



United States  
General Accounting Office  
Washington, D.C. 20548

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Health, Education and Human Services Division

B-260384

February 10, 1995

The Honorable Steve Gunderson  
House of Representatives

Dear Mr. Gunderson:

The enclosed materials respond to your request for information on the organizational structure of the Department of Labor and on certain departmental trust funds. Specifically, enclosed are descriptions of the following:

- the Department's regional organizational structure, (enclosure 1),
- the Department's Working Capital Fund (enclosure 2),
- trust funds administered by the Department of Labor (enclosure 3), and
- trust funds used by the Department's Office of the Inspector General (enclosure 4).

Most of the information presented here was obtained from Labor's Office of the Secretary for Administration and Management. Detailed staffing and organizational information on all components of the Department and their field offices is not centrally collected or maintained. As a result, it is possible that some of the departmental components have current structures that differ somewhat from the organization presented here.

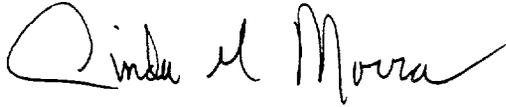
GAO/HEHS-95-82R, Labor's Regional Structure and Trust Funds

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We hope that this information will be helpful. If you have any questions, or would like to discuss this material further, please call me at (202) 512-7014.

Sincerely yours,

A handwritten signature in cursive script that reads "Linda G. Morra". The signature is written in dark ink and is positioned above the typed name.

Linda G. Morra, Director  
Education and Employment Issues

Enclosures - 4

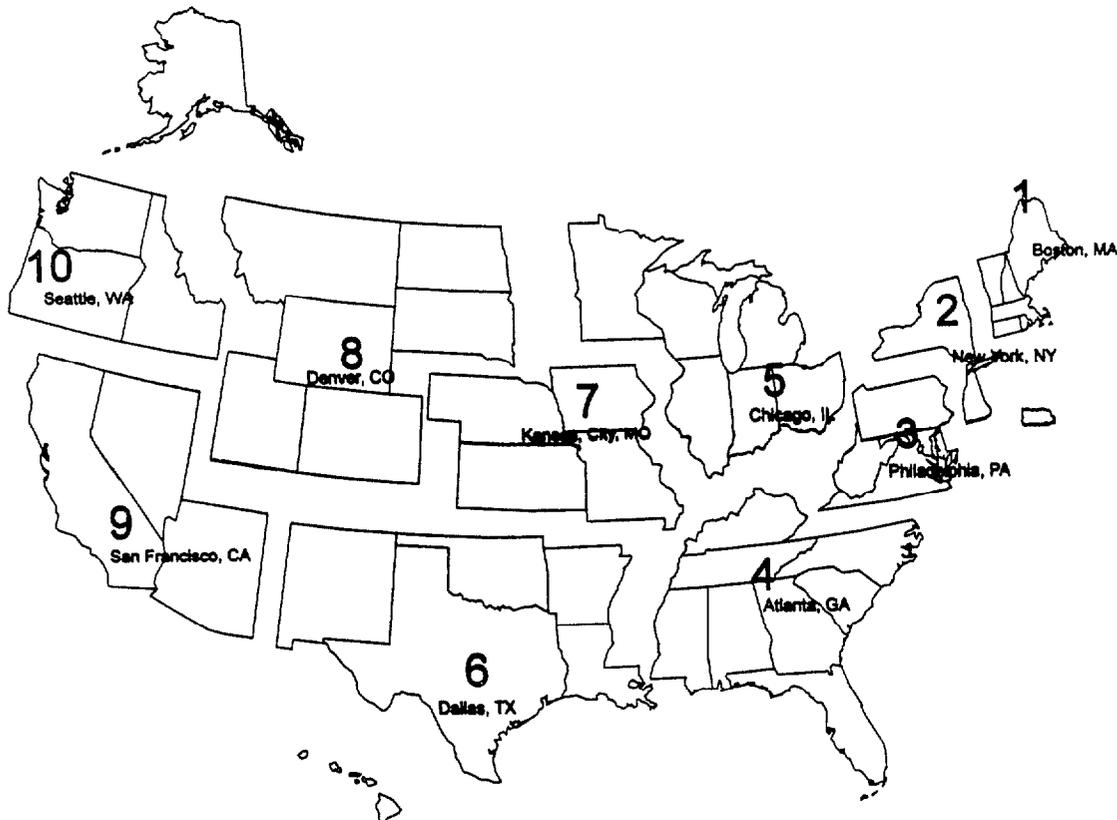
REGIONAL ORGANIZATION OF THE DEPARTMENT OF LABOR

