FY 2015

NATIONAL LABOR RELATIONS BOARD

PERFORMANCE AND ACCOUNTABILITY

REPORT

HOW THIS REPORT IS ORGANIZED

MANAGEMENT DISCUSSION AND ANALYSIS

The Management Discussion and Analysis (MD&A) Section is an overview of the entire report. The MD&A presents performance and financial highlights as well as the National Labor Relations Board's (NLRB's) operational and casehandling highlights for Fiscal Year 2015. The MD&A also contains a discussion of compliance with legal and regulatory requirements, such as the Federal Managers' Financial Integrity Act.

PERFORMANCE

The Performance Section compares the NLRB's performance to its strategic goals as set forth in the FY 2014 to FY 2018 Strategic Plan. This Strategic Plan includes two mission-related goals and two support goals to help achieve our mission and vision. The performance measures associated with the mission-related goals are outcome-based. While there are a few outcome-based performance measures associated with the two support goals, the majority of them are management strategy driven. Both the performance measures and management strategies are aligned with the mission of the NLRB and are meaningful to the public the Agency serves. This is the second year that the NLRB is reporting its performance under the new goals.

FINANCIAL

The Financial Section is composed of the NLRB's financial statements and their related footnotes and the Independent Auditors' Report.

OTHER ACCOMPANYING INFORMATION

Other Accompanying Information provides an update on the Board's progress in addressing management and performance challenges identified by the Inspector General in the FY 2014 Performance and Accountability Report as well as any new challenges identified in this Fiscal Year. Also included is the NLRB's summary of audit and management assurances.

APPENDICES

The Appendices contain a glossary of the acronyms and definitions of terms used in the report.

An electronic version of the NLRB FY 2015 Performance and Accountability Report is available on the NLRB's website at **www.nlrb.gov**.

The NLRB's Strategic Plan is also available at this website along with graphs and data which reflect the NLRB's work.

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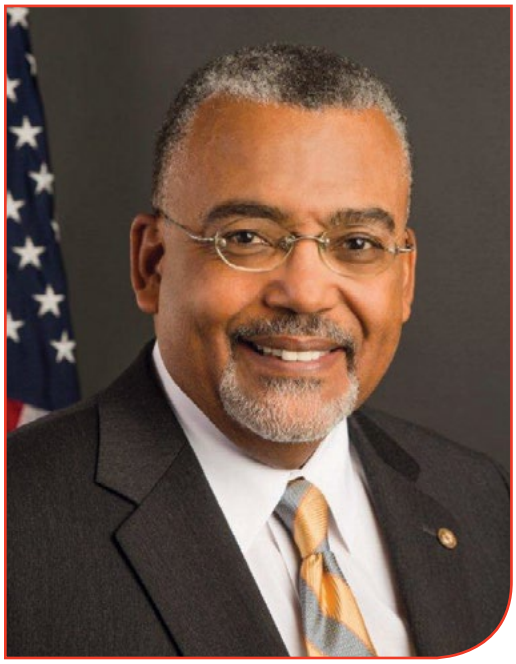
MESSAGE FROM THE CHAIRMAN

October 13, 2015



The National Labor Relations Act is just as important in 2015 as it was when President Franklin Delano Roosevelt signed it 80 years ago. Since that time, the Agency has continued to evolve to keep pace with the challenges that face today's workforce. This report provides insight into the NLRB's work to protect the rights of workers across the country and promote labor stability and its stewardship of taxpayer funds.

The Act guarantees the right of private sector workers with or without a union to engage with their employers to improve wages and conditions of employment. This right to organize and bargain collectively helped build – and maintain – the middle class.

Under the Act, employers and employees alike are guaranteed protection from unfair labor practices and an impartial forum for the resolution of disputes. The Agency takes seriously its obligation to effectively and efficiently enforce the Act.

In FY 2015, the Board issued 394 decisions in contested cases, 316 unfair labor practice cases and 78 representation cases.

All parties deserve a process that is effective, fair, and free from unnecessary delay. In April, a new rule aimed at streamlining and modernizing our representation case procedures took effect. While implementation of the rule began only about six months ago, the percentage of stipulated election agreements has already increased, eliminating delays caused by hearings.

In FY 2015, the Agency continued to expand its efforts to inform workers, unions, and employers about their rights and responsibilities under the Act. Through expanded online access to case documents, including the tally of ballots in representation cases, the public has more real-time

information about NLRB proceedings than at any point in Agency history. In addition, the Agency has used both Facebook and Twitter to engage with the public not only nationally, but locally, through geo-targeted posts about the work of NLRB regional offices.

As Chairman of the NLRB, I certify that the NLRB's internal controls and financial systems meet and conform to the requirements of the Federal Managers' Financial Integrity Act. (A more detailed discussion of the Agency's internal controls can be found starting on page 29 of this report.) I have also made every effort to verify the accuracy and completeness of the performance data presented in this report.

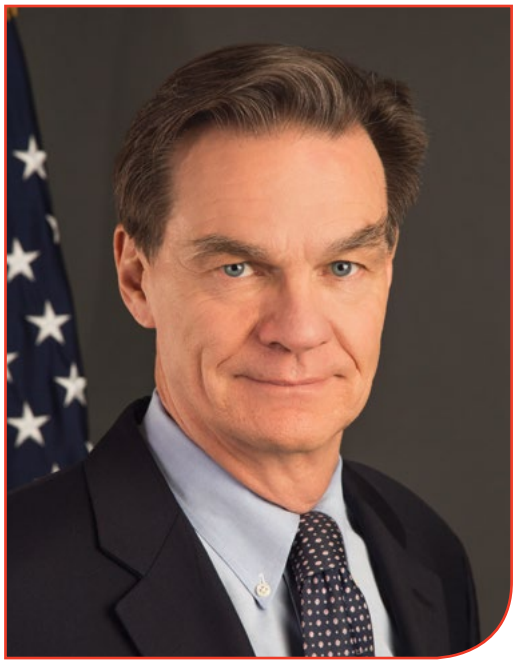
Mark Gaston Pearce
Chairman

BOARD MEMBERS

From Left to Right: Board Member Philip A. Miscimarra, Chairman Mark Gaston Pearce, Board Member Kent Y. Hirozawa, and Board Member Lauren McFerran

MESSAGE FROM THE GENERAL COUNSEL

October 13, 2015



The National Labor Relations Act ensures the right of private-sector workers to engage in concerted activities, with or without union representation, to improve their pay and working conditions. The National Labor Relations Board (the Agency) administers the Act and has jurisdiction over about 5.7 million private-sector employers. Its primary functions are to prevent and remedy unfair labor practices and to conduct secret-ballot elections among employees to determine whether they wish to be represented by a labor organization.

The NLRB's Office of the General Counsel (OGC) is responsible for investigating and prosecuting unfair labor practice cases and for handling representation case petitions filed in the NLRB's 26 Regional and 24 satellite offices around the country. The OGC exercises general supervisory authority over this network of field offices, staffed by approximately 1,065 employees. This fiscal year, Regional case intake was in excess of 23,000 cases.

The General Counsel also serves as the Agency's chief administrative officer. In this capacity, the OGC directly oversees seven Headquarters components, which are responsible for various casehandling, administrative, financial and personnel functions. Over the past few years, the Agency analyzed its workload, budgetary constraints, technology advances, and human capital, and engaged in field restructuring in order to more evenly distribute case intake among geographically-disbursed Regions, as well as operational streamlining to ensure prompt and high quality casehandling. These efforts continue to date and, as a result, the Des Moines office will soon be closing and its cases will be ably handled by the Minneapolis Regional staff. I have much appreciated the feedback that I have received on field restructuring matters, as they are invaluable when making recommendations to the Board. Similarly, the Agency also reduced its footprint and costs at Headquarters this fiscal year by relocating to a lower-rent area and decreasing our office space by 30 percent. Despite the inconvenience and controlled chaos associated with the relocation, I am proud to say that our Agency employees ensured that our efficient and effective service to the public was not affected.

Additionally, in FY 2015, the Agency continued to reap the benefits of a fully-staffed Office of Chief Financial Officer through demonstrated improvements in internal controls, data analysis and reporting functions. Further, our Office of Human Resources worked diligently and responsively with the Office of Personnel Management auditors, thereby developing an excellent relationship, which has paid dividends for the Agency when seeking guidance and addressing personnel matters.

I am also pleased to report that, during this fiscal year, we met our goal referenced in last year's PAR by fully centralizing our FOIA casehandling, such that all FOIA requests and appeals are now handled by Headquarters' staff, instead of by field offices. This not only ensures consistency, but also has enabled Regional office staff to focus solely on Unfair Labor Practice and Representation casehandling matters. Further, we have enhanced our collaborative efforts among organizational units in the development and implementation of important programs. For example, our Office of Employee Development and Office of Equal Employment Opportunity teamed up to create and roll out a Cultural Enhancement Program to further our efforts of ensuring a diverse and inclusive environment within the Agency and a better understanding of cultural differences among members of the public with whom we interact. The long-term project has many components to provide multiple opportunities for our Agency and its employees to explore issues of civility and diversity, and has included streaming interactive online videos, podcasts, inner office group discussions, and Agency-wide live chats and discussion boards.

The Agency has also standardized business processes into a single, unified case management system (NxGen). All Regional and Headquarters' offices have now converted over to this system. Further, as to the unified communication system, which I referenced last year, I am proud to report that our Office of Chief Information Officer took advantage of the Headquarters' relocation to effectuate the consolidation of existing data, voice, video and wireless networks into a future state telephony with video and network architecture. This will allow Headquarters' staff members to communicate with voice, video and data from all locations, which increases productivity, supports our telework program, expands our NxGen functionality, allows for real-time collaboration with colleagues and constituents, assists with our "Go Green" paperless efforts, expedites issuance of documents, and lowers overall costs.

As to our litigation, once again, we remained quite busy this fiscal year. In particular, the Appellate and Supreme Court Branch in the Division of Enforcement Litigation engaged in significant and successful efforts to address challenges to Regional Director casehandling and decision-making when the Board quorum is affected, and the Contempt, Compliance and Special Litigation Branch successfully defended two challenges in district court to the Board's adoption of representation case rule changes. Challenges to my predecessor's continued public service after nomination related to the Federal Vacancies Reform Act were also ably handled, as were cases involving, for example, jurisdiction over tribal commercial enterprises, mandatory arbitration clauses in employment agreements, and employee versus independent contractor status. The Division of Advice also submitted cogent and well-analyzed briefs to the Board in a number of important cases, including, for example, Miller & Anderson, which involves a mixed unit of employees solely employed by a user employer

with those jointly employed by the user employer and a supplier employer. We continue to obtain timely and effective remedies, including injunctive relief with affirmative and cease and desist obligations in cases involving, for example, employees unlawfully discharged during organizing campaigns or not hired by a successor employer. This year, the Agency secured offers of reinstatement for over 2,000 workers and recovered over $95 million dollars in backpay. Other significant case activity this year involved: the closing of the record in the Walmart litigation, involving, among other contentions, allegations concerning employer responses to workplace protests on Black Friday and other occasions; and the initiation of litigation against McDonald's Corporation and some of its franchisees around the country, as joint employers, alleging violations of our statute in response to employee activities related to the nationwide fast food workers campaign.

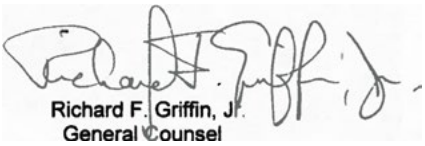
I remain committed to engaging with and educating the public. In this regard, during this fiscal year, the Office of the General Counsel issued guidance memoranda on a variety of subjects in order to assist employers, workers, practitioners and others in understanding substantive case law and relevant procedures. In this regard, I issued guidance on the following topics: employee handbook rules; procedures involving immigration issues; representation case rule changes; electronic signatures for showing of interest purposes; deferral standards; redaction policies; and backpay computations. These were in addition to issuing a comprehensive response to a series of questions posed by practitioners through the American Bar Association Labor and Employment Law Section's Practice and Procedure Committee. Notably, the Agency also developed and provided comprehensive training by our field offices all around the country to union and management representatives and practitioners before the representation case rules became effective in April. These efforts were uniformly well received for addressing necessary and relevant casehandling procedures; and the training sessions had the added benefit of decreasing anxiety and inadvertent noncompliance by parties involved in representation cases.

In addition to this outreach to the public, this fiscal year, our Congressional and Public Affairs Office became fully staffed and continued our efforts to promote broader public awareness of workers' rights under our statute and of our services to workers, employers and unions to guarantee those rights. For example, in addition to ensuring that all congressional and intergovernmental communications were timely handled in a transparent manner, the Office increased our exposure to the public through social media, particularly Twitter, more frequent news releases via our public website and our Regional newsletters, and fact sheets and statistics regarding changes to the representation case rules.

We also expanded our collaboration with other federal agencies, including Department of Labor, Department of Justice, Department of Homeland Security and the Equal Employment Opportunity Commission. For example, we are part of an Interagency Work Group promoting the White House's initiative regarding Asian American and Pacific Islander communities wherein Agency representatives have engaged with members of these vulnerable populations and their advocates about workplace concerns, cultural barriers and retaliation; protections afforded them under our collective statutes; and procedural hurdles. The Agency has also continued its efforts to engage with foreign embassies/ministries/consulates to finalize letters of agreement promoting the education of workers and business owners. This fiscal year, the Agency signed such an agreement with the Ministry of Foreign Affairs of the Republic of Columbia.

