing guidance, technical assistance, and funding to support states in combatting fraud and reducing IP based on the top root causes of UI improper payments. ETA also invested in developing new and enhancing existing tools, datasets, and resources and made these available to aid states in more quickly identifying potential IP and fraud. ETA develops, updates, oversees, and communicates UI antifraud strategies and program integrity controls through its robust and dynamic UI Integrity Strategic Plan. While this plan provides a detailed accounting of ETA's FY 2024 actions, the plan is not made publicly available, as it contains sensitive information regarding the Department's UI fraud risk mitigation and improper payment reduction activities to strengthen UI program integrity.

Payment integrity information and IP estimation plans for UI can be found at:
https://oui.doleta.gov/unemploy/improp_pay.asp

Recovery of UI Overpayments

The UI Integrity Strategic Plan also includes UI overpayment recovery strategies and actions. ETA is committed to providing states with tools and resources to enhance UI overpayment recovery efforts.

With oversight from ETA, each state is responsible for promoting and maintaining UI program integrity through prevention, detection, investigation, establishment, and recovery of IP. States identify and establish overpayments for recovery using methods such as cross-matching with the State Directory of New Hires, the National Directory of New Hires, the UI Integrity Center's Integrity Data Hub, quarterly wage records submitted by employers, matches with databases such as Workers Compensation, incarceration records, and other sources such as tips and leads.

State UI laws provide for overpayment recovery and states are required to follow their individual state laws and policies in executing recovery efforts. ETA requires states to report quarterly on overpayment detection and recovery activities, including information on actual amounts of UI overpayments established and recovered. States are required to hold claimants liable to repay improperly received benefits and take an active role to recover IP. Overpayment recovery is critical to protect both state UI trust funds and federal funds and ETA has reminded states that overpayment recovery must be given the same priority as fraud prevention and detection activities. Many states may waive recovery of non-fraud overpayments when the overpayment is without fault of the individual and recovery would be against equity and good conscience pursuant to their state's law. States may also waive recovery of certain non-fraud overpayments under the Coronavirus Aid, Relief, and Economic Security (CARES) Act, as amended, in accordance with federal guidance (see Unemployment Insurance Program Letter (UIPL) No. 20-21 and 20-21, Change 1). Under no circumstances may a state waive recovery activities for a fraudulent overpayment.

ETA requires states to use the overpayment recovery tools listed below (with citations providing ETA with authority to require such actions):

- Benefit Offsets (Title II, Subtitle A of the Middle Class Tax Relief and Job Creation Act of 2012, UIPL No. 05-13, and Section 5 of UIPL No. 13- 20, Change 2));
- Treasury Offset Program (TOP) (Bipartisan Budget Act of 2013, UIPL Nos. 02-19, 12-14, and 04-20);
- Cross Program Offset Recovery Agreement (CPORA) (UIPL No. 05-13); and
- Interstate Reciprocal Offset Recovery Arrangement (IPORA) (UIPL No. 05-13).

ETA also strongly recommends states use the following additional overpayment recovery activities, where allowed by state law, as part of an effective overpayment recovery operation:

- Negotiating repayment plans;
- Accepting repayments through various methods (e.g., online, via debit/credit card);
- State Income Tax Offset Program;
- Wage garnishments;
- Property liens and assessments;
- Offsets of lottery winnings, homestead exemptions, and other benefits;
- Active participation in probate and/or bankruptcy proceedings regarding an individual with an outstanding overpayment;
- Skip tracing;
- Work proactively and collaboratively with banks and financial institutions to detect suspicious activity, ensure that accounts are not unduly suspended, and recover overpayments (UIPL No. 19-21);
- Civil actions;
- Credit bureau referrals;
- State/federal prosecution;
- Penalties and interest on overpayments in compliance with state and federal law;
- Collection agency referrals when state staff is limited, or debt is uncollectable by other means;
- Implementing a voluntary fraud self-disclosure program; and
- Other recovery methods as determined by state law or policy.

Federal Employee's Compensation Act Program

FECA HISTORICAL IP SUMMARY

Fiscal Year [1]	Outlays Amount ($M)	Payment Accuracy Rate	Improper Payment Amount ($M)	Improper Payment Rate
2004	$2,544.00	99.75%	$6.40	0.25%
2005	$2,519.00	99.88%	$3.00	0.12%
2006	$2,555.00	99.97%	$0.70	0.03%
2007	$2,654.00	99.90%	$2.60	0.10%
2008	$2,737.00	99.98%	$0.50	0.02%
2014	$2,894.37	97.50%	$72.36	2.50%
2015	$2,987.19	97.13%	$85.73	2.87%
2016	$3,001.24	96.46%	$106.32	3.54%
2017	$2,780.10	97.94%	$57.19	2.06%
2018	$3,047.10	97.56%	$74.37	2.44%
2019	$3,013.59	97.56%	$73.56	2.44%
2020	$2,960.22	97.66%	$69.21	2.34%
2021	$2,938.71	97.22%	$79.21	2.70%
2022	$2,923.31	96.86%	$88.46	3.03%
2023	$3,263.28	97.56%	$79.48	2.44%
2024	$3,625.11	97.66%	$84.91	2.34%

[1] FY2009-2013 not reported on *PaymentAccuracy.gov*.

The Office of Workers' Compensation - Federal Employees' Compensation Act (FECA) program provides workers' compensation coverage to approximately 2.6 million Federal and postal workers around the world for employment-related injuries and occupational diseases. FECA is committed to reducing IP by focusing on identifying questionable medical billing practices and implementing improved policies to reduce areas of vulnerabilities.

The IP rate component for non-fraudulent FECA payments was derived by random sampling with replacement. The sample sizes used (504 compensation payments and 504 medical payments, for a total of 1,008 payments) were selected and validated by the OWCP statistician to assure a 90% confidence interval with a precision of 2.5%. Each sampled payment was closely examined in accordance with program standards to determine whether or not it was proper. The absolute value of any IP found in the sample were totaled and projected to a dollar amount that represents the IP rate for the entire population. The extent of fraudulent payments is based on averaging actual restitution amounts and is reported on: *PaymentAccuracy.gov*.

The FECA IP Estimation methodology may be found at:
http://dolcontentdev.opadev.dol.gov/ocfo/media/reports/20180626IPMETHODOLOGY.pdf

FECA's Program Integrity Unit (PIU) identifies potential fraud through different types of audit procedures and utilizes standard data analytic protocols to evaluate the effectiveness of existing program controls. The PIU analyzes medical bill and compensation payments to verify proper payments are disbursed; reviews medical billing to help ensure the service for which reimbursement is sought was performed as described, necessary, appropriate and properly billed in accordance with accepted industry standards; reviews current program controls; makes recommendations for new controls; collaborates with the OIG community and Department of Justice when identifying civil false claims and prosecuting fraud; and works with the OIG community to reduce payment of inappropriate or inaccurately submitted claims and pursue recovery of funds for overpayments due to erroneous billing actions.