The components (agencies, bureaus, units) of the Department of Labor generally conduct their operations through 10 regional offices in cities throughout the nation. In some cases, the regional offices of these components oversee additional field offices throughout that region.

REGIONAL ORGANIZATION

The jurisdictions of the Department's 10 regional offices cover every state in the country, as well as the District of Columbia, Puerto Rico, the Virgin Islands, and Guam. Nine of the regions include 4 to 6 states; 1 region includes 8 states. The regional organization and headquarters cities of the Department are illustrated in figure 1.

Figure 1: Department of Labor Regional Organization



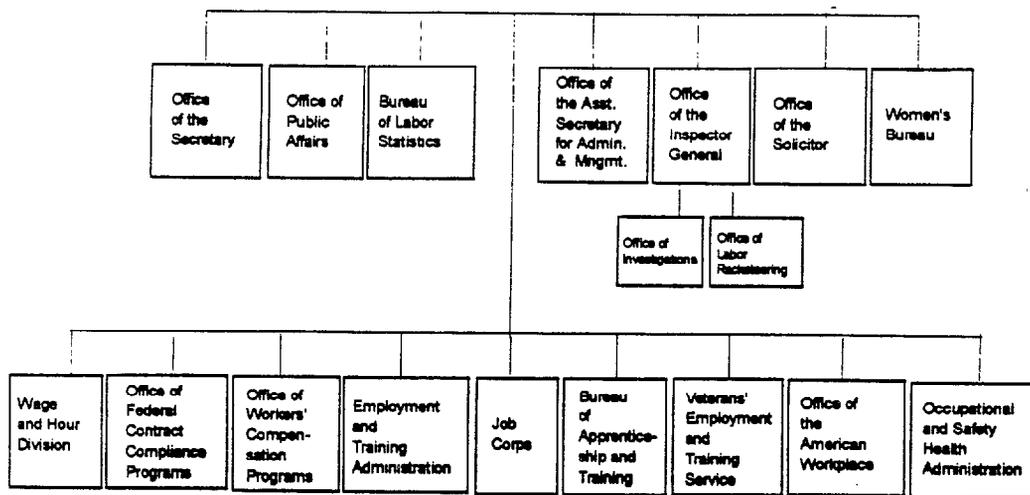
Note: Puerto Rico and the Virgin Islands are included in Region 2; Alaska is included in Region 10, and Hawaii and Guam are included in Region 9.

Source: Department of Labor.

REGIONAL OFFICE STRUCTURE

Most of the components of the Department have offices at each of the regional headquarters. These offices are headed by a Regional Director, Regional Administrator, or Regional Commissioner. Figure 2 shows the organization of a typical regional office. Within the regional office, each departmental component has a peer relationship with each other. That is, they report to the the designated Department assistant secretary overseeing the agency or unit.

Figure 2: Department of Labor Regional Office Structure



Source: Department of Labor.

There are some exceptions to this organization. For example, the Bureau of Labor Statistics, the Wage and Hour Division, and the Office of the American Workplace (OAW) do not have regional offices in Seattle, Washington (Region 10), or Denver, Colorado (Region 8). Additionally, the regional office for the Office of Workers' Compensation Programs (OWCP) in Region 4 is in Jacksonville, Florida, rather than Atlanta, Georgia. Also, OAW and OWCP have two regional offices in Region 5 -- one at the headquarters in Chicago, Illinois, and one in Cleveland, Ohio.