In sum, during the entire fiscal year, the dedicated employees of the Agency continued their exemplary work in protecting workplace democracy, promoting workers' rights, enhancing American labor relations, and strengthening the Nation's economy.

As General Counsel, I am committed to the open and transparent operation of my Office. I enjoy and encourage constructive relationships with representatives of both management and labor who appear before the Agency. I enjoy working with all of the Agency's capable employees to fulfill our mission of protecting workplace rights and providing the highest quality service to the public.



Richard F. Griffin, Jr.
General Counsel

Protecting Democracy in the Workplace Since 1935

Management Discussion and Analysis

ABOUT THE NLRB

Mission Statement **Protecting workplace democracy and the rights of employees, unions, and employers under the National Labor Relations Act, in order to promote commerce and strengthen the Nation's economy.**

THE NATIONAL LABOR RELATIONS ACT (NLRA)

- Basic law governing relations between labor unions and business enterprises engaging in interstate commerce in the private sector
- Purpose – serve the public interest by reducing interruptions in commerce caused by conflict between employers and employees
- Embodies a bill of rights, which establishes freedom of association for purposes of collective bargaining and concerted activities to improve terms and conditions in the workplace
- Addresses the rights and obligations of employees, labor unions, and private employers

THE NATIONAL LABOR RELATIONS BOARD (NLRB)

- Independent federal agency created in 1935 to administer and enforce the NLRA
- Under the Act, the NLRB has two primary functions:
  1) to conduct secret-ballot elections among employees to determine whether or not the employees wish to be represented by a union; and
  2) to prevent and remedy statutorily defined unfair labor practices by employers and unions.

The NLRB acts only on those cases brought before it and does not initiate cases. All proceedings originate with the filing of charges or petitions by employees, labor unions, private employers, or other private parties.

In its 80-year history, the NLRB has counted millions of votes, investigated hundreds of thousands of charges, and issued thousands of decisions. These numbers tell an important part of the Agency's story. Specific data on the following components of the Agency's work can be found on the NLRB's web site, *https://www.nlrb.gov/*:

- **Charges and Complaints –** Data related to charges of unfair labor practices received by Regional Offices and their disposition over time, including withdrawals, dismissals, complaints, and settlements
- **Petitions and Elections –** Data related to petitions for representation, decertification, unit amendment and clarification, and rescission of union security agreements received by Regional Offices; elections held; and outcomes
- **Decisions –** Data related to decisions by the Board and NLRB Administrative Law Judges
- **Litigation –** Data related to litigation by Board attorneys in federal court, including petitions for temporary injunctions, defending Board decisions in court, and pursuing enforcement, contempt and compliance actions
- **Remedies –** Data related to remedies obtained to resolve unfair labor practices, including backpay and offers of reinstatement

EMPLOYEE RIGHTS UNDER THE NLRA

The National Labor Relations Act extends rights to many private-sector employees, including the right to organize and to bargain collectively with their employer. Employees covered by the Act are protected from certain types of employer and union misconduct and have the right to support union representation in a workplace where none currently exists or to attempt to improve their wages and working conditions through other group action.

Under the NLRA, employees have the right to:

- Form, or attempt to form, a union among the employees of an employer.
- Join a union whether the union is recognized by the employer or not.
- Assist a union in organizing employees.
- Engage in protected concerted activity. Generally, "protected concerted activity" is group activity that seeks to improve wages or working conditions in a particular workplace.
- Refuse to do any or all of these things. However, the union and employer, in a State where such agreements are permitted, may enter into a lawful union-security clause requiring employees to pay union dues and fees.

The NLRA forbids employers from interfering with, restraining, or coercing employees in the exercise of rights relating to organizing, forming, joining or assisting a labor organization for collective bargaining purposes, engaging in protected concerted activities, or refraining from these activities. Similarly, unions may not restrain or coerce employees in the exercise of these rights.

Statutory Structure

Agency leadership consists of six presidential appointees – five Board Members (including the Chairman) and the General Counsel. Day-to-day management of the Agency is divided by law, delegation, and Agency practice between the Chairman, the Board, and the General Counsel. The Board and the General Counsel maintain a Headquarters in Washington, D.C., and the Agency also maintains a network of Regional[1] ("Field") offices and three satellite Judges' offices. The NLRA assigns separate and independent responsibilities to the Board and the General Counsel. The General Counsel's role is chiefly prosecutorial and the Board's is adjudicative.

The Five-Member Board

The five-member Board primarily acts as a quasi-judicial body, deciding cases on the basis of formal records in administrative proceedings. Board Members are appointed by the President with the advice and consent of the Senate, and serve staggered five-year terms.[2] The President designates one of the Board Members as Chairman. Board Member Mark Gaston Pearce was designated Chairman on August 28, 2011, and again on August 2, 2013.

Since the term of Board Member Johnson expired in August, the Agency currently has four Board Members, and a fifth has not yet been nominated.

The General Counsel

Congress created the position of General Counsel in its current form in the Taft-Hartley Act of 1947. The General Counsel is appointed by the President to a four-year term, with Senate consent, and is responsible for the investigation and prosecution of unfair labor practice cases and for the general supervision of the NLRB Regional Offices, as well as of the administrative,

1 Including Subregional and Resident Offices.

2 Even though Board Members have five-year-terms, a new five-year term begins running immediately upon the expiration of the previous Member's term and the seat remains vacant until an individual is nominated and confirmed by the Senate. Therefore, a significant lapse of time could occur between when a term expires and a new Board Member is confirmed, which means that a new Board Member might serve only a portion of a five-year term.

financial and human capital operations of the Agency. In performing delegated and some statutory functions, the General Counsel acts on behalf of the Board.

However, with respect to the investigation and prosecution of unfair labor practice cases, the General Counsel has sole prosecutorial authority under the statute, independent of the Board. Richard F. Griffin, Jr. was nominated by the President for General Counsel and appointed to a full four-year term on November 1, 2013.

Below is information about the terms of the current Presidential appointees of the NLRB.

	Sworn In	Term to Expire
Mark Gaston Pearce – Chairman	4/7/2010	8/27/2018
Philip A. Miscimarra – Member	8/7/2013	12/16/2017
Kent Y. Hirozawa – Member	8/5/2013	8/27/2016
Lauren McFerran – Member	12/17/2014	12/16/2019
Richard F. Griffin, Jr. – General Counsel	11/4/2013	10/31/2017

ORGANIZATION

BOARD		OFFICE OF THE GENERAL COUNSEL
Mark Gaston Pearce *Chairman*		Richard F. Griffin, Jr. *General Counsel*
Phillip A. Miscimarra *Board Member*	**Inspector General**	Jennifer A. Abruzzo *Deputy General Counsel*
Kent Y. Hirozawa *Board Member*	David P. Berry *Inspector General*	**Division of Operations Management**
Lauren McFerran *Board Member*	**Office of Equal Employment Opporutnity**	Anne G. Purcell *Associate General Counsel*
	Brenda Valentine Harris *Director*	**Division of Enforcement Litigation**
Congressional and Public Affairs Office	**Division Of Administration**	John H. Ferguson *Associate General Counsel*
Celine McNicholas *Director*	Roxanne Rothschild *Acting Director*	**Division of Advice**
Office of The Executive Secretary	**Office of The Chief Information Officer**	Barry J. Kearney *Associate General Counsel*
Gary Shinners *Executive Secretary*	Bryan Burnett *Chief Information Officer*	
Office of Representation Appeals	**Office of The Chief Financial Officer**	**Division of Legal Counsel**
Beverly Oyama *Acting Director*	Ronald E. Crupi *Chief Financial Officer*	Vacant *Associate General Counsel*
Office of The Solicitor		
William B. Cowen *Solicitor*		
Division of Judges		
Robert A. Giannasi *Chief Administrative Law Judge*		

CASEHANDLING FUNCTIONS

The NLRB strives to create a positive labor-management environment for the nation's employees, unions, and employers by assuring employees free choice on union representation and by preventing and remedying statutorily defined unfair labor practices. The NLRB maintains a customer-focused and a results-oriented philosophy to best serve the needs of the American people.

The primary function of the NLRB is the effective and efficient resolution of charges and petitions filed voluntarily under the NLRA by individuals, employers, or unions. In carrying out the NLRA's mandates, the NLRB supports the collective bargaining process and seeks to eliminate certain unfair labor practices on the part of employers and unions so as to promote commerce and strengthen the Nation's economy.

The two primary goals of the NLRB are:

- To promptly investigate, prosecute, and remedy unfair labor practices by employers or unions
- To promptly resolve all questions concerning representation

UNFAIR LABOR PRACTICE PROCEEDINGS

The NLRA contains a code of conduct for employers and unions, and regulates that conduct in unfair labor practice (ULP) proceedings. Unfair labor practices are remedied through adjudicatory procedures under the NLRA, in which the Board and the General Counsel have independent functions.

The General Counsel has sole responsibility—independent of the Board—to investigate charges of unfair labor practices and to decide whether to issue complaints with respect to such charges. The Board, in turn, acts independently of the General Counsel in deciding ULP cases.

The General Counsel investigates ULP charges through the Agency's network of Regional, Subregional, and Resident Offices (field offices). If there is reason to believe that a ULP charge has merit, the Regional Director, on behalf of the General Counsel, issues and prosecutes a complaint against the charged party, unless a settlement is reached. With some exceptions, a complaint that is not settled or withdrawn is tried before an administrative law judge (ALJ), who issues a decision. The decision may be appealed by any party to the Board through the filing of exceptions. The Board decides cases on the basis of the formal trial record, according to the statute and the body of case law that has been developed by the Board and the federal courts.

If the Board finds that a violation of the Act has been committed, the role of the General Counsel thereafter is to act on behalf of the Board to obtain compliance with the Board's order remedying the violation. Although Board decisions and orders in ULP cases are final and binding with respect to the General Counsel, they are not self-enforcing. The statute provides that any party may seek review of the Board's decision in a United States Court of Appeals. In addition, if a party refuses to comply with a Board decision, the Board itself must petition for court enforcement of its order. In court proceedings to review or enforce Board decisions, the General Counsel represents the Board and acts as its attorney. Also, the General Counsel acts as the Board's attorney in contempt proceedings and when the Board seeks injunctive relief under

Sections 10(e) and (f) of the NLRA after the entry of a Board order and pending enforcement or review of proceedings in circuit court.

Section 10(j) of the NLRA empowers the NLRB to petition a federal district court for an injunction to temporarily prevent unfair labor practices by employers or unions and to restore the status quo, pending full review of the case by the Board. In enacting this provision, Congress was concerned that delays inherent in the administrative processing of ULP charges, in certain instances, would frustrate the Act's remedial objectives. In determining whether the use of Section 10(j) is appropriate in a particular case, the principal question is whether injunctive relief is necessary to preserve the Board's ability to effectively remedy the unfair labor practice alleged, and whether the alleged violator would otherwise reap the benefits of its violation.

Under NLRB procedures, after deciding to issue a ULP complaint, the General Counsel may request authorization from the Board to seek injunctive relief. The Board votes on the General Counsel's request and, if a majority votes to authorize injunctive proceedings, the General Counsel, through his Regional staff, files for injunctive relief with an appropriate federal district court.

In addition, under Section 10(l) of the Act, when a Region's investigation of a charge yields reasonable cause to believe that a union has committed certain specified unfair labor practices, such as a work stoppage or picketing with an unlawful secondary objective, the Regional Director is required, on behalf of the Board, to seek an injunction from a federal district court to halt the alleged unlawful activity.

REPRESENTATION PROCEEDINGS

In contrast to ULP proceedings, representation proceedings conducted pursuant to the Act are not adversarial. Representation cases are initiated by the filing of a petition—by an employee, a group of employees, a labor organization acting on their behalf, or in some cases by an employer. Typically the petitioner requests an election to determine whether a union has the support of a majority of the employees in an appropriate bargaining unit and therefore should be certified or decertified as the employees' bargaining representative. The role of the Agency in such cases is to investigate the petition and conduct a secret-ballot election, if appropriate, addressing challenges and objections to the election subsequently, and thereafter issuing a certification.

In the processing of representation cases, the Board and the General Counsel have shared responsibilities. The Regional Offices, which are under the day-to-day supervision of the General Counsel, process representation petitions and conduct elections on behalf of the Board based on a delegation of authority made in 1961. As a result, the General Counsel and the Board have historically worked together in developing procedures for the conduct of representation proceedings. The Board has ultimate authority to determine matters such as the appropriateness of the bargaining unit and to rule on any challenges and objections to the conduct of an election. The Regional Directors have been delegated authority to render decisions in representation matters, which are subject to discretionary Board review.

COMPLIANCE PROCEEDINGS

In order to obtain compliance with the Board's orders and settlement agreements, the General Counsel's staff must follow up to ensure that the results of the processes discussed above are enforced. NLRB staff deals with employees whose rights have been violated to calculate backpay, and works with respondents regarding notice postings, reinstatement of workers, disciplinary record expungement, withdrawal of unlawful rules or policies, and bargaining remedies. Since Board orders are not self-enforcing, noncompliance or disputes on findings may require additional hearings or actions in the courts.

