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Major Functions of the U.S. Department of Labor

Creation of the Department of Labor

The Department of Labor (DOL) was created in 1913 by “An Act to create a Department of Labor” (P.L. 62-426). Its purpose was “to foster, promote, and develop the welfare of the wage earners of the United States, to improve their working conditions, and to advance their opportunities for profitable employment.” P.L. 62-426 initially authorized a new mediation service and four pre-existing bureaus. Numerous laws since 1913 have added program and enforcement responsibilities to DOL, such that it is now comprised of multiple entities that provide services related to worker protection, income support, workforce development, and labor statistics. DOL administers and enforces more than 180 federal laws.

The Scope of DOL’s Activities

DOL is responsible for program administration as well as enforcement and compliance activities. This involves not only administering financial resources but also the regulatory coverage of the numerous statutes that DOL administers and enforces. Unlike many federal agencies, DOL is not primarily a grant-making organization. While some of DOL’s resources support grants, the majority of its scope is projected through enforcement and compliance activities. The extent of these activities is far-reaching. Broadly speaking, DOL administers programs, standards, and protections that have the following four foci:

Worker Protection: DOL administers federal laws that establish standards related to wages (e.g., minimum wage levels, overtime pay), certain types of leave, and occupational safety affecting large shares of the private and public sector workforce. DOL also administers targeted protections, applicable to workers in certain occupations (e.g., miners, agricultural workers).

Income Support: DOL oversees the administration of programs providing income support to individuals during periods of unemployment and administers programs providing income support to individuals suffering work-related injuries. These programs cover much of the workforce. Additionally, DOL provides oversight of, and in some cases pays benefits for participants in, insured private defined-benefit pension plans.

Workforce Development and Training: DOL provides grants to states to provide broadly available training and related services to prepare individuals for work and assist them in securing employment. DOL also administers workforce development programs services for targeted populations (e.g., veterans and trade-affected workers).

Labor Statistics and Research: DOL conducts research, analysis, and data gathering on the nation’s labor market, working conditions, and prices in the economy.

Functions of DOL

The DOL entities that carry out the agency’s wide-ranging activities fall primarily into four main functional areas: worker protection, income support, workforce development and training, and labor statistics and research.

Worker Protection

DOL administers a range of programs to provide worker protection services that ensure worker safety, adherence to wage and overtime laws, and contract compliance.

The Wage and Hour Division enforces various federal labor standards, including those authorized by the following acts:

- The Fair Labor Standards Act of 1938 (FLSA; P.L. 75-718) is the primary federal law that sets minimum wage rates and overtime pay requirements for about 130 million workers (about 85% of wage and salary earners).
- The Family and Medical Leave Act (FMLA; P.L. 103-3) guarantees qualifying employees unpaid, job-protected leave for certain family and medical reasons. Generally, private employers with at least 50 workers and public agencies are covered by the FMLA.
- The Davis-Bacon Act (P.L. 74-403), the McNamara-O’Hara Service Contract Act (P.L. 89-286), and the Walsh-Healey Public Contracts Act (P.L. 74-846), provide contract standards, notably prevailing wage requirements, for workers on certain federal contracts for construction, services, and manufacturing. The WHD also enforces wage standards established through presidential Executive Orders.
- The Migrant and Seasonal Agricultural Worker Protection Act (MSPA; P.L. 97-470) provides wage, housing, and transportation standards for migrant and seasonal agricultural workers.
- Labor standards provisions in the Immigration and Nationality Act (INA; P.L. 99-603). The WHD administers and enforces these provisions for certain classes of nonimmigrant workers (e.g., H visa classes).

The Office of Labor-Management Standards provides other forms of worker protection by administering the Labor-Management Reporting and Disclosure Act of 1959 (LMRDA; P.L. 86-257) and related laws requiring disclosure and financial reporting for labor unions and employers. Federal statutes that govern private-sector labor relations are enforced by non-DOL agencies (e.g., the National Labor Relations Board).

The Occupational Safety and Health Administration primarily administers and enforces the Occupational Safety and Health Act (OSH Act; P.L. 91-596), which provides health and safety standards for workplaces and authorizes DOL to sanction employers to enforce compliance.

The Mine Safety and Health Administration administers the Federal Mine Safety and Health Act of 1977 (MSH Act;

P.L. 91-173) and the Mine Improvement and New Emergency Response Act of 2006 (MINER Act; P.L. 109-236), both of which provide safety and health standards for occupations in the mining industry.