The Mine Safety and Health Administration (MSHA) is not included in this organizational chart because its field offices are not co-located with the other departmental components' regional offices. Its organizational structure is described on page 7 of this enclosure. Additionally, the Pension and Welfare Benefits Administration is not included in this organization because,

although it has offices at these cities, the offices are area rather than regional offices.

#### FIELD OFFICE STRUCTURE

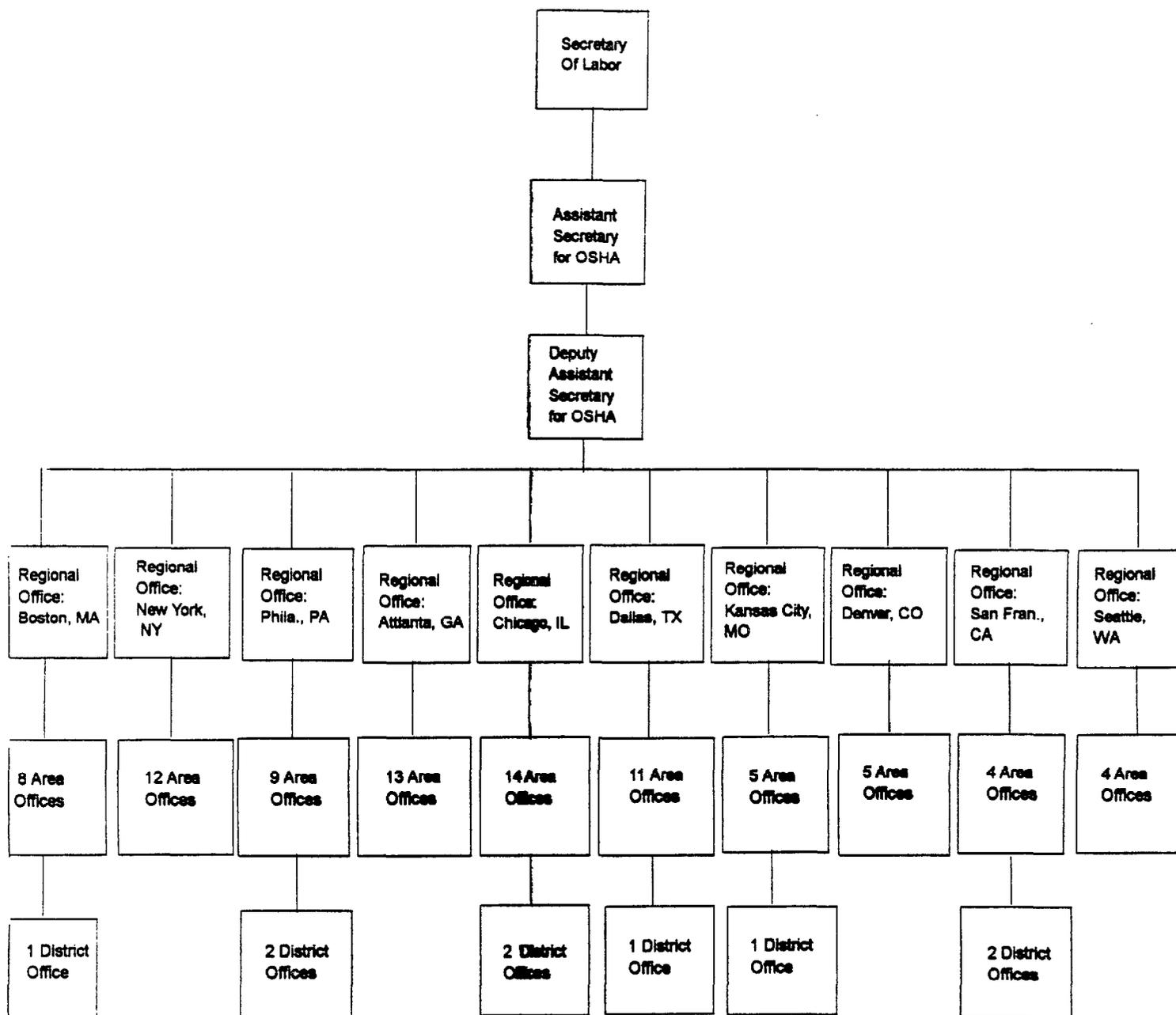
Some departmental components have field offices to facilitate their missions and responsibilities. The field offices assist the enforcement of health and safety or other regulations, the operation of employment training programs, the coordination of intergovernmental activities, and the collection of data to compile government statistics. However, information on the total number and type of field offices for these components is not readily available from the Department.