HELP FIGHT
FRAUD
WASTE
ABUSE
IT'S YOUR MONEY!
Office of Inspector General
U.S. Department of Labor
Misuse of U.S. Department of Labor Funds
Violations of Federal Procurement Regulations
Federal Workers' Compensation Fraud
Falsification or Forgery of Official Documents
Unemployment Insurance Fraud
Visa Certification Fraud
If you suspect wrongdoing involving
U.S. Department of Labor programs or operations,
contact the OIG Hotline
800.347.3756
www.oig.dol.gov
See website for confidentiality and whistleblower information
Scan Here to
Report Fraud, Waste
& Abuse Now!

Veterans' Employment and Training Service (VETS)

VETS administers four major programs to meet the employment and training needs of transitioning service members, veterans, and eligible military spouses, especially those with significant barriers to employment, and connect employers across the country with work-ready veterans. VETS' mission is to prepare America's veterans, service members, and military spouses for meaningful careers, provide them with employment resources and expertise, protect their employment rights, and promote their employment opportunities. Below is more information on VETS' four major program activities, costs and outputs.

Program Activities

<u>**Transition Assistance Program (TAP)**</u>

TAP, authorized under 10 U.S.C. § 1144, is for transitioning service members and their spouses. The program is a cooperative effort among VETS; the U.S. Departments of Defense, Homeland Security, Veterans Affairs, and Education; and the U.S. Small Business Administration. VETS offers three workshops as well as additional career support services under the TAP umbrella. The workshops include the mandatory one-day Employment Fundamentals of Career Transition (EFCT), which is a foundational workshop on employment preparation. The two additional workshops are the two-day DOL Employment Workshop (DOLEW), and the two-day DOL Career and Credential Exploration (C2E) workshop. The DOLEW provides a deeper dive into topics covered during the EFCT. The C2E workshop provides personalized career-development assessments to guide participants through a variety of career explorations. VETS also offers two new transition workshops: (1) Transition Employment Assistance for Military Spouses (TEAMS), and (2) Wounded Warrior and Caregiver Employment Workshop (WWCEW).

VETS also offers one pilot, the Off-Base Transition Training (OBTT) and one program, the Employment Navigator (EN) and Partnership Program (ENPP). OBTT offers veterans and military spouses the chance to participate in DOL employment-related workshops typically only available for service members and spouses on military installations. ENPP provides one-on-one career assistance to interested transitioning service members, and their spouses, at select military installations worldwide.

<u>**Jobs for Veterans State Grants (JVSG)**</u>

In accordance with 38 U.S.C. Chapter 41, JVSG provides funding to 54 states and U.S. territories for Disabled Veterans' Outreach Program (DVOP) specialists, Local Veterans' Employment Representative (LVER) staff, and Consolidated DVOP/LVER staff located in American Job Centers and other locations. DVOP specialists provide intensive services to veterans with qualifying employment barriers, including disabled veterans and other eligible populations. LVER staff promotes the hiring of veterans in communities through outreach activities that build relationships with local employers and provide training to workforce center staff to facilitate the provision of services to veterans.

<u>**Homeless Veterans' Reintegration Program (HVRP)**</u>

HVRP, authorized under 38 U.S.C. § 2021, addresses the needs of the most vulnerable population of veterans, those who are homeless or at risk of homelessness. HVRP provides employment and training services to homeless veterans, equipping them with the skills to gain meaningful employment. HVRP awards funds to eligible applicants through a competitive grant process outlined in an annual Funding Opportunity Announcement. In addition to the primary HVRP grants, funding also serves specific subsets of the homeless veteran population:

- The **Homeless Women Veterans and Homeless Veterans with Children Program** specifically targets the subpopulation of female veterans experiencing homelessness and veterans with families experiencing homelessness.
- The **Incarcerated Veterans' Transition Program** provides employment services to incarcerated veterans at risk

of becoming homeless.

- **Stand Down Grants** are awarded to public and private organizations for local events typically held for one to two days, where a variety of social services are provided to veterans experiencing homelessness.

Federal Administration, including compliance programs consisting of the Uniformed Services Employment and Reemployment Rights Act of 1994 (USERRA), Veterans' Preference (VP), and federal contractor reporting under 38 U.S.C. § 4212

VETS is responsible for administering USERRA, 38 U.S.C. § 4301-4335, which protects civilian job rights and benefits for active service members, veterans, and National Guard and Reserve members. USERRA also prohibits discrimination in employment against any current or prospective employee due in part to those individuals' past, present, or future military service, status, or obligations. VETS is also responsible for conducting outreach to inform persons entitled to rights and benefits under USERRA and employers of the rights, benefits, and obligations of such persons and such employers under USERRA, 38 U.S.C. § 4333. Additionally, under the Veterans' Employment Opportunities Act (5 U.S.C. § 3330a-3330c), VETS is responsible for investigating claims alleging a Federal agency's failure to apply VP in hiring or during a reduction-in-force and claims from veterans alleging a lack of access to a Federal agency's covered employment opportunities. VETS also administers the reporting requirements for veterans' employment emphasis under federal contracts, 38 U.S.C. § 4212. In support of federal contractor reporting requirements, VETS collects and processes reports and provides technical assistance to employers and representatives of employers who are required to submit reports annually to the Department of Labor on the number of their employees, and new employees hired who meet the definition under 38 U.S.C. § 4212 as qualified covered veterans.

Program Costs and Outputs

The full cost of VETS programs is presented in the Consolidated Statement of Net Cost. The costs of VETS programs, and the participants served, are presented below by major program.

VETS Employment and Training
Program Costs and Participants Served
(in Thousands)
For FYs 2024 and 2023

	2024		2023	
Program	Cost	Part. Served	Cost	Part. Served
TAP[1]	$ 45,134	262.1	$ 41,966	272.7
JVSG[2],[3]	189,797	41.5	204,706	44.7
HVRP[4]	44,638	15.9	83,793	17.4
USERRA[5],[6]	18,363	36.9	19,953	15.1
TOTAL[7],[8]	**$ 297,932**	**356.4**	**$ 350,418**	**349.9**

[1] Source: TAP participants served includes participants from all instructor-led TAP courses, OBTT, and ENPP from October 1st through September 30th of the corresponding fiscal year.

[2] Source: Workforce Integrated Performance System (WIPS) JVSG participants served count from July 1st through June 30th of the corresponding fiscal year.

[3] The FY 2024 JVSG participants served total does not include data from Texas or Wyoming due to reporting delays.

[4] Source: Quarterly grantee Technical Performance Reports (TPRs) as of program year ending June 30th of the corresponding fiscal year.

(5) USERRA participants served include the unique cases opened for USERRA and VP, a count of all individuals who received Compliance Assistance under USERRA and VP, participants served through the National Call Center for VETS Compliance programs, and federal contractors provided technical assistance to comply with 38 U.S.C. § 4212 reporting requirements.

(6) USERRA participants served for FY 2023 did not include federal contractors provided technical assistance in submitting reports under 38 U.S.C. § 4212.

(7) Total costs for labor, employment, and pension standards are not reported.

(8) Total costs reflect administrative costs.

Program Outcomes

Outcomes for the VETS programs will be presented in the Department's Annual Performance Report for FY 2024, available in February 2025 on the DOL website at: https://www.dol.gov/general/aboutdol#budget.

