

# DOL Should Enhance Monitoring and Guidance for Federal Contractors

GAO-26-107937

September 2026

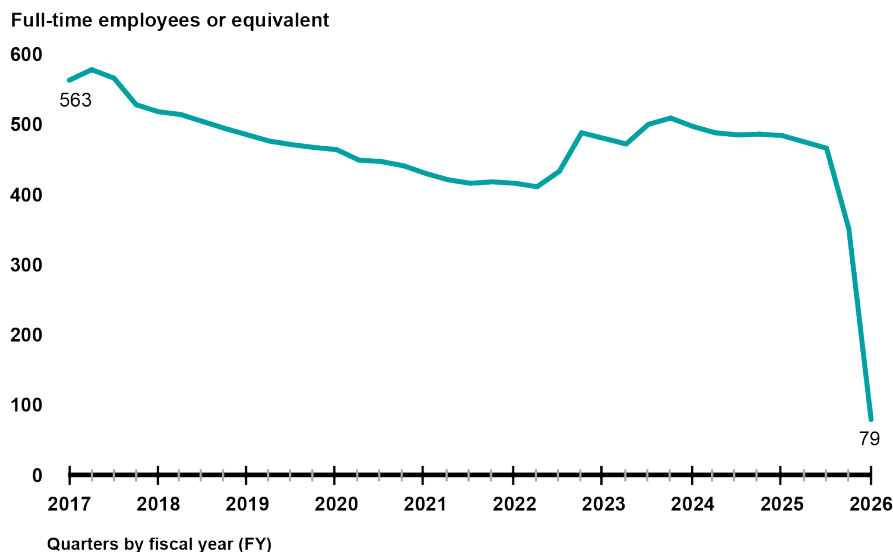
A report to congressional requesters

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## What GAO Found

Section 503 of the Rehabilitation Act of 1973 (Section 503) requires certain federal contractors to take proactive steps to employ people with disabilities. The Office of Federal Contract Compliance Programs (OFCCP) within the Department of Labor (DOL) oversees contractors' compliance with Section 503. Since January 2025, DOL has reduced its oversight activities. For example, DOL has suspended audits of selected contractors, which were a key tool for monitoring compliance. From fiscal years 2017 through 2025, 532 audits found Section 503 violations. Without resuming audits, DOL has less assurance that contractors are supporting employment of people with disabilities. Further, DOL has reduced OFCCP's workforce in response to changes in its activities (see fig.). However, these changes were not informed by strategic workforce planning consistent with key principles for such efforts. DOL has made changes to Section 503 regulations that could further impact OFCCP's activities. Engaging in strategic workforce planning would help DOL ensure that OFCCP's workforce composition meets its needs.

### Office of Federal Contract Compliance Programs Workforce, FY 2017–2026



Source: GAO analysis of Department of Labor data. | GAO-26-107937

Federal contractors face a range of challenges complying with Section 503. Selected stakeholders identified challenges in three key areas:

- conducting outreach to and recruiting people with disabilities,
- retaining and advancing people with disabilities, and
- demonstrating compliance with Section 503.

Stakeholders also said that DOL could provide additional guidance to help contractors comply with the law. For example, information on how to provide reasonable accommodations and a list of best practices for Section 503 compliance could help contractors better understand how to support employees with disabilities.

## Why GAO Did This Study

In fiscal year 2025, the federal government spent about \$793 billion on contracts with federal contractors—which employ over 1 million U.S. workers. Section 503 prohibits federal contractors from discriminating in employment against people with disabilities. It also requires certain contractors to take proactive steps to employ and advance in employment people with disabilities.

GAO was asked to review the implementation and oversight of Section 503. This report addresses (1) the extent to which DOL monitors Section 503 compliance and plans for its workforce needs, and (2) what challenges, if any, contractors face in complying with Section 503 and the extent to which DOL has provided resources to assist contractors.

GAO analyzed OFCCP enforcement data and DOL human resources data, and reviewed DOL documents. GAO conducted interviews and discussion groups with DOL officials as well as representatives of contractors, consultants who assist contractors with compliance, academic researchers, and other stakeholders who were familiar with Section 503 compliance or supporting employment of people with disabilities. GAO also conducted a nongeneralizable survey of representatives of contractors.

## What GAO Recommends

GAO is making eight recommendations, including that DOL resume compliance audits, conduct strategic workforce planning for OFCCP, and provide additional information to help contractors provide reasonable accommodations to employees with disabilities and comply with Section 503. DOL agreed with six of the recommendations and neither agreed nor disagreed with the other two.