ADMINISTRATIVE FUNCTIONS

Section 3(d) of the Act assigns the General Counsel supervision over all attorneys employed by the Agency, with the exception of the ALJs, the Solicitor, the Executive Secretary and the attorneys who serve as counsel to the Board Members. The Board has also delegated to the General Counsel general supervision over the administrative, financial and human capital functions of the Agency.

CASEHANDLING HIGHLIGHTS

The NLRB acts only on those cases brought before it and does not initiate cases. All proceedings originate with the filing of charges or petitions by employees, labor unions, or private employers engaged in interstate commerce. During fiscal year 2015, the public filed 20, 199 unfair labor practice charges of which 37.8 percent were found to have merit. Also, in FY 2015, the NLRB received 2,822 representation petitions, including 2,666 petitions to conduct secret-ballot elections in which workers in appropriate units select or reject unions to represent them in collective bargaining with their employers, as well as 57 petitions for elections in which workers voted on whether to rescind existing union-security agreements. The NLRB also received 7 petitions seeking amendment and 83 petitions seeking clarification of an existing bargaining unit, as well as 9 WH cases[3].

The NLRB strives to create a positive labor-management environment for the nation's employees, unions, and employers by assuring employees' free choice on union representation and by preventing and remedying statutorily defined unfair labor practices. The NLRB maintains a citizen-centered and results-oriented philosophy to best serve the needs of the American people.

3 Correction to the 2014 reported statistics in the Casehandling Highlights section. During fiscal year 2014, the public filed 20,415 unfair labor practice charges of which 36.5 percent were found to have merit. Also, in FY 2014, the NLRB received 2,677 representation petitions, including 2,512 petitions to conduct secret-ballot elections in which workers in appropriate groups select or reject unions to represent them in collective bargaining with their employers, as well as 72 petitions for elections in which workers voted on whether to rescind existing union-security agreements. The NLRB also received 11 petitions to amend the certification of existing collective bargaining, 74 petitions seeking clarification of an existing bargaining unit and eight WH cases.

The following cases highlight this philosophy and reflect the NLRB's mission of protecting democracy in the workplace:

Adams & Associates, Inc. and McConnell, Jones Lanier & Murphy, LLP, Joint Employers, 20-CA-130613 –
In this successor case, Adams & Associates took over as a subcontractor providing student services and career transition services within a residential program for disadvantaged youth under a Department of Labor primary contract. Adams hired a majority of the predecessor's employees and recognized the Union, but refused to hire the Union president and would not allow her access to the facility. There were no other Union leaders remaining in the bargaining unit as the Employer had discharged the official steward and appointed the Union vice-president to a non-bargaining unit position. Concerned that remaining employees would be chilled from stepping in to fill the leadership void created by the refusal to hire the Union president, and that the employees would therefore be hampered in their ability to negotiate a first contract with this employer, the Region sought an injunction requiring the Employer to offer the Union president interim reinstatement. The district court judge in the Eastern District of California entered an injunction requiring the Employer to offer reinstatement to the Union president.

Vista Del Sol Health Services, Inc. d/b/a Vista Del Sol Healthcare, 31-CA-115318 –
In August 2013, Service Employees International Union – United Long Term Care Workers started organizing employees at Vista Del Sol Healthcare Services, Inc., a skilled nursing and assisted living facility in Los Angeles, California. By mid-October, a majority of employees had signed union authorization cards and a group of employees and Union representatives presented a petition to the Employer demonstrating their support. The Employer responded over the next several weeks by making threats and other coercive statements; it then discharged two employees, and laid off and contracted out the work of seven of the housekeeping and maintenance employees. Employees became fearful of supporting the Union because they saw

other employees lose their jobs because of their Union support. The Region filed a petition for injunctive relief seeking reinstatement of the discharged and laid off employees and a *Gissel* bargaining order. The district court judge in the Central District of California granted the requested injunction.

Oliva Supermarkets LLC and RL Markets LLC, as alter egos and/or single employer, 22-CA-130315 – Oliva operated a grocery store in Cedar Knolls, New Jersey. The Union represented the eleven employees working in the meat, poultry, fish, appetizer, and deli departments. In February 2014, Oliva closed the Cedar Knolls store after the property lease expired. In May 2014, RL Markets opened a store three miles away in Whippany, New Jersey. Oliva and Oliva's owner were heavily involved in the funding and operation of the new store. Virtually all of the bargaining unit employees from Cedar Knolls transitioned to Whippany. After the closure and re-opening, Oliva withdrew recognition from the Union, repudiated the parties' extant contract, and made numerous unilateral changes. As a result, the employees' support for the Union waned considerably.

The Region issued a complaint alleging that RL Markets is an alter ego of Oliva and, thus, the Employer violated the Act by withdrawing recognition from the Union, repudiating the contract, and making significant unilateral changes. It sought an injunction to prevent the nullification of the Board's final order, prevent irreparable erosion of Union's employee support, and preserve the employees' statutory rights. The district court judge in the District of New Jersey granted the relief, requiring RL Markets to recognize and bargain with the Union and restore the terms of the extant collective-bargaining agreement.

Bodega Latina Corp., d/b/a El Super, 21-CA-138274 – The Employer owns and operates approximately 50 grocery stores that cater to the Latino market, seven of which were acquired in 2008 from a chain doing business in and around Los Angeles, California whose approximately 600 employees were represented by the Union. The parties met 21 times between September 2013 and June 4, 2014 to negotiate a successor agreement. The Employer declared impasse and lawfully implemented its last, best, and final offer, but thereafter, it unilaterally changed its vacation policy, retroactively applying the change to take away vacation time from bargaining unit employees. In December, the Union overwhelmingly won a decertification election and subsequently requested to resume bargaining, which the Employer refused to do. In support of the bargaining request, the Union commenced a boycott against the Employer at its non-union stores, which included a series of rallies at the Employer's other Los Angeles area stores. One of the Employer's employees spoke at the rallies and was also quoted in a local newspaper about the working conditions at his store. The Employer initially suspended the employee for speaking to the media and for allegedly making disparaging comments about the Employer, and then discharged him on January 8, 2015.

The Region found that the Employer offered shifting reasons for the discharge, strongly indicating that those reasons were pretextual. The Region issued a complaint alleging that the discharge violated the Act and, further, that the parties were no longer at impasse because of changed circumstances and therefore the Employer unlawfully refused to meet and resume contract negotiations and unilaterally changed the vacation policy. The Region filed an injunction petition seeking an interim bargaining order, reinstatement of the discharged employee, and rescission of the Employer's unilateral change to the vacation policy. The judge in the Southern District of California granted the relief requested, except for the bargaining order, finding it was moot because the Employer had already offered to return to the bargaining table by that time. The full unfair labor practice case settled soon thereafter.

Ciampa Management Corp., 29-CA-143160 –
The Employer is a building management company that manages three residential apartment buildings in Long Island City, New York, and employs approximately 16 doormen, handymen, and porters. In late summer 2014, employees began an organizing campaign, and, in late December, employees presented a petition on Union letterhead signed by 9 of the 16 workers, which stated that employees wanted better working conditions. Shortly thereafter, several petition signers received either a smaller holiday bonus or no holiday bonus, and two prominent Union supporters were discharged. The Employer also promulgated a rule prohibiting employee access to its facility during non-work hours and limiting employee interaction with building tenants. As a result of the Employer's conduct, Union participation declined and several employees stated they would not support the Union for fear of discipline or termination.

After issuing an unfair labor practice complaint, the Region filed a petition in district court seeking a temporary injunction. The district court judge in the Eastern District of New York found that the Employer's actions "severely chilled employees' interest in unionization," and entered the injunction to "re-establish the status quo as it existed before the unfair labor practices occurred" and "prevent any further chilling of union activity."

Northwestern University, 13-RC-121359 –
In a unanimous decision, the National Labor Relations Board declined to assert jurisdiction in the case involving Northwestern University football players who receive grant-in-aid scholarships. The Board did not determine if the players were statutory employees under the Act. Instead, the Board exercised its discretion not to assert jurisdiction and dismissed the representation petition filed by the union.

In the decision, the Board held that asserting jurisdiction would not promote labor stability due to the nature and structure of NCAA Division I Football Bowl Subdivision (FBS). By statute the Board does not have jurisdiction over state-run colleges and universities, which constitute 108 of the roughly 125 FBS teams. As the NCAA and conference maintain substantial control over individual teams, the Board held that asserting jurisdiction over a single team would not promote stability in labor relations across the league.

Baylor Health Care System, Scott & White Healthcare, 16-CA-124036, 16-CA-124366, 16-CA-124738, 16-CA-128767 –
Three Charging Parties filed unfair labor practice charges alleging that Baylor Health Care System, Scott & White Healthcare maintained overly broad policies with regard to social media, government investigations and inquiries, fair treatment, compliance concerns, solicitation and distribution, union-free workplace, personal conduct, and its code of ethical conduct. The Region found merit to the allegations and issued a complaint because it deemed that the rules interfered with employees' rights to engage in concerted activity for mutual aid and protection.

During the hearing, the Administrative Law Judge approved a settlement agreement resolving the dispute wherein the Employer agreed to notify its 35,000 employees in Texas that it will rescind its policies and post NLRB notices at all of its locations throughout the state, as well as notify its employees electronically that it rescinded these policies and advise them of their statutory rights in the workplace.

Browning-Ferris Industries of California, Inc., d/b/a BFI Newby Island Recyclery and FPR-II, LLC, d/b/a Leadpoint Business Services, 32-RC-109684 –
In a 3-2 decision involving Browning-Ferris Industries of California (BFI), the Board refined its standard for determining joint-employer status "to better effectuate the purposes of the Act in the current economic landscape." The Board applied long-established principles to find that two or more entities are joint employers of a single workforce if (1) they are both employers within the meaning of the common law; and (2) they share or codetermine those matters

governing employees' essential terms and conditions of employment. In evaluating whether an employer possesses sufficient control over employees to qualify as a joint employer, the Board ruled that it will, among other factors, consider whether an employer has exercised control over terms and conditions of employment indirectly through an intermediary, or whether it has reserved the authority to do so.
In its decision, the Board found that BFI was a joint employer with Leadpoint, the company that supplied employees to BFI to perform various work functions for BFI, including cleaning and sorting of recycled products. In finding that BFI was a joint employer with Leadpoint, the Board relied on indirect and direct control that BFI possessed over essential terms and conditions of employment of the employees supplied by Leadpoint, as well as BFI's reserved authority to control such terms and conditions.

A.S.V., Inc. a/k/a Terex, 18-CA-131987, 18-CA-140338, 18-RC-128308 –
The Region issued a complaint against A.S.V., Inc., a/k/a Terex, a construction equipment manufacturer, alleging that the company committed numerous unfair labor practices in response to an organizing campaign at its Grand Rapids, Minnesota facility, including unlawfully interrogating, threatening, and discharging employees.

An Administrative Law Judge agreed, and issued a decision ordering Terex to reinstate and provide back pay to 13 workers who were unlawfully terminated following the unsuccessful organizing effort. Additionally, the Judge found that Terex had threatened employees with plant closure, made other coercive statements, and interrogated employees in order to discourage support of the Union. Due to the severity of the unfair labor practices, the Judge agreed with the Region that a *Gissel* bargaining order was warranted, requiring Terex to recognize and bargain with the International Brotherhood of Boilermakers as the employees' representative.

Sprain Brook Manor Rehab, LLC, Pinnacle Dietary, Inc., Commercial Building Maintenance Corp., Local 713, International Brotherhood of Trade Unions, and Budget Services, Inc., 02-CA-089480 and 02-CB-095670 –
The Region sought a temporary injunction and a district court ordered Sprain Brook Manor Rehab to reinstate two discharged employees and to rescind subcontracts. The Court found that there was reasonable cause to believe that the Scarsdale, New York nursing home was a successor employer, who utilized subcontractors and recognized a favored union, to avoid recognizing and bargaining with its employees' representative, 1199 SEIU United Health Care Workers East.

Pursuant to the federal court's injunction order, Sprain Brook restored work that had been performed by subcontractors to bargaining unit employees, with the wages and benefits they enjoyed prior to the subcontracting. As required by the order, Sprain Brook further agreed to recognize and bargain with 1199 SEIU, and restored 1199 SEIU's right to access the facility to meet with management and employees. The order also required Sprain Brook and its subcontractors to withdraw recognition from International Brotherhood of Trade Unions Local 713, which was enjoined from accepting recognition or union dues at the nursing facility.

Finally, in compliance with the order, Sprain Brook held mandatory on-site meetings where the court order was read to employees during each of three shifts at the facility.

Ozburn-Hessey Logistics, 26-CA-092192, 15-CA-097046, 15-CA-105527, 15-CA-106180, 15-CA-106387, 15-CA-106511, 15-CA-108749, 15-CA-109235, 15-CA-111520, 15-CA-111523, 15-CA-117208, 15-CA-119826, 15-CA-119925, and 15-CA-123315 –
The Region issued a complaint alleging that Ozburn-Hessey, a transportation, warehousing, and logistics services company located in Memphis, Tennessee, violated the Act by, among other acts, discriminatorily discharging nine employees, taking disciplinary action against several union supporters, engaging in threats and surveillance, confiscating union literature, and performing drug and alcohol testing on an employee because of her union activity.