Table CMP 1: Civil Monetary Penalty Inflation Adjustment

Table CMP 1 below describes the Department's current civil monetary penalties, their authorities, year enacted, latest year of adjustments, current penalty level amounts, and additional details (89 FR 1810-1822, January 11, 2024).

Statutory Authority	Penalty Name and Description	Year Enacted	Latest Year of Adjustment (via Statute or Regulation)	Current Penalty (Dollar Amount or Range)	Bureau Name	Location for Penalty Update Details
29 U.S.C. §1059(b) 29 C.F.R. 2575.1 through .3	**Employee Retirement Income Security Act of 1974 (ERISA), as amended.** Section 209(b) - Failure to furnish reports (e.g., pension benefit statements) to certain former participants and beneficiaries or maintain records.	1974	2024	$37 per employee per failure.	EBSA	govinfo.gov 89 FR 1819-1820 (January 11, 2024)
29 U.S.C. §1132 (c)(2) 29 C.F.R. 2575.1 through .3	**Employee Retirement Income Security Act of 1974 (ERISA), as amended.** Section 502(c)(2) - Failure or refusal to properly file plan annual report (Form 5500) under Section 104(a); and failure of a multiemployer plan to certify endangered or critical status under Section 305 (b)(3)(C) treated as failure to file annual report.	1987	2024	Maximum $2,670 per day per failure/refusal.	EBSA	govinfo.gov 89 FR 1819-1820 (January 11, 2024)
29 U.S.C. §1132(c)(4) 29 C.F.R. 2575.1 through .3	**Employee Retirement Income Security Act of 1974 (ERISA), as amended.** Section 502(c)(4) - Failure to disclose certain documents upon request under Sections 101(k) and (l); failure to furnish notices under Sections 101(j) and 514(e)(3) - each statutory recipient a separate violation.	1993	2024	Maximum $2,112 per day per failure.	EBSA	govinfo.gov 89 FR 1819-1820 (January 11, 2024)

Statutory Authority	Penalty Name and Description	Year Enacted	Latest Year of Adjustment (via Statute or Regulation)	Current Penalty (Dollar Amount or Range)	Bureau Name	Location for Penalty Update Details
29 U.S.C. §1132(c)(5) 29 C.F.R. 2575.1 through .3	**Employee Retirement Income Security Act of 1974 (ERISA), as amended.** Section 502(c)(5) - Failure to file annual report for Multiple Employer Welfare Arrangements (MEWAs).	1996	2024	Maximum $1,942 per day per failure.	EBSA	govinfo.gov 89 FR 1819-1820 (January 11, 2024)
29 U.S.C. §1132(c)(6) 29 C.F.R. 2575.1 through .3	**Employee Retirement Income Security Act of 1974 (ERISA), as amended.** Section 502(c)(6) - Failure to provide Secretary of Labor requested documentation.	1997	2024	Maximum $190 per day not to exceed $1,906 per request.	EBSA	govinfo.gov 89 FR 1819-1820 (January 11, 2024)
29 U.S.C. §1132(c)(7) 29 C.F.R. 2575.1 through .3	**Employee Retirement Income Security Act of 1974 (ERISA), as amended.** Section 502(c)(7) - Failure to provide notices of blackout periods and of right to divest employer securities – each participant/beneficiary a separate violation.	2002	2024	Maximum $169 per day per failure.	EBSA	govinfo.gov 89 FR 1819-1820 (January 11, 2024)
29 U.S.C. §1132(c)(8) 29 C.F.R. 2575.1 through .3	**Employee Retirement Income Security Act of 1974 (ERISA), as amended.** Section 502(c)(8) - Failure by an endangered status multiemployer plan to adopt a funding improvement plan or meet benchmarks; failure of a critical status multiemployer plan to adopt a rehabilitation plan.	2006	2024	Maximum $1,677 per day per failure.	EBSA	govinfo.gov 89 FR 1819-1820 (January 11, 2024)

Statutory Authority	Penalty Name and Description	Year Enacted	Latest Year of Adjustment (via Statute or Regulation)	Current Penalty (Dollar Amount or Range)	Bureau Name	Location for Penalty Update Details
29 U.S.C. §1132(c)(9)(A) 29 C.F.R. 2575.1 through .3	**Employee Retirement Income Security Act of 1974 (ERISA), as amended.** Section 502(c)(9)(A) - Failure by an employer to inform employees of CHIP coverage opportunities under Section 701(f)(3)(B)(i)(l) – each employee a separate violation.	2009	2024	Maximum $141 per day per failure.	EBSA	govinfo.gov 89 FR 1819-1820 (January 11, 2024)
29 U.S.C. §1132(c)(9)(B) 29 C.F.R. 2575.1 through .3	**Employee Retirement Income Security Act of 1974 (ERISA), as amended.** Section 502(c)(9)(B) - Failure by a plan to timely provide to any State information required to be disclosed under Section 701(f)(3)(B)(ii), as added by CHIP regarding coverage coordination – each participant/beneficiary a separate violation.	2009	2024	Maximum $141 per day per failure.	EBSA	govinfo.gov 89 FR 1819-1820 (January 11, 2024)
29 U.S.C. §1132(c)(10)(B)(i) 29 C.F.R. 2575.1 through .3	**Employee Retirement Income Security Act of 1974 (ERISA), as amended.** Section 502(c)(10)(B)(i) - Failure by any plan sponsor of group health plan, or any health insurance issuer offering health insurance coverage in connection with the plan, to meet the requirements of Sections 702(a)(1)(F), (b)(3), (c) or (d); or Section 701; or Section 702(b)(1) with respect to genetic information.	2008	2024	$141 per day per participant and beneficiary during noncompliance period.	EBSA	govinfo.gov 89 FR 1819-1820 (January 11, 2024)

Statutory Authority	Penalty Name and Description	Year Enacted	Latest Year of Adjustment (via Statute or Regulation)	Current Penalty (Dollar Amount or Range)	Bureau Name	Location for Penalty Update Details
29 U.S.C. §1132(c)(10)(C)(i) 29 C.F.R. 2575.1 through .3	**Employee Retirement Income Security Act of 1974 (ERISA), as amended.** Section 502(c)(10)(C)(i) - Penalty for uncorrected de minimis violations.	2008	2024	Minimum $3,550 per participant or beneficiary for de minimis failures not corrected prior to notice from Department of Labor.	EBSA	govinfo.gov 89 FR 1819-1820 (January 11, 2024)
29 U.S.C. §1132(c)(10)(C)(ii) 29 C.F.R. 2575.1 through .3	**Employee Retirement Income Security Act of 1974 (ERISA), as amended.** Section 502(c)(10)(C)(ii) - Penalty for uncorrected violations that are not de minimis.	2008	2024	Minimum $21,310 per participant or beneficiary for non- de minimis failures not corrected prior to notice from Department of Labor.	EBSA	govinfo.gov 89 FR 1819-1820 (January 11, 2024)
29 U.S.C. §1132(c)(10)(D)(iii) 29 C.F.R. 2575.1 through .3	**Employee Retirement Income Security Act of 1974 (ERISA), as amended.** Section 502(c)(10)(D)(iii) - Overall limitation for unintentional failures to meet genetic information requirements.	2008	2024	Maximum $710,310.	EBSA	govinfo.gov 89 FR 1819-1820 (January 11, 2024)
29 U.S.C. §1132(c)(12) 29 C.F.R. 2575.1 through .3	**Employee Retirement Income Security Act of 1974 (ERISA), as amended.** Section 502(c)(12) - Failure of a CSEC plan in restoration status to adopt a restoration plan.	2014	2024	Maximum $130 per day, per failure.	EBSA	govinfo.gov 89 FR 1819-1820 (January 11, 2024)