In the President's fiscal year 1996 budget, the Department noted that it plans to close or consolidate many regional and field offices by 1999. These proposals include reducing the number of Wage and Hour Division regional offices from 8 to 5, and the number of Wage and Hour Division district offices from 58 to 45. Additionally, the Department proposed to reduce the number of OAW regional offices by one-half and program offices by one-third.

#### AGENCY ORGANIZATIONAL STRUCTURE

There is no typical organizational structure for each departmental component. The field structure especially differs depending upon the particular mission and operation of an agency. Figure 3, however, illustrates the organization of the Occupational Safety and Health Administration (OSHA). OSHA is one of the Department's larger agencies in terms of personnel and, given its responsibility for the enforcement of safety and health standards, has a fairly extensive network of area offices and district (or sub-area) offices.

Figure 3: OSHA's Organizational Structure



Source: Department of Labor.

ORGANIZATIONAL STRUCTURE OF THE MINE SAFETY  
AND HEALTH ADMINISTRATION

The Mine Safety and Health Administration (MSHA) was originally under the direction of the Department of the Interior. Before being transferred to the Department of Labor in 1978, MSHA had established its organizational structure with an emphasis on proximity to the nation's mining industry to enforce health and safety standards and provide technical assistance to the industry. As a result, the organizational structure of MSHA differs from the other components in the Department. It has district rather than regional offices, and the district offices are generally not located in the same cities as the Department of Labor regional offices.<sup>1</sup>

MSHA's headquarters is in Arlington, Virginia, and it operates its National Academy<sup>2</sup> out of Beckley, West Virginia. It has 10 district offices for Coal Mine Safety and Health, 6 district offices for Metal/Nonmetal activities, 3 technical support centers, 1 center for assessments, and 1 center for administration and management. The district offices are generally in Pennsylvania, West Virginia, Colorado, and Kentucky, where there is high mining activity. Other offices are in California, Indiana, Alabama, and Minnesota.

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<sup>1</sup>MSHA does have a technical support center in Denver, Colorado, which is the headquarters city for Region 8.

<sup>2</sup>The National Academy serves as MSHA's training center for its compliance officers.

THE DEPARTMENT OF LABOR'S WORKING CAPITAL FUND

The Department's Working Capital Fund was established in 1957 to provide for the payment of administrative and financial services and activities on a centralized basis. As a no-year<sup>1</sup> revolving account, the Working Capital Fund normally receives funds at the beginning of each quarter that are included in each departmental component's budgets. The departmental components then draw the funds as needed. For fiscal year 1995, Labor reported that the estimated obligations were \$107 million, and net balance was \$1.3 million.

ACTIVITIES IN THE WORKING CAPITAL FUND

The Fund provides for four overall activities that are conducted on a centralized basis. An additional activity was established in fiscal year 1995 in anticipation of a one-time appropriation of \$25 million to provide for a self-sustaining source of financing for Labor agencies to invest in reinvention projects. This reinvention investment fund would pay for projects that would produce measurable improvements in agency efficiency and achieve significant taxpayer savings. However, the Department did not receive this funding in 1995. The four activities of the Working Capital Fund follow.

Administrative Management Services

Administrative management services are taken care of at the national and regional levels. They provide for:

- safety and health programs;
- maintenance of the Department's personnel system and support for collective bargaining agreements;
- general administrative support services, such as space and telecommunications;
- financial management;
- automated data processing management;
- training;
- facilities management; and
- correspondence control.