Following the issuance of complaint, the Region sought injunctive relief in order to prevent irreparable harm to the terminated employees and continued misconduct by the Employer. The United States District Court for the Western District of Tennessee granted the Region's injunction request. In compliance with the Court's order, Ozburn-Hessey reinstated the nine wrongfully discharged employees, ceased anti-union activities, and agreed to take interim measures to assure employees that its surveillance, threats, and other retaliatory actions in response to union activities would not continue.

Novelis Corporation, 03-CA-121293, 03-CA-121579, 03-CA-122766, 03-CA-123346, 03-CA-123526, 03-CA-127024, 03-CA-126738, 03-RC-120447 –
The Region issued a complaint alleging that Novelis, which produces rolled aluminum products, restored benefits to employees to dissuade employees from voting for the Union, threatened employees with job loss and loss of benefits if they voted for the Union, disparaged the Union and demoted a lead Union organizer. Seeing that the Union had demonstrated a majority of employee support before the election, as established through signed authorization cards, the Region also sought a bargaining order alleging that the unfair labor practices were serious, substantial and widely disseminated which undermined the Union's majority support and made the holding of a fair election unlikely.

After a 17-day hearing, an Administrative Law Judge issued a decision finding that the Union had established majority support through signed authorization cards, and that Novelis had violated the Act. The Judge determined that a bargaining order was the appropriate remedy and ordered that Novelis bargain with the Union as the exclusive collective bargaining representative of employees.

Travis Transit Management, Inc., 16-CA-087951, 16-CA-090973, 16-CA-091323 –
Following the issuance of complaint, alleging that the Employer unilaterally implemented changes to its employees' health insurance benefits and retirement plan contributions at the time it began providing fixed route bus service to Capital Metro in Austin, Texas, the Region secured a settlement agreement under which over 600 employees and former employees of Travis Transit Management Inc., a wholly-owned subsidiary of McDonald Transit Associates, Inc., received $655,000 as compensation for losses of retirement contributions, health insurance premiums, out-of-pocket health expenses, and other pay and benefits.

Green Organics, Inc., 25-CA-143923 –
Following the issuance of complaint and the initiation of injunction proceedings against Green Organics, the Region negotiated a settlement agreement with the Employer, a processor and recycler of compost and landscape waste in Illinois.

Under the terms of the settlement, the employer reinstated a lead union supporter with full backpay and agreed that his challenged ballot should be opened and counted, after which the union was certified as the employees' representative.

Pier Sixty, LLC, 02-CA-068612 and 02-CA-070797 –
A Board majority issued a decision finding that Pier Sixty, LLC, a catering company in New York, violated the Act by terminating an employee for his protected concerted comments on social media. The comments, which the employee posted to his Facebook page while he was on break, addressed alleged mistreatment by a manager and urged coworkers to vote for the union in an upcoming representation election. Although the employee used expletives in his post, the Board majority, applying the totality-of-the-circumstances test set forth in *Richmond District Neighborhood Center*, concluded that the comments did not lose the Act's protection, and ordered the employer to reinstate the employee to his former position.

A unanimous Board further concluded that the employer violated the Act by unlawfully threatening employees with loss of current benefits, job loss and discharge, informing employees that bargaining would start from scratch, and disparately applying a "no talk" rule.

PERFORMANCE HIGHLIGHTS

The Board and the General Counsel share a common goal of ensuring that the NLRA is fully and fairly enforced. Although they have separate statutory functions, representatives from the Board and the General Counsel work together in developing the comprehensive Strategic Plan and the Performance and Accountability Report. The NLRB's Strategic Plan was updated in FY 2014 and covers FY 2014 to FY 2018.

The NLRB's Strategic Plan states the Agency's Strategic Goals, Objectives, Initiatives, Performance Measures, and Management Strategies. There are two mission-related goals, and two support goals. The majority of the support goals are management-strategy based and will be discussed at length in the Performance Section of this report.

Strategic Goal 1 (Mission)

Promptly and fairly investigate, prosecute, and resolve unfair labor practices under the National Labor Relations Act.

Performance Measure

The percentage of meritorious unfair labor practice charges resolved by settlement or compliance with a Board Order or Court judgment within 365 days of the filing of the ULP charge.

Performance Measure

The percentage of all unfair labor practice charges resolved by withdrawal, dismissal, settlement or compliance with a Board order or Court judgment within 120 days of the filing of the ULP charge.

Strategic Goal 2 (Mission)

Promptly and fairly resolve all questions concerning representation of employees.

Performance Measure No. 1

The percentage of representation cases resolved within 100 days of filing of the election petition.

Goals one and two of the NLRB's Strategic Plan represent the core functions of the Agency in its enforcement of the NLRA.

The NLRB's mission-related goals are supported by objectives, initiatives, and management strategies that enable the NLRB to meet its performance measures. Rather than focus on the individual segments of the casehandling process, these performance measures focus on the time it takes to process an entire case, from start to finish. They are outcome-based, aligned with the mission of the NLRB, and are meaningful to the public the Agency serves. The NLRB tracks the total time taken to accomplish the following: the processing of all ULP charges; the resolution of those ULP charges found to have merit, and the resolution of all questions concerning representation. The goals are to resolve meritorious ULP cases within 365 days, resolve all ULP cases within 120 days, and resolve representation matters within 100 days.

The Performance Measures for Strategic Goal 1 address the timely resolution of ULP cases, including time spent on the case by both the General Counsel and Board sides of the Agency. On an annual basis, there are typically more than six times as many ULP cases than representation cases. Both types of cases often involve complicated issues for Regions to address.

The Performance Measure for Strategic Goal 2 focuses on the time taken to resolve a representation case, from beginning to end, including time spent on the case by both the General Counsel and Board sides of the Agency. In representation cases, elections result from petitions filed by unions, employees, or employers seeking a secret ballot determination as to whether a majority of employees support union representation. This measure includes field office and Headquarters' casehandling.

Goal 1 Performance Measure: The percentage of all meritorious unfair labor practice charges resolved by settlement or compliance with a Board Order or Court judgment within 365 days of the filing of the ULP charge.

Year	Annual Goal	Actual Performance
FY 2014	82.5%	83.9%
FY 2015	82.5%	80.4%
FY 2016	82.6%	
FY 2017	82.7%	
FY 2018	82.8%	

Goal 1 Performance Measure: The percentage of all unfair labor practice charges resolved by withdrawal, dismissal, settlement or compliance with a Board order or Court judgment within 120 days of the filing of the ULP charge.

Year	Annual Goal	Actual Performance
FY 2014	72.3%	72.3%
FY 2015	72.3%	70.6%
FY 2016	72.4%	
FY 2017	72.4%	
FY 2018	72.5%	

Goal 2 Performance Measure: The percentage of representation cases resolved within 100 days of filing the election petition.

Year	Interim Goal	Actual Performance
FY 2014	85.3%	88.1%
FY 2015	85.4%	87.1%
FY 2016	85.5%	
FY 2017	85.7%	
FY 2018	85.8%	

FINANCIAL HIGHLIGHTS

The Office of the Chief Financial Officer (OCFO), comprised of the Budget, Finance and Acquisition Management Branches, reports directly to the Chairman and the General Counsel. This structure integrates and enhances Agency financial management. Specifically, the OCFO focuses on effectiveness and efficiency in financial operations, reliability of financial reporting, transparency of financial data, and compliance with applicable laws and regulations. The OCFO continuously seeks to infuse more discipline, structure, and internal control in the financial management lifecycle and throughout the financial management process.

ANALYSIS OF FINANCIAL STATEMENTS

The NLRB prepares annual financial statements in accordance with Generally Accepted Accounting Principles (GAAP) for federal government entities and subjects the statements to an independent audit to ensure their integrity and reliability in assessing performance. The NLRB's financial statements summarize the financial activity and financial position of the Agency. The financial statements, footnotes, and the balance of the required supplementary information appear in the Financial Section of this Performance and Accountability Report (PAR).

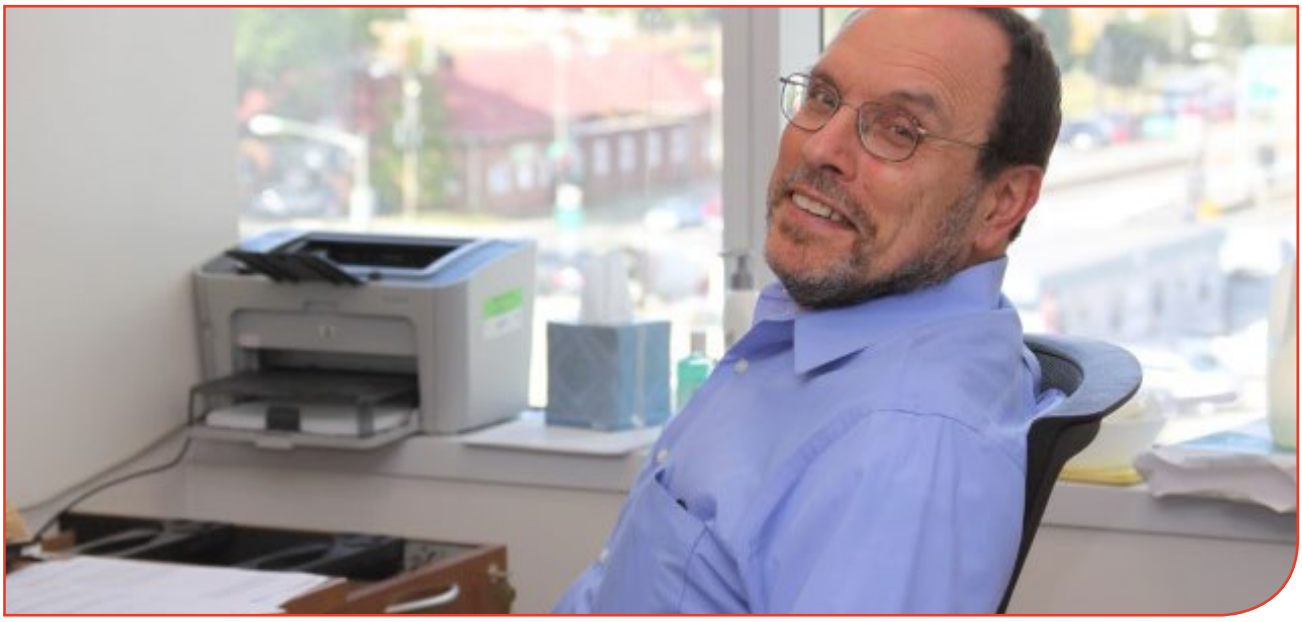
Balance Sheet - The NLRB assets were $43.4 million as of September 30, 2015. The Fund Balance with Treasury, which was $32.6 million, represents the NLRB's largest asset. The Fund Balance consists of unspent appropriated and unappropriated funds from the past six fiscal years.

The NLRB's Property, Plant and Equipment Balance was $10.7 million, which was primarily related to leasehold improvements, telephone systems, and computer hardware and software.

Statement of Net Cost - The NLRB's appropriation is used to resolve representation cases or ULP charges filed by employees, employers, unions, and union members. Of the $280.9 million net cost of operations in FY 2015, 11.88 percent was used for representation case activities and 88.12 percent was used to resolve ULP charges.

Statement of Changes in Net Position - The NLRB's net position is affected by changes in its two components: Cumulative Results of Operations and Unexpended Appropriations. From FY 2014 to FY 2015, there was a change in net position of $5.5 million.

Statement of Budgetary Resources - The Statement of Budgetary Resources shows budgetary resources available and the status at the end of the period. It represents the relationship between budget authority and budget outlays, and reconciles obligations to total outlays. For FY 2015, the NLRB had available budgetary resources of $279.3 million, the majority, $274.2 million, were derived from new budget authority. Obligations were $274.5 million for FY 2015, and total outlays for FY 2015 were $271.3 million.



LIMITATIONS OF PRINCIPAL FINANCIAL STATEMENTS

The principal financial statements of the NLRB have been prepared to report the financial position and results of operations of the Agency, pursuant to the requirements of 31 U.S.C. 3515(b). While the statements have been prepared from the books and records of the entity in accordance with generally accepted accounting principles for federal entities and the formats prescribed by Office of Management and Budget, 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 an understanding that they are for a component of the U.S. Government, a sovereign entity.

MANAGEMENT ASSURANCES

FEDERAL MANAGERS' FINANCIAL INTEGRITY ACT

The Federal Managers' Financial Integrity Act (FMFIA) requires federal agencies to develop and implement appropriate and cost-effective internal controls for results-oriented management, assess the adequacy of those internal controls, identify needed areas of improvement, take corresponding corrective action, and provide an annual statement of assurance regarding internal controls and financial systems. This annual statement of assurance is provided in the PAR.

NLRB management is responsible for establishing and maintaining an environment throughout the Agency that is positive and supportive of internal controls and conscientious management. The NLRB is committed to management excellence and recognizes the importance of strong financial systems and an internal control system that promotes integrity, accountability, and reliability.