Statutory Authority	Penalty Name and Description	Year Enacted	Latest Year of Adjustment (via Statute or Regulation)	Current Penalty (Dollar Amount or Range)	Bureau Name	Location for Penalty Update Details
29 U.S.C. §1132(m) 29 C.F.R. 2575.1 through .3	**Employee Retirement Income Security Act of 1974 (ERISA), as amended.** Section 502(m) - Failure to make a proper distribution from a defined benefit plan under section 206(e) of ERISA.	1994	2024	Maximum $20,579 per distribution.	EBSA	govinfo.gov 89 FR 1819-1820 (January 11, 2024)
29 U.S.C. §1185d; 42 U.S.C. §300gg–15 29 C.F.R. 2590.715-2715(e); 29 C.F.R. 2575.1 through .3	**Employee Retirement Income Security Act of 1974 (ERISA), as amended.** Section 715 - Failure to provide Summary of Benefits and Coverage under PHS Act section 2715(f), as incorporated in Section 715 and 29 CFR 2590.715-2715(e) – each participant/beneficiary a separate violation.	2010	2024	Maximum $1,406 per failure.	EBSA	govinfo.gov 89 FR 1819-1820 (January 11, 2024)
30 U.S.C. 801 et seq 30 C.F.R. 100.3(a)	**Federal Mine Safety and Health Act of 1977 (Mine Act).** Regular assessment. Except as provided in §100.5(e), general violation of a mandatory health or safety standard or violation of any other provision of the Mine Act, as amended.	1977	2024	Maximum $88,354.	MSHA	https://www.ecfr.gov 89 FR 1818-1919 (January 11, 2024)
30 U.S.C. 801 et seq 30 C.F.R. 100.3(g)	**Federal Mine Safety and Health Act of 1977 (Mine Act).** Regular assessment. Penalty conversion table. The penalty conversion table is used to convert the total penalty points to a dollar amount.	1978	2024	Minimum $164, Maximum $88,354.	MSHA	https://www.ecfr.gov 89 FR 1818-1919 (January 11, 2024)

Statutory Authority	Penalty Name and Description	Year Enacted	Latest Year of Adjustment (via Statute or Regulation)	Current Penalty (Dollar Amount or Range)	Bureau Name	Location for Penalty Update Details
30 U.S.C. 801 et seq 30 C.F.R. 100.4(a)	**Federal Mine Safety and Health Act of 1977 (Mine Act).** Unwarrantable failure and immediate notification. Penalty for any citation or order issued under section 104(d)(1) of the Mine Act.	2006	2024	Minimum $2,945.	MSHA	https://www.ecfr.gov 89 FR 1818-1919 (January 11, 2024)
30 U.S.C. 801 et seq 30 C.F.R. 100.4(b)	**Federal Mine Safety and Health Act of 1977 (Mine Act).** Unwarrantable failure and immediate notification. Penalty for any order issued under section 104(d) (2) of the Mine Act.	2006	2024	Minimum $5,888.	MSHA	https://www.ecfr.gov 89 FR 1818-1919 (January 11, 2024)
30 U.S.C. 801 et seq 30 C.F.R. 100.4(c)	**Federal Mine Safety and Health Act of 1977 (Mine Act).** Unwarrantable failure and immediate notification. Penalty for failure to provide timely notification to the Secretary under section 103(j) of the Mine Act.	2006	2024	Minimum $7,364, Maximum $88,354.	MSHA	https://www.ecfr.gov 89 FR 1818-1919 (January 11, 2024)
30 U.S.C. 801 et seq 30 C.F.R. 100.5(c)	**Federal Mine Safety and Health Act of 1977 (Mine Act).** Determination of penalty amount; special assessment. Failure to correct a violation for which a citation has been issued under section 104(a) of the Mine Act.	1977	2024	Maximum $9,571.	MSHA	https://www.ecfr.gov 89 FR 1818-1919 (January 11, 2024)

Statutory Authority	Penalty Name and Description	Year Enacted	Latest Year of Adjustment (via Statute or Regulation)	Current Penalty (Dollar Amount or Range)	Bureau Name	Location for Penalty Update Details
30 U.S.C. 801 et seq 30 C.F.R. 100.5(d)	**Federal Mine Safety and Health Act of 1977 (Mine Act).** Determination of penalty amount; special assessment. Any miner who willfully violates the mandatory safety standards relating to smoking or carrying of smoking materials.	1977	2024	Maximum $404 each occurrence.	MSHA	https://www.ecfr.gov 89 FR 1818-1919 (January 11, 2024)
30 U.S.C. 801 et seq 30 C.F.R. 100.5(e)	**Federal Mine Safety and Health Act of 1977 (Mine Act).** Determination of penalty amount; special assessment. Violations that are deemed to be flagrant under section 110(b)(2) of the Mine Act.	2006	2024	Maximum $323,960.	MSHA	https://www.ecfr.gov 89 FR 1818-1919 (January 11, 2024)
29 U.S.C. 666(a) 29 C.F.R. 1903.15(d)(1)	**Occupational Safety and Health Act of 1970 (OSH Act).** Penalty per willful violation under section 17(a) of the Act, 29 U.S.C. 666(a).	1970	2024	Minimum $11,524, Maximum $161,323.	OSHA	https://www.ecfr.gov 89 FR 1820-1820 (January 11, 2024)
29 U.S.C. 666(a) 29 C.F.R. 1903.15(d)(2)	**Occupational Safety and Health Act of 1970 (OSH Act).** Penalty per repeated violation under section 17(a) of the Act, 29 U.S.C. 666(a).	1970	2024	Maximum $161,323.	OSHA	https://www.ecfr.gov 89 FR 1820-1820 (January 11, 2024)

Statutory Authority	Penalty Name and Description	Year Enacted	Latest Year of Adjustment (via Statute or Regulation)	Current Penalty (Dollar Amount or Range)	Bureau Name	Location for Penalty Update Details
29 U.S.C. 666(b) 29 C.F.R. 1903.15(d)(3)	**Occupational Safety and Health Act of 1970 (OSH Act).** Penalty for a serious violation under section 17(b) of the Act, 29 U.S.C. 666(b).	1970	2024	Maximum $16,131.	OSHA	https://www.ecfr.gov 89 FR 1820-1820 (January 11, 2024)
29 U.S.C. 666(c) 29 C.F.R. 1903.15(d)(4)	**Occupational Safety and Health Act of 1970 (OSH Act).** Penalty for an other-than-serious violation under section 17(c) of the Act, 29 U.S.C. 666(c).	1970	2024	Maximum $16,131.	OSHA	https://www.ecfr.gov 89 FR 1820-1820 (January 11, 2024)
29 U.S.C. 666(d) 29 C.F.R. 1903.15(d)(5)	**Occupational Safety and Health Act of 1970 (OSH Act).** Penalty for a failure to correct a violation under section 17(d) of the Act, 29 U.S.C. 666(d).	1970	2024	Maximum $16,131 per day.	OSHA	https://www.ecfr.gov 89 FR 1820-1820 (January 11, 2024)
29 U.S.C. 666(i) 29 C.F.R. 1903.15(d)(6)	**Occupational Safety and Health Act of 1970 (OSH Act).** Penalty for a posting requirement violation under section 17(i) of the Act, 29 U.S.C. 666(i).	1970	2024	Maximum $16,131.	OSHA	https://www.ecfr.gov 89 FR 1820-1820 (January 11, 2024)