Field Services

Field services provide administrative, technical, and managerial support services to all departmental agencies in their regional and field offices. Services provided for include the following:

- financial management,
- personnel,
- administrative support,

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<sup>1</sup>A no-year account means that the funds in the account do not have to be reauthorized by Congress every year.

- safety and health, and
- automated data processing management.

#### National Capital Service Center

The National Capital Service Center provides varying degrees of centralized administrative support services to all agencies in the Department. Additionally, it provides selected support services, such as procurement and travel, to agencies headquartered in the District of Columbia. Finally, for the departmental management national office staff it provides for

- payroll;
- accounting support;
- travel management, including government-contract credit card and charge card processing and oversight services, voucher auditing, and administrative payments services;
- budget formulation, justification, and execution;
- personnel recruitment, classification, and position management services;
- small purchases and contract services; and
- management analysis support.

#### Penalty Mail and Telecommunications

This category includes the departmental mail payments to the U.S. Postal Service<sup>2</sup> and telecommunications payments to the General Services Administration.

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<sup>2</sup>According to the U.S. Postal Service, penalty mail is official mail sent without prepayment. As a result, the Department is billed by the Postal Service for postage due on mail that has already been sent.

TRUST FUNDS ADMINISTERED BY THE DEPARTMENT OF LABOR

The Department is responsible for administering two major trust funds -- the Unemployment Insurance Trust Fund (UTF), and the Black Lung Disability Trust Fund (BLDTF). Of the two, UTF is the larger, totalling about \$23 billion of fiscal year 1995 outlays (about 72 percent of the outlays). BLDTF totaled about \$949 million in fiscal year 1995 outlays (3 percent of total outlays).

UNEMPLOYMENT INSURANCE TRUST FUND

Congress created UTF in 1935 as the repository of benefits that were to be paid to workers who were temporarily unemployed. UTF is supported primarily by state payroll taxes assessed on employers in each of the 50 states, the District of Columbia, Puerto Rico, and the Virgin Islands. These payroll taxes are deposited in an account for each employer, which then are grouped into an account for each state. The combined state accounts make up UTF. When unemployed workers draw unemployment insurance benefits, the amount of the benefit payment is withdrawn from UTF, and subsequently, from that respective state's and employer's account. This arrangement ensures that these payroll taxes will not be diverted permanently to other government uses and that, except for temporary emergencies, benefit payments will not be funded from sources other than these payroll taxes.

The Department of Labor's Employment and Training Administration is responsible for monitoring UTF and providing oversight and guidance to the states for operating their unemployment insurance programs. As a result, there is also a portion of UTF designated to cover the Department's expenses in administering the trust fund.

BLACK LUNG DISABILITY TRUST FUND

BLDTF was established in 1977 to shift the responsibility for black lung benefit payments from the federal government to the coal industry. Funds for BLDTF are primarily derived from an excise tax on coal mining companies for each ton of coal mined. The fund pays for black lung benefits -- income maintenance and medical benefits -- when no coal mine operator can be held liable for these payments. The trust fund also pays all costs incurred by the Departments of Labor, Treasury, and Health and Human Services who jointly administer the BLDTF benefits and operate the trust fund.

TRUST FUNDS USED BY THE OFFICE OF THE INSPECTOR GENERAL

Within the Department's Office of Inspector General (OIG), the Office of Audit (OA) conducts and supervises audits relating to the Department's programs and operations. OA also recommends policies for improving the economy, efficiency, and effectiveness of the Department's programs. As part of its audit responsibilities, OA assesses how well the Department administers UTF and BLDTF. Each year, OA receives a certain amount of the Unemployment Insurance and Black Lung Trust Funds to carry out those audits. The total amount is relatively small compared to the overall operating budget of OIG. For example, in OIG's estimated fiscal year 1995 obligations of \$53 million, \$4 million was from the Unemployment Insurance Trust Fund and \$310,000 was from the Black Lung Disability Trust Fund.

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