The Office of Federal Contract Compliance Programs enforces federal contractors' compliance with nondiscrimination requirements under three federal authorities: Executive Order 11246, Section 503 of the Rehabilitation Act of 1973 (P.L. 93-112), and the Vietnam Era Veterans' Readjustment Assistance Act of 1974 (P.L. 93-508).

The Office of Foreign Labor Certification is responsible for implementing parts of the INA related to certifying labor for employment-based immigration. Specifically, it determines if there would be an adverse impact on similar U.S. workers if a labor certification were granted.

The Bureau of International Labor Affairs monitors and enforces the labor provisions of several laws related to U.S. trade agreements and trade preference programs, reports on child labor and human trafficking, and represents U.S. interests on labor issues at multilateral institutions (e.g., G-7, International Labor Organization).

Income Support

DOL administers income security programs, including the Federal-State Unemployment Compensation (UC) program (Title III of the Social Security Act, P.L. 74-271), certain provisions of the Employee Retirement Income Security Act (ERISA; P.L. 93-406), and various workers' compensation programs.

The UC system is a joint federal-state program that provides income support through benefit payments to qualifying individuals who have become unemployed. Its framework is established in federal law, while most of the benefit payments are funded by state unemployment taxes. DOL provides administrative grants to states and enforces compliance of federal laws at the state level. The UC program covers approximately 140 million workers.

Through the Employee Benefits Security Administration, DOL ensures compliance with ERISA—which includes recovering losses to employee benefit plans resulting from violations of ERISA—and audits the federal Thrift Savings Plan (TSP). Relatedly, the Pension Benefit Guaranty Corporation (PBGC), which is a federal corporation established under ERISA, pays benefits to participants in private-sector defined-benefit pensions whose companies or plans are unable to pay benefits. Although PBGC's operations are financed by insurance premiums from participating pension plans, its insurance premiums are set by congressional action and its board is chaired by the Secretary of Labor.

The Office of Workers' Compensation Programs administers four federal statutes that provide benefits for certain employees injured on the job: the Federal Employees' Compensation Act (FECA; P.L. 93-416), the Longshore and Harbor Workers' Compensation Act (LHWCA; P.L. 69-803), the Black Lung Benefits Act (BLBA; P.L. 92-303), and the Energy Employees Occupational Illness Compensation Program Act (EEOICPA; P.L. 106-398).

Workforce Development and Training

Workforce development programs provide a combination of education and training services to prepare individuals for work and to help them improve their prospects in the labor market. These services may include job search assistance, career counseling, occupational skill training, classroom training, or on-the-job training.

The Employment and Training Administration provides workforce development activities through programs including those authorized by the following acts:

- The Workforce Innovation and Opportunity Act (WIOA; P.L. 113-128) is the primary federal workforce development legislation. It authorizes several programs and provides universal access to a range of workforce development activities. WIOA establishes the One-Stop system, through which several other workforce and related DOL and non-DOL programs are coordinated.
- The Wagner-Peyser Act (WPA; P.L. 73-30) authorizes the Employment Service, which provides universally accessible labor exchange services (i.e., matching employers and workers) and conducts the work tests for state unemployment compensation systems.
- Trade Adjustment Assistance for Workers (TAA; Title II of P.L. 93-618) provides funding for retraining and income support to eligible workers who have been dislocated due to trade-related causes.
- The Community Service Employment for Older Americans (CSEOA; Title V of P.L. 114-144) program funds part-time, paid community service positions for low-income individuals age 55 and over.

The Veterans' Employment and Training Service administers several programs to provide employment services specifically for veterans, such as the Jobs for Veterans State Grants program (P.L. 107-288), which funds specialists in One-Stop centers to help veterans find employment. It also administers the Uniformed Services Employment and Reemployment Rights Act (P.L. 103-353) and the Veterans' Preference program (P.L. 105-339).

Labor Statistics and Research

DOL's Bureau of Labor Statistics (BLS) collects, analyzes, and disseminates data on the labor market, working conditions, and prices in the economy. BLS, created in 1884 as part of the Department of the Interior, was transferred to DOL when it was created in 1913. BLS produces monthly data on economic indicators, such as the unemployment rate, wage and employment levels, and price indices. It also produces analytical reports and supplemental surveys of various labor market indicators. Many of these indicators are used in other federal programs to allot funding or make cost-of-living adjustments.

In addition, the Women's Bureau and the Office of Disability Employment Policy conduct research and develop policies to improve labor market outcomes for women and individuals with disabilities, respectively.

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