Statutory Authority	Penalty Name and Description	Year Enacted	Latest Year of Adjustment (via Statute or Regulation)	Current Penalty (Dollar Amount or Range)	Bureau Name	Location for Penalty Update Details
33 U.S.C. 930(e) 20 C.F.R. 702.204	**Longshore and Harbor Workers' Compensation Act.** Failure to furnish and or falsifying. Knowingly and willfully fail or refuse to send any report required by §702.201, or knowingly or willfully make a false statement or misrepresentation in any report.	1927	2024	Maximum $29,221 for each failure, refusal, false statement, or misrepresentation.	OWCP	https://www.ecfr.gov 89 FR 1821 - 1822 (January 11, 2024)
33 U.S.C. 914(g) 20 C.F.R. 702.236	**Longshore and Harbor Workers' Compensation Act.** Failure to report termination of payments. Failure to notify the district director that the final payment of compensation has been made as required by §702.235.	1927	2024	$356 for any violation.	OWCP	https://www.ecfr.gov 89 FR 1821 - 1822 (January 11, 2024)
33 U.S.C. 948(a) 20 C.F.R. 702.271(a)(2)	**Longshore and Harbor Workers' Compensation Act.** Discrimination; against employees who bring proceedings, prohibition, and penalty.	1972	2024	Minimum $2,922, Maximum $14,608.	OWCP	https://www.ecfr.gov 89 FR 1821 - 1822 (January 11, 2024)
30 U.S.C. 942 20 C.F.R. 725.621(d)	**Black Lung Benefits Act.** Failure or refusal to file required reports.	1969	2024	Maximum $1,780 for each failure or refusal.	OWCP	https://www.ecfr.gov 89 FR 1821 - 1822 (January 11, 2024)

Statutory Authority	Penalty Name and Description	Year Enacted	Latest Year of Adjustment (via Statute or Regulation)	Current Penalty (Dollar Amount or Range)	Bureau Name	Location for Penalty Update Details
33 U.S.C. 933(d)(1) 20 C.F.R. 726.302(c)(2)(i)	**Black Lung Benefits Act.** Determination of penalty. Failure to secure payment of benefits for mines with fewer than 25 employees.	1978	2024	$174 per day.	OWCP	https://www.ecfr.gov 89 FR 1821 - 1822 (January 11, 2024)
33 U.S.C. 933(d)(1) 20 C.F.R. 726.302(c)(2)(i)	**Black Lung Benefits Act**. Determination of penalty. Failure to secure payment of benefits for mines with 25-50 employees.	1978	2024	$346 per day.	OWCP	https://www.ecfr.gov 89 FR 1821 - 1822 (January 11, 2024)
33 U.S.C. 933(d)(1) 20 C.F.R. 726.302(c)(2)(i)	**Black Lung Benefits Act.** Determination of penalty. Failure to secure payment of benefits for mines with 51-100 employees.	1978	2024	$520 per day.	OWCP	https://www.ecfr.gov 89 FR 1821 - 1822 (January 11, 2024)
33 U.S.C. 933(d)(1) 20 C.F.R. 726.302(c)(2)(i)	**Black Lung Benefits Act.** Determination of penalty. Failure to secure payment of benefits for mines with more than 100 employees.	1978	2024	$692 per day.	OWCP	https://www.ecfr.gov 89 FR 1821 - 1822 (January 11, 2024)
33 U.S.C. 933(d)(1) 20 C.F.R. 726.302(c)(4)	**Black Lung Benefits Act.** Determination of penalty. Failure to secure payment of benefits after 10th day of notice.	1978	2024	$174 per day.	OWCP	https://www.ecfr.gov 89 FR 1821 - 1822 (January 11, 2024)

Statutory Authority	Penalty Name and Description	Year Enacted	Latest Year of Adjustment (via Statute or Regulation)	Current Penalty (Dollar Amount or Range)	Bureau Name	Location for Penalty Update Details
33 U.S.C. 933(d)(1) 20 C.F.R. 726.302(c)(5)	**Black Lung Benefits Act.** Determination of penalty. Failure to secure payment of benefits for repeat offenders.	1978	2024	$520 per day.	OWCP	https://www.ecfr.gov 89 FR 1821 - 1822 (January 11, 2024)
33 U.S.C. 933(d)(1) 20 C.F.R. 726.302(c)(6)	**Black Lung Benefits Act.** Determination of penalty. The maximum daily base penalty amount applicable to any violation of §726.4.	1978	2024	Maximum $3,558.	OWCP	https://www.ecfr.gov 89 FR 1821 - 1822 (January 11, 2024)
40 U.S.C. 3702(c) 29 C.F.R. 5.8(a); 29 C.F.R. 5.5(b)(2)	**Contract Work Hours and Safety Standards Act (CWHSSA).** Failure to pay laborers and mechanics at a rate not less than one and one-half times their basic rate of pay.	1962	2024	$32 for each calendar day.	WHD	https://www.ecfr.gov 89 FR 1820 - 1821 (January 11, 2024)

Statutory Authority	Penalty Name and Description	Year Enacted	Latest Year of Adjustment (via Statute or Regulation)	Current Penalty (Dollar Amount or Range)	Bureau Name	Location for Penalty Update Details
29 U.S.C. 2005(a) 29 C.F.R. 801.42(a)	**Employee Polygraph Protection Act (EPPA).** (1) Requiring, requesting, suggesting or causing an employee or prospective employee to take a lie detector test or using, accepting, referring to or inquiring about the results of any lie detector test of any employee or prospective employee, other than as provided in the Act or this part. (2) Taking an adverse action or discriminating in any manner against any employee or prospective employee on the basis of the employee's or prospective employee's refusal to take a lie detector test, other than as provided in the Act or this part. (3) Discriminating or retaliating against an employee or prospective employee for the exercise of any rights under the Act. (4) Disclosing information obtained during a polygraph test, except as authorized by the Act or this part. (5) Failing to maintain the records required by the Act or this part. (6) Resisting, opposing, impeding, intimidating, or interfering with an official of the DOL during the performance of an investigation, inspection, or other law enforcement function under the Act or this part. (7) Violating any other provision of the Act or this part.	1988	2024	Maximum $25,597.	WHD	https://www.ecfr.gov 89 FR 1820 - 1821 (January 11, 2024)