Internal control systems are expected to provide reasonable assurance that the following objectives are being achieved:

- Effectiveness and efficiency of operations
- Reliability of financial reporting
- Compliance with applicable laws and regulations

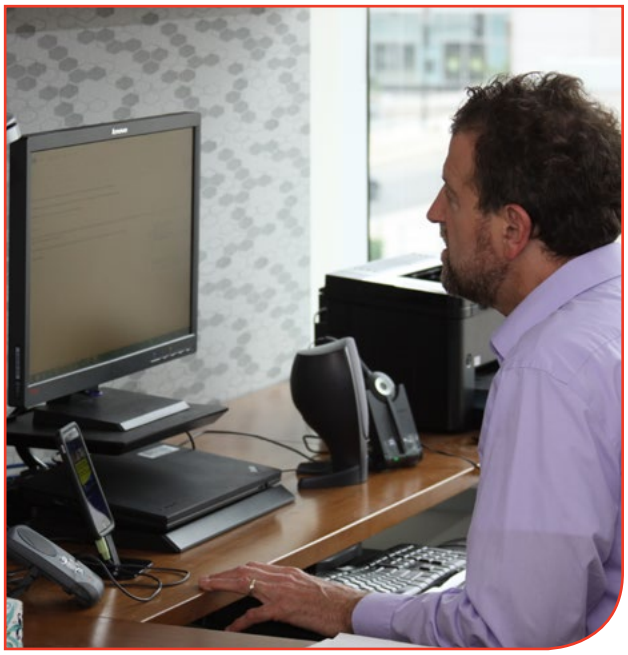
In assessing whether these objectives are being achieved, the NLRB used the following standards in accordance with OMB Circular A-123, *Management's Responsibility for Internal Control*, dated December 21, 2004.

Control Environment	Creating and maintaining an organizational structure that promotes a high level of integrity and personal and professional standards, and sets a positive and supportive attitude toward internal controls through conscientious management
Risk Assessment	Identification and analysis of risks that could impede the achievement of Agency goals and objectives
Control Activities	Policies, procedures, techniques, and mechanisms to ensure proper stewardship and accountability for government resources and for achieving effective and efficient program results
Information and Communications	Ensures the Agency's control environment, risks, control activities, and performance results are communicated throughout the Agency
Monitoring	Assessing quality of performance over time to ensure that internal control processes are appropriate and effective

The NLRB's approach to assessing its internal controls included the identification and assessment of risks by 31 designated managers on an Agency-wide basis. In completing this annual review, the designated managers, in conjunction with subordinate staff as needed, used personal judgment as well as other sources of information. These sources included: knowledge gained from day-to-day operations; Inspector General audits and investigations; program evaluations; reviews of financial systems; annual performance plans; and previous management reviews. The designated managers were responsible for conducting reviews of program operations, assisting program offices in identifying risks and conducting internal control reviews, issuing reports of findings, and making recommendations to improve internal controls and risk management.

Based on the internal controls program, reviews, and consideration of other information, senior management's assessment of the NLRB's internal controls is that controls are adequate to provide reasonable assurance in support of effective and efficient operations, reliable financial reporting, and compliance with laws and regulations.

The Statement of Assurance provided on page 32 is required by the Federal Managers' Financial Integrity Act (FMFIA) and OMB Circular A-123, *Management's Responsibility for Internal Control*.



FMFIA Section 2, Management Control

Section 2 of the FMFIA requires federal agencies to report, on the basis of annual assessments, any material weaknesses that have been identified in connection with their internal and administrative controls. The reviews that took place in FY 2015 provide reasonable assurance that NLRB systems and internal controls comply with the requirements of FMFIA.

FMFIA Section 4, Financial Management Systems

Section 4 of the FMFIA requires that agencies' financial management systems controls be evaluated annually. The NLRB evaluated its financial management systems for the year ending September 30, 2015, in accordance with the FMFIA and OMB Circular A-127, *Financial Management Systems*, Section 7 guidance. The annual statement by the Chief of the Finance Branch indicates that the NLRB's financial systems, taken as a whole, conform to the principles and standards developed by the Comptroller General, OMB, and the Department of Treasury.

FINANCIAL SYSTEM OVERVIEW

The NLRB obtains the majority of its financial systems and services from the Department of the Interior's Interior Business Center (IBC). IBC provides the following systems:

- Oracle Federal Financials – Integrated system of record for all financial transactions.
- Federal Payroll and Personnel System (FPPS) – Personnel system of record, which interfaces with the Oracle system.
- E2Solutions – eTravel system provided by Carlson Wagonlit, the NLRB's Travel Management Service, which also interfaces with the Oracle system.

UNITED STATES GOVERNMENT
NATIONAL LABOR RELATIONS BOARD
WASHINGTON, DC

October 6, 2015

ANNUAL STATEMENT OF ASSURANCE

The NLRB's management is responsible for establishing and maintaining effective internal control and financial management systems that meet the objectives of the Federal Managers' Financial Integrity Act (FMFIA). The NLRB conducted its assessment of the effectiveness of internal control over the effectiveness and efficiency of operations and compliance with applicable laws and regulations in accordance with OMB Circular A-123, *Management's Responsibility for Internal Control.* Based on the results of this evaluation, the NLRB can provide reasonable assurance that its internal control over the effectiveness and efficiency of operations and compliance with applicable laws and regulations, as of September 30, 2015, was operating effectively and no material weaknesses were found in the design or implementation of internal controls and financial systems.

Mark Gaston Pearce
Chairman

Richard F. Griffin, Jr.
General Counsel

2015 YEAR IN REVIEW

AGENCY OPERATIONS

Headquarters Move

In July, the National Labor Relations Board's Headquarters relocated to 1015 Half St. SE, Washington DC. The new location reduced the Agency's footprint by 30 percent, which results in long-term cost savings.

Guidance for Representation Case Rule Implementation

The Board adopted changes to the representation case rules to streamline and modernize the representation case process and eliminate unnecessary litigation and delay. The rule:

- Provides for electronic filing and transmission of election petitions and other documents;
- Ensures that employees, employers and unions receive timely information they need to understand and participate in the representation case process;
- Eliminates or reduces unnecessary litigation, duplication and delay;
- Adopts best practices and uniform procedures across Regional Offices;
- Requires that additional contact information (personal telephone numbers and email addresses) be included in voter lists, to the extent that information is available to the employer, in order to enhance information sharing by permitting other parties to the election to communicate with voters; and
- Allows parties to consolidate all election-related appeals to the Board into a single appeals process.

The General Counsel issued a guidance memo to the public before the April 14, 2015 effective date. Specifically, the memo fully outlined how new representation cases would be processed from petition filing through certification. Further, prior to implementation, the NLRB's field offices hosted more than 35 training sessions nationwide.

COLLABORATIVE EFFORTS

Memoranda of Understanding

The National Labor Relations Act covers most private sector workers and business owners in the United States. In FY 2015, the Agency and the Colombian Ministry of Foreign Affairs signed a Memorandum of Understanding (MOU) designed to promote awareness among Colombian workers, their employers, and business owners of their rights and responsibilities under the Act.

Under this MOU, the NLRB and the Colombian Ministry in DC, as well as consulates across the country, will collaborate to improve awareness within the Colombian community working in the United States about our statute and Agency processes.

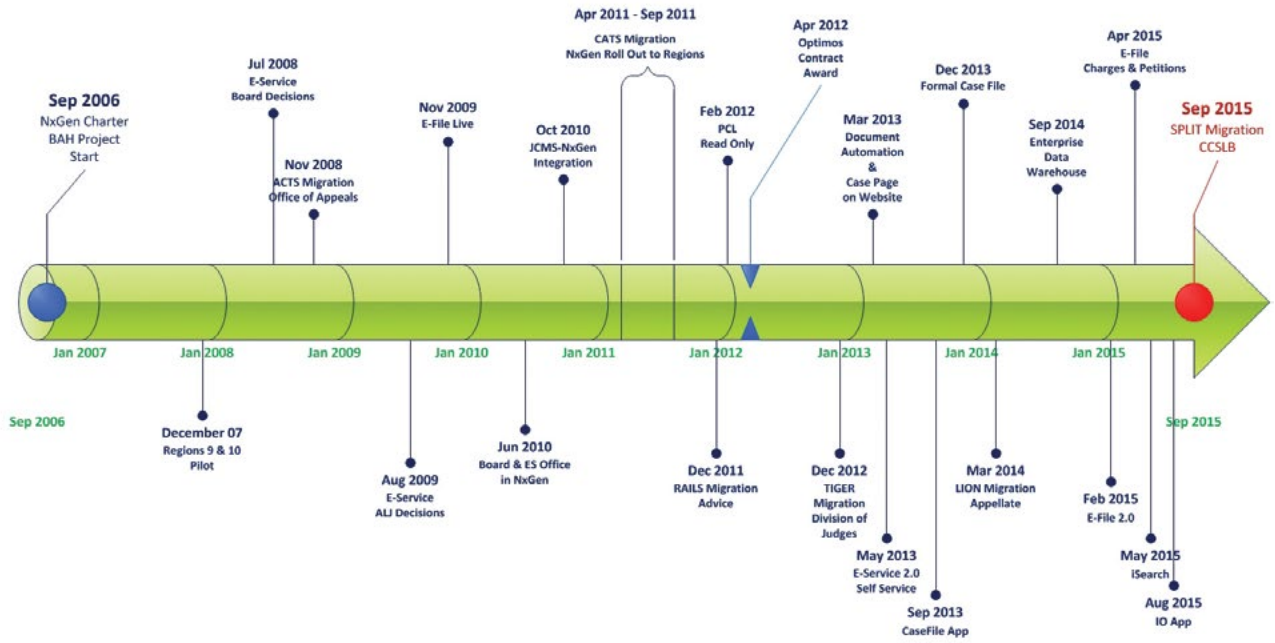
TECHNOLOGY ADVANCES

This year marked a considerable milestone for the Next Generation Case Management System, NxGen, as the Agency completed the consolidation of its separate legacy case tracking systems into an enterprise case management solution. NxGen was built in 2006 to replace 11 separate legacy systems and integrate them into a single unified solution. This was the most comprehensive technology project ever undertaken at the NLRB, and its success has been essential to the Agency's mission.

The NxGen effort was launched with these goals:

- Improve the productivity of the Agency's case management by standardizing business processes in a single unified electronic case management system.
- Optimize business processes by providing employees ready access to the tools, data and documents they require from anywhere, at any time.
- Transform the way the NLRB serves the public, including making its case processes transparent and providing more information to its constituents electronically, online and on demand.
- Streamline processes to reduce the paperwork burden on constituents, including individuals, labor unions, businesses, government entities and other organizations.

The NxGen program delivered on each of these goals and has exceeded the expectations of those who participated in its launch. The program also has been a financial success, enabling the Agency to bend its information technology cost curve downward. Except for FY 2011, the year that the Field Offices were migrated off of their legacy systems, the Agency spent less money annually building and maintaining NxGen than it spent in 2004 on maintaining its existing case tracking systems.



PUBLIC INFORMATION PROGRAM

The Agency's Public Information Program is one of the critical services provided to employers, unions, and employees. Under this program, in addition to the services provided by the Congressional and Public Affairs Office in Headquarters, Board agents in the field offices provide information directly to individuals or entities that contact the Agency seeking assistance. In FY 2015, the Agency's Regional Offices received 71,272 public inquiries regarding workplace issues. In responding to these inquiries, Board agents spend a considerable amount of time explaining the coverage of the NLRA, accepting charges, or referring parties to other federal or state agencies.

The public may also contact the Agency through a toll-free telephone service (1-866-667-NLRB) designed to provide easy and cost-free access to information. Callers hear messages recorded in English and Spanish that provide a general description of the Agency's mission, contact information for other government agencies and connections to the Regional Offices in closest geographic proximity. In FY 2015, the toll-free telephone service received 33,925 calls.

Public outreach is encouraged and has been embraced at all levels of the Agency. Over the past few years, the Board Members, General Counsels[4], Regional Managers, and board agents participated in numerous speaking engagements at events sponsored by law schools, the American Bar Association, the Chamber of Commerce, and various employer, union and worker advocacy groups. Agency representatives also engaged in outreach events involving other federal agencies, business organizations, workers' rights centers, human resources professional groups, labor organizations, and other groups to educate them on the NLRA and the role of the NLRB as an impartial enforcement agency. Further, Regional Offices publish newsletters and participate in televised or radio public talk shows.

4 Including former Acting General Counsel Lafe E. Solomon.

The NLRB continues to reach out to communities of workers who have limited English proficiency by incorporating an easy to use, bilingual toll-free telephone service for inquiries. In addition, the Agency employs language assistants and contracts with service providers whose job is to provide interpretation and translation services in various languages to assist with our field office casehandling. The public website contains Agency publications about the NLRA and its processes, which are translated into Spanish, Chinese, Creole, Korean, Russian, Somali and Vietnamese. The number of electronic document templates available in Spanish continues to increase and the database of translated representation case notices and ballots has expanded to include 31 languages. Also, an Agency film about representation case processing has been recorded for the benefit of the Spanish-speaking community. Finally, the Agency has teamed up with other federal agencies in conducting listening sessions among the Asian American and Pacific Islander community to educate them about the rights of workers and to listen to their concerns regarding treatment at their workplaces and confusion about our processes.