Statutory Authority	Penalty Name and Description	Year Enacted	Latest Year of Adjustment (via Statute or Regulation)	Current Penalty (Dollar Amount or Range)	Bureau Name	Location for Penalty Update Details
29 U.S.C. 211(d) 29 C.F.R. 530.302 (a)	**Fair Labor Standards Act (FLSA) Homeworker.** A civil money penalty per affected homeworker for any one violation, may be assessed for any violation of the Act or of this part or of the assurances given in connection with the issuance of a certificate.	1938	2024	Maximum $1,280.	WHD	https://www.ecfr.gov 89 FR 1820 - 1821 (January 11, 2024)
29 U.S.C. 211(d) 29 C.F.R. 530.302 (b)	**Fair Labor Standards Act (FLSA) Homeworker.** Violation of recordkeeping, monetary, certificate or other statutes, regulations or employer assurances. no penalty shall be assessed in the case of violations which are deemed to be de minimis in nature.	1938	2024	Minimum $25, Maximum $1,280.	WHD	https://www.ecfr.gov 89 FR 1820 - 1821 (January 11, 2024)
29 U.S.C. 216(e)(1)(A)(i) 29 C.F.R. 579.1(a)(1)(i)(A); 29 C.F.R. 570.140(b)(1)	**Fair Labor Standards Act (FLSA) Child labor.** (1) Violation of child labor standards (sections 212 or 213(c)).	1938	2024	Maximum $15,629 for each employee.	WHD	https://www.ecfr.gov 89 FR 1820 - 1821 (January 11, 2024)
29 U.S.C. 216(e)(1)(A)(i) 29 C.F.R. 579.1(a)(1)(i)(B); 29 C.F.R. 570.140(b)(2)	**Fair Labor Standards Act (FLSA) Child labor.** (2) Violation of child labor standards (sections 212 or 213(c)), for each such violation that causes the death or serious injury of any employee under the age of 18 years, which penalty may be doubled where the violation is a repeated or willful violation.	1938	2024	Maximum $71,031 for each such violation. Maximum $142,062 repeated or willful violation.	WHD	https://www.ecfr.gov 89 FR 1820 - 1821 (January 11, 2024)

Statutory Authority	Penalty Name and Description	Year Enacted	Latest Year of Adjustment (via Statute or Regulation)	Current Penalty (Dollar Amount or Range)	Bureau Name	Location for Penalty Update Details
29 U.S.C. 216(e)(2) 29 C.F.R. 578.3(a)(2); 29 C.F.R. 579.1(a)(2)(i)	**Fair Labor Standards Act (FLSA) Minimum Wage and Overtime.** Repeated or willful violation of section 206 or 207 of FLSA, or section 6 (minimum wage) or section 7 (overtime) of the Act.	1938	2024	Maximum $2,451 for each such violation.	WHD	https://www.ecfr.gov 89 FR 1820 - 1821 (January 11, 2024)
29 U.S.C. 216(e) 29 C.F.R. 578.3(a)(1) 579.1(a)(2)(ii)	**Fair Labor Standards Act (FLSA) Tipped Employees.** Violation of the tip retention provisions of section 203(m)(2)(B).	1938	2024	Maximum $1,373 for each such violation.	WHD	https://www.ecfr.gov 89 FR 1820 - 1821 (January 11, 2024)
29 U.S.C. 2619(b) 29 C.F.R. 825.300(a)(1)	**Family & Medical Leave Act (FMLA).** Willful violation of posting requirement.	1993	2024	Maximum $211 for each separate offense.	WHD	https://www.ecfr.gov 89 FR 1820 - 1821 (January 11, 2024)
8 U.S.C. 1288(c)(4)(E)(i) 20 C.F.R. 655.620 (a)	**Immigration & Nationality Act (D-1).** Violation of the attestation or 20 CFR 655 subparts F or G related to utilizing alien crew for longshore activities in U.S. ports.	1952	2024	Maximum $11,524 for each alien crewmember.	WHD	https://www.ecfr.gov 89 FR 1820 - 1821 (January 11, 2024)

Statutory Authority	Penalty Name and Description	Year Enacted	Latest Year of Adjustment (via Statute or Regulation)	Current Penalty (Dollar Amount or Range)	Bureau Name	Location for Penalty Update Details
8 U.S.C. 1182(n)(2)(c)(i) 20 C.F.R. 655.810(b)(1)	**Immigration & Nationality Act (H-1B).** (1) A violation pertaining to strike/lockout (§655.733) or displacement of U.S. workers (§655.738). (2) A substantial violation pertaining to notification (§655.734), labor condition application specificity (§655.730), or recruitment of U.S. workers (§655.739). (3) A misrepresentation of material fact on the labor condition application. (4) An early-termination penalty paid by the employee (§655.731(c)(10)(i)). (5) Payment by the employee of the additional $500/$1,000 filing fee (§655.731(c)(10)(ii)). (6) Violation of the requirements of the regulations in this subpart I and subpart H of this part or the provisions regarding public access (§655.760) where the violation impedes the ability of the Administrator to determine whether a violation of sections 212(n) or (t) of the INA has occurred or the ability of members of the public to have information needed to file a complaint or information regarding alleged violations of sections 212(n) or (t) of the INA.	1952	2024	Maximum $2,304 per violation.	WHD	https://www.ecfr.gov 89 FR 1820 - 1821 (January 11, 2024)

Statutory Authority	Penalty Name and Description	Year Enacted	Latest Year of Adjustment (via Statute or Regulation)	Current Penalty (Dollar Amount or Range)	Bureau Name	Location for Penalty Update Details
8 U.S.C. 1182(n)(2)(c)(ii) 20 C.F.R. 655.801(b)	**Immigration & Nationality Act (H-1B).** Any employer to engage in the conduct described in paragraph (a) of this section. Such conduct shall be subject to the penalties prescribed by sections 212(n)(2)(C)(ii) or (t)(3)(C)(ii) of the INA and §655.810(b)(2).	1952	2024	Maximum $9,380.	WHD	https://www.ecfr.gov 89 FR 1820 - 1821 (January 11, 2024)
8 U.S.C. 1182(n)(2)(c)(ii) 20 C.F.R. 655.810(b)(2)	**Immigration & Nationality Act (H-1B).** (1) A willful failure pertaining to wages/working conditions (§§655.731, 655.732), strike/lockout, notification, labor condition application specificity, displacement (including placement of an H-1B nonimmigrant at a worksite where the other/secondary employer displaces a U.S. worker), or recruitment. (2) A willful misrepresentation of a material fact on the labor condition application; or (3) Discrimination against an employee (§655.801(a)).	1952	2024	Maximum $9,380 per violation.	WHD	https://www.ecfr.gov 89 FR 1820 - 1821 (January 11, 2024)

Statutory Authority	Penalty Name and Description	Year Enacted	Latest Year of Adjustment (via Statute or Regulation)	Current Penalty (Dollar Amount or Range)	Bureau Name	Location for Penalty Update Details
8 U.S.C. 1182(n)(2)(c)(iii) 20 C.F.R. 655.810(b)(3)	**Immigration & Nationality Act (H-1B).** An employer (whether or not the employer is an H-1B-dependent employer or willful violator) displaced a U.S. worker employed by the employer in the period beginning 90 days before and ending 90 days after the filing of an H-1B petition in conjunction with any of the following violations (i) A willful violation of any of the provisions described in § 655.805(a)(2) through (9) pertaining to wages/working condition, strike/lockout, notification, labor condition application specificity, displacement, or recruitment; or (ii) A willful misrepresentation of a material fact on the labor condition application (§ 655.805(a)(1)).	1952	2024	Maximum $65,661 per violation.	WHD	https://www.ecfr.gov 89 FR 1820 - 1821 (January 11, 2024)
8 U.S.C. 1188(g)(2) 29 C.F.R. 501.19(c)	**Immigration & Nationality Act (H-2A).** Violation of the work contract or a requirement of 8 U.S.C. 1188, 20 CFR part 655 subpart B, or the regulations in this part.	1952	2024	Maximum $2,111 per violation.	WHD	https://www.ecfr.gov 89 FR 1820 - 1821 (January 11, 2024)
8 U.S.C. 1188(g)(2) 29 C.F.R. 501.19(c)(1)	**Immigration & Nationality Act (H-2A).** Willful violation of the work contract, or of 8 U.S.C. 1188, 20 CFR part 655, subpart B, or the regulations in this part, or for each act of discrimination prohibited by §501.4.	1952	2024	Maximum $7,104.	WHD	https://www.ecfr.gov 89 FR 1820 - 1821 (January 11, 2024)

Statutory Authority	Penalty Name and Description	Year Enacted	Latest Year of Adjustment (via Statute or Regulation)	Current Penalty (Dollar Amount or Range)	Bureau Name	Location for Penalty Update Details
8 U.S.C. 1188(g)(2) 29 C.F.R. 501.19(c)(2)	**Immigration & Nationality Act (H-2A).** Violation of a housing or transportation safety and health provision of the work contract, or any obligation under 8 U.S.C. 1188, 20 CFR part 655, subpart B, or the regulations in this part, that proximately causes the death or serious injury of any worker.	1952	2024	Maximum $70,337 per worker.	WHD	https://www.ecfr.gov 89 FR 1820 - 1821 (January 11, 2024)
8 U.S.C. 1188(g)(2) 29 C.F.R. 501.19(c)(3)	**Immigration & Nationality Act (H-2A).** Repeat or willful violation of a housing or transportation safety and health provision of the work contract, or any obligation under 8 U.S.C. 1188, 20 CFR part 655, subpart B, or the regulations in this part, that proximately causes the death or serious injury of any worker.	1952	2024	Maximum $140,674 per worker.	WHD	https://www.ecfr.gov 89 FR 1820 - 1821 (January 11, 2024)
8 U.S.C. 1188(g)(2) 29 C.F.R. 501.19(d)	**Immigration & Nationality Act (H-2A).** Violation for failure to cooperate with a WHD investigation.	1952	2024	Maximum $7,104 per investigation.	WHD	https://www.ecfr.gov 89 FR 1820 - 1821 (January 11, 2024)

Statutory Authority	Penalty Name and Description	Year Enacted	Latest Year of Adjustment (via Statute or Regulation)	Current Penalty (Dollar Amount or Range)	Bureau Name	Location for Penalty Update Details
8 U.S.C. 1188(g)(2) 29 C.F.R. 501.19(e)	**Immigration & Nationality Act (H-2A).** Violation for laying off or displacing any U.S. worker employed in work or activities that are encompassed by the approved Application for Temporary Employment Certification for H-2A workers in the area of intended employment either within 60 days preceding the date of need or during the validity period of the job order, including any approved extension thereof, other than for a lawful, job-related reason.	1952	2024	Maximum $21,101 per violation per worker.	WHD	https://www.ecfr.gov 89 FR 1820 - 1821 (January 11, 2024)
8 U.S.C. 1188(g)(2) 29 C.F.R. 501.19(f)	**Immigration & Nationality Act (H-2A).** Violation for improperly rejecting a U.S. worker who is an applicant for employment, in violation of 8 U.S.C. 1188, 20 CFR part 655 subpart B, or the regulations in this part.	1952	2024	Maximum $21,101 per violation per worker.	WHD	https://www.ecfr.gov 89 FR 1820 - 1821 (January 11, 2024)
8 U.S.C. 1184(c)(14) 29 C.F.R. 503.23(b)	**Immigration & Nationality Act (H-2B).** For violation of any provisions of §503.16 related to wages, impermissible deductions or prohibited fees and expenses, the Administrator, WHD, may assess civil money penalties that are equal to the difference between the amount that should have been paid and the amount that actually was paid to such worker(s).	1952	2024	Maximum $15,445 per violation.	WHD	https://www.ecfr.gov 89 FR 1820 - 1821 (January 11, 2024)

Statutory Authority	Penalty Name and Description	Year Enacted	Latest Year of Adjustment (via Statute or Regulation)	Current Penalty (Dollar Amount or Range)	Bureau Name	Location for Penalty Update Details
8 U.S.C. 1184(c)(14) 29 CFR 503.23(c)	**Immigration & Nationality Act (H-2B).** For violation related to termination by layoff or otherwise or has refused to employ any worker in violation of §503.16(r), (t), or (v), within the periods described in those sections, the Administrator, WHD may assess civil money penalties that are equal to the wages that would have been earned but for the layoff or failure to hire.	1952	2024	Maximum $15,445 per violation.	WHD	https://www.ecfr.gov 89 FR 1820 - 1821 (January 11, 2024)
8 U.S.C. 1184(c)(14) 29 C.F.R. 503.23(d)	**Immigration & Nationality Act (H-2B**). Any other violation that meets the standards described in section 503.19.	1952	2024	Maximum $15,445 per violation.	WHD	https://www.ecfr.gov 89 FR 1820 - 1821 (January 11, 2024)
29 U.S.C. 1853(a)(1) 29 C.F.R. 500.1(e)	**Migrant and Seasonal Agricultural Worker Protection Act (MSPA).** The Act empowers the Secretary of Labor to enforce the Act, conduct investigations, issue subpoenas and, in the case of designated violations of the Act, impose sanctions. As provided in the Act, the Secretary is empowered, among other things, to impose an assessment and to collect a civil money penalty.	1983	2024	Maximum $3,047 for each violation.	WHD	https://www.ecfr.gov 89 FR 1820 - 1821 (January 11, 2024)

Statutory Authority	Penalty Name and Description	Year Enacted	Latest Year of Adjustment (via Statute or Regulation)	Current Penalty (Dollar Amount or Range)	Bureau Name	Location for Penalty Update Details
19 U.S.C. 1508(b)(4) 19 U.S.C. 4535(b) 29 C.F.R. 810.800(c)(3)(i).	**High-Wage Components of the Labor Value Content Requirements Under the United States-Mexico-Canada Agreement Act (USMCA)** Whistleblower Protections, prohibited acts, Administrator's determination: Any person who believes that he or she has been discriminated may file a complaint alleging such discrimination. Following an investigation, the Administrator's determination shall set forth the determination of the Administrator, the reason or reasons, and violation(s).	2020	2024	Maximum $59,079 per violation, and/or any other remedies assessed.	WHD	https://www.ecfr.gov 89 FR 1820 - 1821 (January 11, 2024)
41 U.S.C. 6503(b) 41 C.F.R. 50-201.3(e)	**Walsh-Healey Public Contracts Act (PCA).** Any breach or violation of any of the foregoing representations and stipulations shall render the party responsible therefor liable to the United States of America for liquidated damages, in addition to damages for any other breach of the contract per day for each person under 16 years of age, or each convict laborer knowingly employed in the performance of the contract.	1936	2024	$32 per day for each person under 16 years of age or each convict laborer knowingly employed.	WHD	https://www.ecfr.gov 89 FR 1820 - 1821 (January 11, 2024)

Grants Programs

The summary table grants programs below describes the Department's grant and cooperative agreement awards (awards) and balances for which closeout has not yet occurred, but for which the period of performance has elapsed by two years or more prior to September 30, 2024 with zero dollar and undisbursed balances as reported in the U.S. Department of Health and Human Services (HHS), Payment Management System (PMS) as of September 30, 2024.