FY 2015 STATISTICAL HIGHLIGHTS

- The Board issued 394 decisions in contested cases, 316 ULP charges, and 78 representation petitions were filed
- 96.7 percent of all initial elections were conducted within 56 days of filing of the petition
- Initial elections in union representation cases were conducted in a median of 33 days from the filing of the petition
- Regional Offices issued 1,272 complaints
- 92.4 percent of meritorious ULP cases were settled
- Regional Offices prevailed in 88 percent of Board and ALJ decisions which were won, in whole or in part
- $95,914,888 was recovered on behalf of employees as backpay or reimbursement of fees, dues, and fines, and 2,109 employees offered reinstatement
- The Agency received 71,272 inquiries through its Public Information Program, and 33,925 calls through its toll-free number
- The Division of Judges closed 191 hearings, issued 202 decisions, and achieved 531 settlements in cases on its trial docket

Protecting Democracy in
the Workplace Since 1935

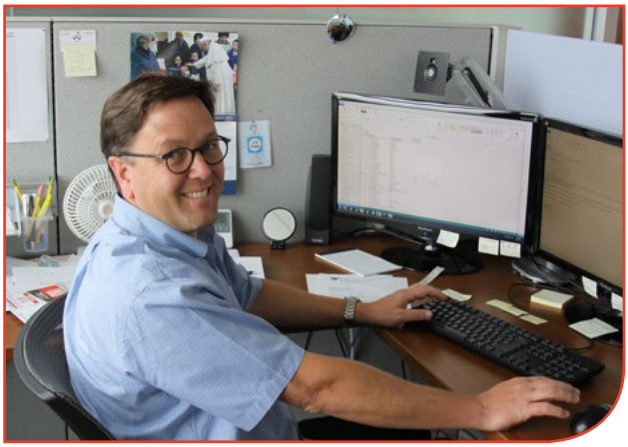
Performance

PROGRAM PERFORMANCE

PERFORMANCE GOALS AND OBJECTIVES

This section of the PAR details the NLRB's efforts to meet its strategic and performance goals. The two mission-related goals of the NLRB's Strategic Plan represent the core functions of the Agency in enforcing the NLRA as efficiently as possible and in a manner that gives full effect to the rights afforded to all parties under the Act. The two support goals, further enable the Agency to accomplish its mission. Please see Appendix D for the list of performance measures for the support goals, as well as the management strategies for all of the Agency goals.

The Board and the General Counsel share a common goal of ensuring that the NLRA is fully and fairly enforced. Although they have separate statutory functions, representatives of the Board and the General Counsel work together in developing one comprehensive Strategic Plan and Performance and Accountability Report.



MEASURING PERFORMANCE

One of the NLRB's human capital goals is to create a results-oriented performance culture that clearly links employee performance and pay to the attainment of the NLRB's strategic goals. While creating the updated Strategic Plan for FY 2014 to FY 2018, the Agency used the two mission-related goals from the previous Strategic Plan, as the foundation to build upon the traditional performance measurement approach that emphasizes individual segments of case processing to promote effective, efficient, and well-managed casehandling. The Agency then established two support goals that give a broader picture of how the Agency achieves its mission.

As to Agency success in bringing effective resolution to labor disputes in a timely manner, it should be noted that it is difficult for an agency, such as the NLRB, to measure "outcomes" in the sense intended by the authors of GPRA and GPRAMA. In the representation case area, for instance, the Agency does not control or seek to influence the results of elections, but strives instead to ensure the rights of employees to freely and democratically determine, through a secret ballot election, whether they wish to be represented by a labor organization. If the Agency concludes that all of the necessary requirements for conducting an election have been met, it will either direct an election or approve the parties' agreement to have an election. The performance measure that the Agency has established for the conducting of elections is objective and is not dependent on the results of the election.

The true outcome of properly conducted elections is employees freely exercising their statutory rights as set out in the NLRA.

The same difficulty is inherent in any attempt to define "outcomes" in the prevention of unfair labor practice conduct. The aim of the Agency is to prevent industrial strife and unrest that burdens the free flow of commerce. An indicator of success in the achievement of this aim is labor peace. In the absence of a mechanism to accurately gauge "labor peace" or the impact of Agency activities among a range of variables influencing that goal, noting that the Agency cannot *sua sponte* investigate actions of an employer or labor union without a charge being filed, the NLRB established two performance measures. The timeliness and quality of case processing, from the filing of an ULP charge to the closing of a case are the focus of those performance measures.

The tables and narratives in this section show the proposed annual targets for performance measures and management strategies for the five-year period covered by the current Strategic Plan effective from 2014 through 2018.

The results achieved for the support goals in FY 2014, can be found in Appendix C.

Strategic Goal 1 (Mission): Promptly and fairly investigate, prosecute, and resolve unfair labor practices under the National Labor Relations Act.

Objectives:

1. Achieve established performance measures for the resolution of unfair labor practice charges.
2. Ensure that all matters before the Agency are handled in a fair and consistent manner.

Initiatives:

1.1 Achieve established performance measures for the resolution of all *meritorious* unfair labor practice charges.

1.2 Achieve established performance measures for the resolution of all unfair labor practice charges.

2.1 Conduct annual quality reviews of Regional unfair labor practice case files and institute modifications to case processing, as appropriate.

Performance Measures:

1. The percentage of *all meritorious* unfair labor practice charges resolved by settlement or compliance with a Board Order or Court judgment within 365 days of the filing of the ULP charge.
2. The percentage of *all* unfair labor practice charges resolved by withdrawal, dismissal, settlement or compliance with a Board order or Court judgment within 120 days of the filing of the ULP charge.

Measure: The percentage of all meritorious unfair labor practice charges resolved by settlement or compliance with a Board Order or Court judgment within 365 days of the filing of the ULP charge.

This measure focuses on meritorious (prosecutable) ULP cases, and the time taken to close them on compliance, including time spent on both the General Counsel and Board sides of the Agency. Compliance marks the point where an employer or union has ceased engaging in the ULP conduct being prosecuted and has taken appropriate affirmative action, including reinstatement and the payment of backpay, to make whole those injured by the ULP.

Once a Regional Director has determined a ULP charge has merit, absent settlement, a complaint issues and the case is scheduled for a hearing before an ALJ. Settlement efforts continue throughout the course of the litigation. The vast majority of settlements are achieved before trial. Once an ALJ issues a decision, the decision can then be appealed to the Board. The Board, in turn, will consider the case and issue a final order resolving the ULP case. Ordinarily, the Regional Office will attempt to secure voluntary compliance in the 30-day period following the Board's order. If compliance cannot be obtained, the Region will refer the case to the Appellate and Supreme Court Litigation Branch of the Division of Enforcement Litigation, which typically proceeds to seek a judgment from an appropriate U.S. Court of Appeals enforcing the Board's order.

Following final court judgment, any disagreements about what steps are necessary before the case can be closed on compliance are resolved either in compliance proceedings before the Board or a reviewing court, or in extreme cases, in contempt proceedings.

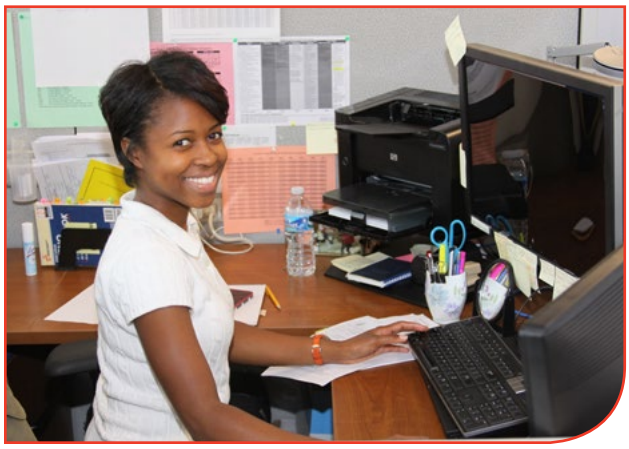
ULP cases are closed on compliance when the remedial actions ordered by the Board or agreed to by the party charged with the violation of the NLRA are complete. This measure includes all litigated cases, including those appealed to the U.S. Courts of Appeal.

In FY 2015, the NLRB closed 80.4 percent of all prosecutable ULP cases in 365 days from the docketing of the charge.

GOAL NO. 1, TABLE 1
Percentage of ULP Cases Closed on Compliance Within 365 Days

YEAR	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018
TARGET	82.5%	82.5%	82.6%	82.7%	82.8%
ACTUAL %	83.9%	80.4%			

Counting of days: The 365 days is calculated from the date the charge is docketed.



Measure: The percentage of all unfair labor practice charges resolved by withdrawal, dismissal, settlement or compliance with a Board order or Court judgment within 120 days of the filing of the ULP charge.

This measure focuses on the time taken to resolve a ULP charge, including time spent on both the General Counsel and the Board sides of the Agency.

After an individual, employer, or union files a ULP charge, a Regional Director evaluates it for merit and decides whether to issue a complaint. If a charge is found to have no merit, which occurs in about 2/3 of the cases, it is dismissed if the charging party does not withdraw it. A dismissal can be appealed to the General Counsel. If a charge is found to have merit, complaint issues, unless a settlement agreement is reached. If a case is not settled, but instead is fully litigated before an ALJ, the Board will issue an order, which may be enforced or appealed to the U.S. Court of Appeals.

A ULP case is resolved and closed when it has been completely processed, such that the charge allegations are investigated, and, where appropriate, remedied, and there is no further action to be taken by the Agency.

In FY 2015, the NLRB closed 70.6 percent of all ULP cases within 120 days of the docketing of the charge.

GOAL NO. 1, TABLE 2
Percentage of ULP Charges Resolved Within 120 Days

YEAR	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018
TARGET	72.3%	72.3%	72.4%	72.4%	72.5%
ACTUAL %	72.3%	70.6%			

Counting of days: The 120 days is calculated from the date the charge is docketed.

Management Strategies: In addition to the Quality Review Program of the Division of Operations-Management, which is highlighted in the Program Evaluation section on page 57, and which ensures that all matters before the Agency are handled in a fair and consistent manner, the following additional steps are undertaken to assist with compliance:

- The Division of Operations-Management and the Division of Enforcement Litigation actively work with the Regions to identify cases pending before the Board that are suitable for resolution through the Board's Alternative Dispute Resolution (ADR) program.
- The Compliance Unit conducts ongoing review of compliance case inventory and promptly reviews ALJ decisions, Board decisions, and pending Board ADR and court mediation proceedings to ensure that the Region has the resources necessary to deal with difficult or challenging compliance issues. The assistance may range from assigning a person to be available for consultation to having a person or team, either in Headquarters or in another Region, perform all of the work or a particular task in the case.
- The Board tracks on an ongoing basis which Regions have cases in the ADR program, and which parties requested that the cases be placed in the ADR program.

Strategic Goal 2 (Mission): Promptly and fairly resolve all questions concerning representation of employees.

Objectives:

1. Achieve established performance measures for the resolution of all questions concerning representation of employees.

2. Ensure that all matters before the Agency are handled in a fair and consistent manner.

Initiatives:

1.1 Achieve established performance measures for the resolution of representation cases.

2.1 Conduct annual quality reviews of Regional representation case files and institute modifications to case processing, as appropriate.

Performance Measures:

1. The percentage of representation cases resolved within 100 days of filing the election petition.

Measure: The percentage of representation cases resolved within 100 days of filing the election petition.

This measure focuses on the time taken to resolve a representation case, including time spent on both the General Counsel and the Board sides of the Agency.

An employer, labor organization, employee, or group of employees may file a petition in an NLRB Regional Office requesting an election to determine whether a majority of employees in an appropriate bargaining unit wish to be represented by a labor organization. When a petition is filed, the Agency works with parties toward a goal of reaching a voluntary agreement regarding conducting an election, as opposed to a Regional Director directing an election, if appropriate. This measure reflects the percentage of representation cases closed within 100 days. A case is closed when the question as to whether or not a labor organization will represent employees has been finally resolved.

Representation cases are resolved and closed in a number of ways:

- Cases may be dismissed before an election is scheduled or conducted. Dismissals at an early stage in processing may be based on a variety of reasons, for example: the employer does not meet the Agency's jurisdictional standards; the petitioner fails to provide an adequate showing of interest to support the petition; and/or the petition was filed in an untimely manner.
- Cases may also be withdrawn by the petitioner for a variety of reasons, such as lack of sufficient support among the bargaining unit.
- The majority of cases are resolved upon issuance of either a certification of representative (the union prevails in the election) or a certification of results (the union loses the election).
- In a small percentage of cases, there are post-election challenges or objections to the election. The case is not closed until the challenges and/or objections have been resolved.

In FY 2015, the NLRB exceeded its goal of 85.4 percent by 1.7 percent to close all representation cases within 100 days from the filing of the petition.

GOAL NO. 2, TABLE 1

Percentage of Representation Cases Resolved Within 100 Days

YEAR	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018
TARGET	85.3%	85.4%	85.5%	85.7%	85.8%
ACTUAL %	88.1%	87.1%			

Counting of days: The 100 days is calculated from the date the petition is docketed.