Description	Awards with Zero Dollar and Undisbursed Balances as reported in PMS*							
	2-3 Years (FY 2022)		4-5 Years (FY 2020 -2021)		More than 5 Years (FY 2019 and Before)		Total	
	Awards	Amount	Awards	Amount	Awards	Amount	Awards	Amount
Total Zero Dollar Balances	54	$ -	67	$ -	111	$ -	232	$ -
Total Undisbursed Balances	44	$ 5,733,725	20	$ 1,372,673	94	$ 10,536,113	158	$ 17,642,512
Total Zero Dollar and Undisbursed Balances	**98**	**$ 5,733,725**	**87**	**$ 1,372,673**	**205**	**$ 10,536,113**	**390**	**$ 17,642,512**

*The expiration age is calculated based on the FY 2024 reporting date.

The above summary table displays the Department's awards for which the period of performance has elapsed more than two years in the Health and Human Services, PMS. The majority of those awards held have been administratively closed out in the Department's Financial Management System upon required work associated with the awards has been completed.

The Department has robust procedures and dedicated resources to warrant the timely closeout of awards after the FY 2024 awards where closeout has not yet occurred--but for which the period of performance has elapsed by two years--was increased by eight percent compared with FY 2023, mainly due to the disconnect between grants management and payment systems, grantees delay in providing technical deliverables, and final indirect cost rate negotiations. The Department is aggressively working with HHS to expedite the closeout of the period of performance has elapsed awards.

Climate-Related Information

Affirming our support for Executive Orders 14008 and 14057, "Tackling the Climate Crisis at Home and Abroad" and "Catalyzing Clean Energy Industries and Jobs Through Federal Sustainability," respectively, the Department of Labor is committed to proactive and visible leadership in resilience, environmental justice, and climate adaptation.

Climate Adaptation and Resilience Planning

The annual Climate Adaptation and Resilience Plan is an ongoing program to ensure robust federal mission resilience, protect worker safety (before, during, and after climate-related events), mitigate environmental threats to our facilities, and improve our procurement and acquisition stewardship.

We also remain fundamentally committed to environmental justice to safeguard minority populations and low-income communities so that they are not disproportionately negatively affected by acute and long-term climate action strategies.

- https://www.dol.gov/open/sustainability
- FY2024-202-DOL-Climate-Adaptation-Plan.pdf

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Julie A. Su – Acting Secretary of Labor

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Acronyms

ACE	Affordable Clean Energy
AFR	Agency Financial Report
ARP Act	American Rescue Plan Act
BLDTF	Black Lung Disability Trust Fund
BLS	Bureau of Labor Statistics
CARES Act	Coronavirus Aid, Relief, and Economic Security Act
CAUW Act	Continued Assistance for Unemployed Workers Act
COLA	Cost of Living Allowance/Adjustment
CPI-M	Consumer Price Index-Medical
CPI-U	Consumer Price Index-Urban
CSEOA	Community Service Employment for Older Americans
CSRS	Civil Service Retirement System
DHS	U.S. Department of Homeland Security
DM&R	Deferred Maintenance and Repairs
DOE	U.S. Department of Energy
DOL	U.S. Department of Labor
EB	Extended Benefits
EBSA	Employee Benefits Security Administration
EEOICPA	Energy Employees Occupational Illness Compensation Program Act
EIA	U.S. Energy Information Administration
EPA	U.S. Environmental Protection Agency
ERISA Act	Employee Retirement Income Security Act
ES	Employment Service
ESAA	Employment Security Administration Account
ETA	Employment and Training Administration
EUCA	Extended Unemployment Compensation Account
EUISA	Emergency Unemployment Insurance Stabilization and Access Act
FASAB	Federal Accounting Standards Advisory Board

FCI	Facilities Condition Index
FEC	Federal Employees Compensation
FECA	Federal Employees' Compensation Act
FERS	Federal Employees Retirement System
FFMIA	Federal Financial Management Improvement Act
FLC	Foreign Labor Certification
FLSA	Fair Labor Standards Act
FMFIA	Federal Managers' Financial Integrity Act
FPUC	Federal Pandemic Unemployment Compensation
FRAE	Further Revised Annuity Employees
FRUSG	Financial Report of the U.S. Government
FUA	Federal Unemployment Account
FUTA	Federal Unemployment Tax Act
GAAP	Generally Accepted Accounting Principles
GSA	U.S. General Services Administration
HVRP	Homeless Veterans' Reintegration Program
JVSG	Jobs for Veterans State Grants
MEUC	Mixed Earner Unemployment Compensation
MEWA	Multiple Employer Welfare Arrangement
OCFO	Office of the Chief Financial Officer
OIG	Office of Inspector General
OJC	Office of Job Corps
OMB	Office of Management and Budget
OPM	U.S. Office of Personnel Management
OSHA	Occupational Safety and Health Administration
OWCP	Office of Workers' Compensation Programs
PERM	Permanent Labor Certification Program

PEUC	Pandemic Emergency Unemployment Compensation
PP&E	Property, Plant, and Equipment
PUA	Pandemic Unemployment Assistance
RAE	Revised Annuity Employees
RECA	Radiation Exposure Compensation Act
REO	Reentry Employment Opportunities
RMO	Responsible Mine Operator
SCNP	Statement of Changes in Net Position
SCSEP	Senior Community Service Employment Program
SCSIA	Statements of Changes in Social Insurance Amounts
SFFAS	Statement of Federal Financial Accounting Standards
SNC	Statement of Net Cost
SOSI	Statements of Social Insurance
SSA	U.S. Social Security Administration / Social Security Act
TAA	Trade Adjustment Assistance
TAP	Transition Assistance Program
TSP	Thrift Savings Plan
UC	Unemployment Compensation
UCFE	Unemployment Compensation for Federal Employees
UCX	Unemployment Compensation for Ex-Service Members
UI	Unemployment Insurance
USCA	U.S. Court of Appeals
USERRA	Uniformed Services Employment and Reemployment Rights Act
UTF	Unemployment Trust Fund
VETS	Veterans' Employment and Training Service
VP	Veterans' Preference
WHD	Wage and Hour Division
WIOA	Workforce Innovation and Opportunity Act

UNITED STATES
DEPARTMENT OF LABOR