Management Strategies:

- GC 15-06 Guidance Memorandum on Representation Case Procedure Changes Effective April 14, 2015 *http://apps.nlrb.gov/link/document.aspx/09031d4581ba6691*
- OM 15-28 Dates for Hearings and Statement of Position Due Dates *http://apps.nlrb.gov/link/document.aspx/09031d4581ba6692*
- GC 15-08 Guidance Memorandum on Electronic Signatures to Support a Showing of Interest *http://apps.nlrb.gov/link/document.aspx/09031d45819a1f6b*

Strategic Goal 3 (Support): Achieve Organizational Excellence

Objectives:

1. Recruit, develop, and retain a highly motivated, talented, and diverse workforce to accomplish our mission.

2. Promote a culture of professionalism, mutual respect, and organizational pride.

Initiatives:

1.1 Invest in and value all employees through professional development, workplace flexibilities, fair treatment, and recognition.

1.2 Develop and implement recruitment strategies to ensure a highly qualified and diverse workforce.

2.1 Improve employee satisfaction and employee engagement.

2.2 Ensure that employees are aware of the Agency's mission and how they contribute to its accomplishments.

2.3 Cultivate and promote Agency programs that encourage collaboration, flexibility, diversity and mutual respect to enable individuals to contribute to their full potential.

Organizational Excellence ensures that all organizational systems are aligned and functioning cohesively together. Continuous commitment to assessing and addressing organizational excellence enables the Agency to proactively enhance the organization's service. Accomplishments in FY 2015 include:

Management Strategies:

Objective 1: Initiative 1:

- The Office of Human Resources (OHR) collaborated with executive officials to refine and expand its performance management program. It held training sessions for Executive staff, Regional staff and Headquarters managers and supervisors on relevant areas of the performance management system. The training focused on the significance of establishing performance plans, providing timely mid-year progress reviews, ensuring that all employees are given appraisals, aligning performance plans with the Agency's strategic goals, and ensuring that performance plans hold employees accountable for achieving results appropriate to their level of responsibility.
- A comprehensive Strategic Human Capital Plan is being developed.
- OHR and the Division of Legal Counsel collaborate regularly to ensure adherence to Agency policies and collective bargaining agreements.
- Management and union representatives successfully completed work on a Reasonable Accommodations Policy, which was approved by the EEOC.
- OHR issued guidance that expounded on workplace flexibilities for childbirth, adoption, foster care and elder care.
- OHR, on behalf of various NLRB organizational units, issued many recognition awards to employees during FY 2015, including length of service, project and retirement awards.
- OHR held its annual Administrative Professional Day Recognition Ceremony on April 23, 2015 to honor the Agency's outstanding administrative professionals.
- The Agency held its second annual Honorary Awards Program, which recognized eleven employees in a number of different categories.
- The Agency developed and implemented an Agency-wide Cultural Enhancement Program, which will enhance the ability of our increasingly diverse workforce to better work together, and to better understand the cultural differences among the public we serve. The program was launched with holding an "all hands" meeting that featured internal and external speakers, who addressed the importance of inclusion and civility to a productive workplace. This was followed by online interactive modules and podcasts in which a diverse group of employees shared their life and work experiences, as well as videos and online forums for employees to continue to discuss these topics.
- The Office of Employee Development (OED) also developed and rolled out online training materials, enabling employees to better utilize NxGen, Outlook 2013, Lync and Word 2010, and produced scenario-based videos on ethics topics.
- OED updated the Agency's Management Training Program by developing components such as: enhanced individual development planning and mentoring; obtaining the skills needed for the next level of management; and a pre-supervisory program.
- The General Counsel and the Deputy General Counsel addressed Regional and Headquarters staff in Divisions/Branches/Offices acknowledging and congratulating them on their achievements, and seeking suggestions for Agency improvements.

Objective 1: Initiative 2:

- OHR and the Office of Equal Opportunity Employment (OEEO) worked together on the Strategic Recruitment Committee and are developing a Strategic Recruitment Plan.
- OHR routinely partnered with the Local Veterans Employment Representative Program (LVER) to recruit for commonly filled positions, and placed at least five veterans through this program this fiscal year.

- The Agency regularly uses the Veteran's Recruitment Appointment (VRA) Special Hiring Authority to place disabled veterans.
- OHR worked to bolster the integrity of its recruitment process and adherence to OPM regulations. It created a series of internal procedures and manuals that are used to correctly navigate the process. It worked diligently with OPM to redraft its Excepted Service and Pathways policies to ensure that adequate consideration is provided to viable candidates. Furthermore, in direct correlation to OPM's Hiring Reform and the 80-Day Hiring Model, OHR attained an average 74-day hiring rate from the beginning of the process to the on-boarding of the employee for FY 2015.
- OHR implemented a process for applicants with disabilities (Schedule A), which includes a specific mailbox for these applications, retention for 30 days, and focused review when a new vacancy arises in the Agency. If an applicant's qualifications prove to be a match for a job, that information will be forwarded to the hiring manager for further consideration. Presently, applicants are made aware of the program through Agency vacancy announcements on USAJobs and OPM's website.
- The Agency continued to utilize USAJobs in announcing vacancies to a broad variety of applicants, including veterans and persons with disabilities.
- OHR entered into a Memorandum of Understanding with the Department of Veteran Affairs to participate in the "VA for Vets Program," in order to process non-competitive hiring actions for veterans and to take part in the "Feds for Vets" initiative.

Objective 2: Initiative 1:

- Facilities and Property Branch (FPB) continued its extensive Communication Plan to keep Headquarters staff informed on matters related to the relocation of the Headquarters facility.
- Following the move, FPB implemented a practice requiring FPB employees to courtesy copy all branch employees on building related requests to ensure that multiple staff are not working on the same task. This practice of sharing information has also resulted in staff feeling more included and aware of matters transpiring within the branch.
- The Security Branch continued to issue its customer feedback questionnaire, soliciting information to ensure that customer assistance is timely and professional.
- OHR improved communications by distributing numerous documents and notifications via its Ask HR Program.
- The Agency analyzed the 2014 Federal Employee Viewpoint Survey results and is implementing best practices and strategies for strengthening employee engagement and organizational performance through focused leadership and increased communication.
- In response to the Federal Employee Viewpoint Survey results from FY 2014, some Agency managers developed action plans that included: greater transparency, sharing of information, and solicitation of employee input.
- Guidance information on Employee Viewpoint Survey (EVS) action planning and best practices involving effective leadership, communication, and engagement was posted to the Human Capital Planning internal web page.
- The Human Capital Planning Officer (HCPO) developed a structured communication plan to increase employees' awareness of the Employee Viewpoint Survey. The response rate to the 2015 Employee Viewpoint Survey (EVS) increased by 15 percent and there was a 4 percent increase in employee engagement scores and a 5 percent increase in global satisfaction scores.

Objective 2: Initiative 2:

- OHR met with incoming Honors Attorneys to seek their feedback on the onboarding process, and how it could be enhanced and improved.
- Training was provided to managers/supervisors on the appraisal process, including how to write performance appraisals, performance management

requirements, and their role in communicating expectations to Agency employees on performance management protocols and processes. The training highlighted the importance of getting employees involved in creating their performance plans and having regular feedback discussions with employees.

- The Congressional and Public Affairs Office issued news releases on case successes.
- The General Counsel and the Deputy General Counsel addressed Regional and Headquarters staff in Divisions/Branches/Offices acknowledging and congratulating them on their achievements, and seeking suggestions for Agency improvements.
- Significant organizational accomplishments are also regularly highlighted in the Agency newsletter.

Objective 2: Initiative 3:

- OEEO collaborated with OED and the Division of Operations-Management to design and implement a foundational and ongoing diversity and inclusion training program for all Agency employees in alignment with Executive Order 13583.
- OHR continues to provide training to Agency hiring managers on special hiring authorities, including Schedule A, in alignment with Executive Order 13548.
- The Management Directive "MD-715" is an affirmative EEO program by which federal agencies can assess, identify deficiencies and conduct barrier analysis of obstacles to equal employment opportunity and develop ongoing action plans to correct the self-identified deficiencies and work collaboratively to remove identified barriers. The NLRB submitted its report in March 2015 to the EEOC.
- Agency SES Leadership participated in external diversity and inclusion training.
- OEEO prepared four policy statements that were adopted and issued by Agency leadership on 1) Agency EEO Policy; 2) Statement on the Prevention of Unlawful Harassment; 3) Agency Statement Promoting Alternative Dispute Resolution; and 4) Diversity and Inclusion Policy Statement.
- OEEO partnered with OHR to incorporate language describing specific standards for inclusion in supervisors' and managers' performance appraisals to measure management accountability on building and maintaining an inclusive work environment.
- The General Counsel's Mentoring Workgroup analyzed the Agency's existing mentoring program and made recommendations on how mentoring can be further developed as a tool to maintain a diverse workforce. In response to the General Counsel's request, the workgroup investigated mentoring models at other federal agencies and their best practices for implementation.
- OEEO designated staff as Special Emphasis Program Managers (SEPMs) responsible for developing initiatives that enhance employment opportunities for specific demographic populations and tools to support employee affinity groups.
- OEEO supports programming initiatives for the Agency's cadre of collateral duty Special Emphasis Program coordinators.

Strategic Goal 4 (Support): Manage agency resources in a manner that instills public trust

Objectives:

1. Use information and technology to monitor, evaluate, and improve programs and processes in order to accomplish the Agency's mission and increase transparency.
2. Evaluate and improve the Agency's outreach program.
3. Conduct all internal and external Agency business in an ethical and timely manner.

Initiatives:

1.1 Improve the productivity of the Agency's case management by standardizing business processes in a single unified case management system.
1.2 Achieve more effective and efficient program operations in the NLRB's administrative functions by automating and improving processes and information sharing within the Agency.
1.3 Effective management of fiscal resources.

2.1 Enhance the Agency's outreach program.

3.1 Promote an ethical culture within the NLRB through leadership, awareness, resources, and oversight.
3.2 Respond to internal audits in a timely manner.
3.3 Respond to external audits in a timely manner.
3.4 Respond to FOIA and other public inquiries in a timely manner.

FY 2015 is the second year that the Agency is reporting on this goal. Federal employees are charged with managing programs and federal funds in an efficient and effective manner. As stewards of these federal funds, the Agency is making every effort to instill public trust. Accomplishments in FY 2015 include:

Objective 1: Initiative 1:

Measure:

- The Agency completed the consolidation of its separate legacy case tracking systems into an enterprise case management solution, a success that is rare within the Federal government. The last remaining Agency Office, the Contempt, Compliance, and Special Litigation Branch, was migrated successfully into NxGen in September. NxGen was designed and implemented to replace 11 separate legacy systems and integrate them into a single unified solution that leverages multiple technologies. This was the most comprehensive technology project undertaken at the NLRB, and its success has been essential to the Agency's mission.

NxGen presently manages:

Internal users	1,350
Cases	286,117
Case Actions of the Agency	876,076
Documents, images, and videos, each linked to its Action and Case	6,050,259

Measure:

- In FY 2014, the Agency expanded its electronic distribution of case documents with an E-Delivery pilot involving six Regions, one party (USPS) and new 10 document types. In FY 2015, 781 documents were sent to the USPS electronically, resulting in notable savings to the NLRB and a great convenience to the USPS.
- On April 14, 2015, the Agency expanding its electronic filing program to enable constituents to E-File charges and petitions, the two initiating documents for the Agency's cases. The Agency received 3,098 electronically filed charges and petitions from the launch of the new service through the end of the fiscal year. Over the course of the fiscal year, the Agency received 58,662 documents of all types through its E-Filing program and electronically delivered 3,422 documents to nearly sixty-thousand parties.

Measure:

The NLRB has counted millions of votes, investigated hundreds of thousands of unfair labor practice charges, and issued thousands of decisions. The numbers tell an important part of the Agency's story. Making what we do accessible to the public is an important part of the NLRB's mission. For example, the total number of case documents available for public access was 692,456, including Tally of Ballot information. This data is downloadable for analysis at *https://www.nlrb.gov/news-outreach/graphs-data.*

Please see *http://www.nlrb.gov/open/public-documents* for a complete list of the document types available to the public.

Objective 1: Initiative 2:

Measure:

- Through FY 2015, the Administrative Systems (AS) team actively sought to develop automated solutions to streamline Agency processes.
- The AS team completed a development effort to streamline the enrollment and management processes for the Voluntary Leave Bank. Dynamic reporting was also delivered to the managers and committee to provide aggregate statistics on many aspects of the system.
- The AS team also developed a workflow process for authoring, routing and editing, approving and publishing of documents. This repeatable process will allow groups of users to store documents centrally in a secure authoring library, allowing documents to be finalized and then published to a separate location for consumption by a larger audience.
- The AS team completed a development effort for OHR involving organizing and categorizing all positions and position descriptions (PDs) within the Agency, modifying the PD library, assisting the OHR team with the creation of a set of standardized PDs, and developing a streamlined process for OHR and Agency supervisors / managers to update all PDs every three years.
- The AS team completed a development effort and migration of content and documents into a SharePoint site for all continuity of operations (COOP) members. Authors can now create, edit, route and receive approval for yearly COOP plans, and all COOP documents are now available at any time and may be accessed remotely.

Measure:

- The Agency awarded its Unified Communications (UC) contract on September 24, 2014, and now expects the implementation to take up to 20 months. After the initial investments in the UC build-out and end-user equipment, the Agency expects total network services costs to be in line with the current separate allocations for data, voice and video networks, and anticipates the enhanced services to demonstrably improve administrative efficiencies.
- The first priorities were to upgrade networks in the Agency's field offices and two existing datacenters, and to add network connections to its two new voice datacenters and new Headquarters. These changes add significant bandwidth to the field offices,

are based on a new, more modern networking technology, and provide greater redundancy to our critical infrastructure. Forty field offices are now live on the new network, as are the two existing datacenters, one of the new voice datacenters, and the Agency's Headquarters.

- All employees in Headquarters now use Skype for Business (SfB) for voice calls, voicemail and instant messaging, as the OCIO deployed the necessary Microsoft Office software and delivered over 775 new unified communications devices.
- OCIO and Operations Management are in the process of planning the SfB deployment to the field offices.

Measure:

- The AS team continued to build team sites, on request, for geographically dispersed employees to collaborate using Office Online applications, SharePoint lists and discussion forums. Enhanced capabilities continue to be added to allow for user-based filtering of content and more granular management of permissions for documents.
- The AS team completed a development effort for OHR, creating an "Ask HR" knowledge base, which consists of answers to common questions, and if no information is present, a workflow capability will allow a new question to be submitted, routed and, ultimately, become part of the knowledge base.
- The AS team also completed a development effort for the Office of the Chief Financial Officer (OCFO), creating an "Ask the CFO" knowledgebase, which consists of information related to the Acquisitions Management, Finance and Budget branches.

Objective 1: Initiative 3:

Measure:

- Required reports to external regulatory bodies were prepared in accordance with established time lines.

Measure:

- OCFO held monthly meetings with Contracting Officers and Contracting Officer Representatives (COR's) to discuss unliquidated obligation amounts, monitor burn rates, and request funding increases and deobligations.

Measure:

- OCFO continued to develop a formalized annual training plan for all allowance holders. During FY 2015, finance-related training was incorporated during the monthly obligation monitoring meetings, to include COR's who recently on-boarded with the Agency.

Measure:

- The Finance Branch hosted a training session for CORs and provided a tracking tool to enable increased accuracy and timeliness of reporting burn rates, unliquidated obligation amounts, request for increased funding, and request for de-obligation of funding.
- The Budget Branch worked closely with the program offices and senior leadership to develop a detailed budget spend plan, which is a living document of estimates and actual amounts and is updated monthly on the prior month's execution.
- The Budget Branch has developed several tools for various budget execution line items to monitor timely obligation and liquidation of funds, such as monitoring GSA rent charges, individual training requests, and mass transit benefit funding levels. Some budget lines have demonstrated variable spending cycles during the year, which requires additional training to program managers on the importance of monitoring those cycles to ensure funding requests cover the requirements.

Measure:

- The Acquisitions Management Branch (AMB) provided training to Purchase Card Holders regarding electronic submission of monthly statements, and provided guidance on purchase card user registration via the Citibank portal.
- AMB also provided monthly and quarterly reports to the Associate General Counsel of Operations-Management, which provided greater insight and transparency on purchasing habits of field offices that it oversees.

Measure:

- The NLRB has increased the percentage of contracts awarded to woman-owned and small disadvantaged business categories. With AMB's focus on small businesses as the suppliers of choice, continuing to increase the number of awards to small businesses is achievable.

Objective 2: Initiative 1:
Management Strategies:

Immigration Population

- The Agency met with local consulates of various countries to educate consular officials about the NLRB's protections and processes.
- The Agency provided direct outreach to immigrant populations by:
  - Participating in Labor Rights Week activities
  - Speaking in Spanish and other languages at events organized by the consulates or other community groups to educate the public about the rights afforded under the NLRA
  - Holding news conferences to disseminate information helpful to immigrant communities
  - Participating in interviews on Spanish-language radio stations
  - Staffing phone banks to respond to inquiries from immigrant populations
  - Staffing booths at informational fairs
  - Responding to inquiries from individuals who seek consular services
- The Agency has joined with other federal agencies to educate the public by:
  - participating in the Vulnerable Workers Project
  - participating in numerous "listening sessions" with those from the Asian American and Pacific Islanders community
- Other Agency activities include:
  - meeting with foreign labor and business representatives to provide information about employee rights under the NLRA and NLRB processes
  - meeting with members of the Commission on Human Relations to provide an overview of NLRA rights
  - making presentations about the NLRA to officials of the French, Colombian, Spanish, and German embassies
  - speaking at naturalization ceremonies to new citizens from approximately 35 countries about rights they have under U.S. labor laws

Youth

- The Agency led discussions for high school and middle school classes in English and Spanish concerning the development of the NLRA and the New Deal, as well as the workers' statutory rights and the Board processes.
- The Agency held mock trials for schools to demonstrate how an unfair labor practice trial is conducted.
- The Agency engaged in the Workplace Street Law Project in Washington, DC, which educates high school students about their rights as workers.

- The Agency signed an MOU with the Ministry of Foreign Affairs of the Republic of Colombia. Various Regional offices also held local signing ceremonies with local Columbian consulates, with follow-up outreach sessions.
- The Agency partnered with DHS, DOL (WHD, OSHA and OFCCP), OSC, DOJ and EEOC in an Interagency Working Group for the Consistent Enforcement of Federal Labor, Employment and Immigration Laws.
- The Agency presented at the national EEOC EXCEL Conference in Washington, DC on concerted activity in social media.
- DOJ's Office of Special Counsel hosted webinars for NLRB field personnel covering the the intersection of the NLRA and immigration law.
- Internal Agency deliberations occurred concerning effective outreach methods, including targeting specific audiences through the use of Twitter, You Tube, Facebook, and news aggregators.
  - Since its release in August 2013, the NLRB app has been downloaded 19,296 times
  - The Agency implemented a Sharepoint site available to all of its outreach officers. This site includes a centralized area for collecting outreach presentation materials and a discussion board for addressing outreach inquiries
  - The Agency maintains a link on its public website for outreach requests, which are routed to the appropriate Region
  - The Agency has inserted QR codes in its correspondence to direct the public to our website
  - More Regional Offices are considering producing newsletters in electronic format for delivery through GovDelivery

- Outreach sessions for veterans and employee advocate organizations were held explaining Protective Concerted Activity, in particular.

Objective 3: Initiative 1:

Measure:

- The NLRB requires all Public Financial Disclosure filers, who are the leadership of the Agency (SES and PAS), to complete our annual ethics briefing. This year's briefing served as a reminder to our leadership of all the available ethics training products.
- The "Braking Bad Email Habits" training series emphasized that Agency employees should use their government email in a way that complies with government and legal ethics rules, and avoids the disclosure of confidential case-related information. A related memo was sent to all field professionals to encourage those that had not yet reviewed the material to do so as it was an effective learning tool.
- The Ethics Office provided general ethics guidance to Board Members regarding the use of private social media accounts while serving as a Member of the Board, and met with the Deputy General Counsel, the Chief of Staff to the Chairman, and others to offer guidance in identifying potential conflicts of interest in an administrative program.
- At the request of the General Counsel, the Ethics Office developed and delivered a training session on civility during the Attorney Trial Training and presented a similar session to Headquarters staff.
- The Ethics Office helped establish a reporting process that would ensure that newly hired and newly promoted employees receive required ethics training and complete required financial disclosure reports (as appropriate) in a timely manner.

Measure:
The Ethics Office continued to seek out opportunities to educate Agency employees about their ethical obligations.

During FY 2015, the following was provided:

- A conclusion to the "Braking Bad Email Habits" series that covered the ethical use of government email.
- A Skip Counsel and Attorney-Client Privilege training program was presented to nine Regional Offices.
- Monthly distribution of the "On the Road with the Ethics Code" Job Aids that provide timely legal ethics information to all board agents.
- Monthly Agency newsletter articles. These articles covered, where to find government and legal ethics information on the Agency website, how to navigate gift giving during the holiday season, and provided real-life examples of the consequences of violating criminal conflict of interest statutes.
- Ethics social media guidance for distribution to the Presidential Appointees.
- The redistribution of a Hatch Act job aid to serve as a reminder about partisan political activity.
- Presented legal ethics topics at two attorney conferences co-sponsored by the NLRB and assisted in planning the ethics programming for a conference.
- Provided ethics briefings to newly appointed Regional Directors.
- Distributed one-page Job Aid covering Seeking Other Employment.
- Partnered with OED to begin development of two legal ethics training programs for online/on-demand distribution to all legal professionals.
- Developed and presented a training session on civility. This program was offered to attendees at the Trial Training in August and to professionals in Enforcement Litigation, CCSLB, and the Washington Resident Office.
- Provided guidance to the General Counsel and Board Members regarding speaking events where certain topics may create an appearance issue for the Agency or lead to discussion that could put the speaker at risk of making comments that could be construed as "prejudging" a case, and lead to requests for recusal.

Measure:

- As of September 30, 2015, the Ethics Office received 622 inquiries and 87.7 percent were resolved within 5 business days.

Measure:

- As of September 30, 2015, 100 percent of the financial disclosure reports submitted were reviewed within the 60-day regulatory time period. Where a reviewer identified either a potential or actual conflict of interest, a memo was prepared and sent to the filer providing ethics advice and guidance.

Measure:

- Ethics staff rolled out the Office of Government Ethics (OGE) electronic filing system to all filers of the OGE 278. This included:
  - Meeting with OGE project managers
  - Attending user and administrator training sessions
  - Completing systems and user testing to ensure that NLRB employees would be able to use the system via the NLRB network and Agency-provided laptops
  - Finalization of NLRB filer training materials to include: job aids, user guide, demonstration videos, and online training module
  - Creation of the 278e Integrity webpage on the NLRB Insider where all training materials are archived
  - Live training sessions on how to file your 278e in Integrity for the first time

Objective 3: Initiative 2:

- The OCIO responded timely to internal audits and information requests including:
  - Audit of the NLRB Fiscal Year Financial Statements
  - Fiscal Year 2014 Review of Internal Controls (FMFIA Survery)
- The OCFO submitted timely Corrective Action Plans as required in response to the Fiscal Year 2014 Financial Statement Audit and also timely prepared a corrective action plan for OIG Travel Audit OIG-AMR-75-15-02. The actions that were taken and submitted to remediate recommendations found in Audit OIG-AMR-65-11-03 "Purchase Cards" were reviewed by the OIG.

Objective 3: Initiative 3:

The OCIO responded timely to external information requests including:

- Questions posed in the Office of Management and Budget Memorandum M-15-01, Fiscal Year 2014-2015 Guidance on Improving Federal Information Security and Privacy Management Practices
- Exhibit 53 and the corresponding Information Technology section for the Congressional Budget Justification
- NARA's 2014 Records Management Self-Assessment
- FY 15 Q1 Federal Information Security Management Act (FISMA) Data Call
- Trusted Internet Connection (TIC) POA&M February 2014 Data Call
- FY 15 Q2 Federal Information Security Management Act (FISMA) Data Call
- Multiple security- and privacy-related ad hoc data calls, including for MS15-011 software "bug" and Indicators of Compromise (IOCs) related to OPM's personnel systems data breach.

Objective 3: Initiative 4:

Measure:

- Based on the information in the FOIA Tracking System, the Agency responded to initial FOIA requests on an average of fourteen days for requests received from October 1, 2014 to September 30, 2015. The Agency received 4,644 requests for this period and responded to 3,543 of those requests in 1-20 days. Thus, 78.34 percent of the FOIA requests were processed within the 20-day statutory time period.

Measure:

- The Agency sought an extension of time to process a request beyond the 20-day period in about 20 percent of the FOIA requests received during the fiscal year.

Measure:

The Agency received 24 FOIA Appeals from October 1, 2014 to September 30, 2015. The average elapsed days to process the appeal was 24 business days.

FACTORS AFFECTING AGENCY PERFORMANCE

Various factors can affect each goal, objective, and performance measure contained in the NLRB's strategic and annual performance plans. These factors can also affect Agency performance as a whole. These factors include case intake, settlements, board member vacancies, the potential effect of case precedent and statutory changes, nationwide work-related activities by external entities, technological advances, and economic fluctuations.

CASE INTAKE

The Agency's FY 2015 case intake totals 23,021 and includes 20,199 unfair labor practice (ULP) cases and 2,822 representation cases. Our Board agents effectively and efficiently process all cases that are brought to the Agency by the general public. Comprehensive and complex matters that come before the Agency are often attributable to external factors, such as: ongoing nationwide efforts to improve the wages and working conditions of workers in the retail and fast food industries; the increased prevalence and evolving tools and usage by employees of technology and social media in and outside of the workplace to discuss terms and conditions of employment with one another, and the related handbook provisions and workplace rules generated therefrom; expanded use of mandatory arbitration clauses in employment matters; bankruptcies; jurisdiction over various enterprises; increased understanding of statutory application in non-union workplaces; and difficult questions concerning single, joint, and successor employer relationships, and supervisory status, as well as defining employees covered under the NLRA.

SETTLEMENTS

The initial processing and disposition of new case filings in the Regional Offices drives the intake for other stages of the casehandling pipeline. Over the past few years, more than 90 percent of those cases in which merit is found have been settled without formal litigation. While the Agency has experienced outstanding success in achieving the voluntary resolution of ULP and representation cases, the settlement rate is, of course, not entirely subject to the Agency's control. When the process becomes formal and litigation takes over, Agency costs increase. The Agency calculates that every one percent drop in the settlement rate costs the Agency more than $2 million.

BOARD MEMBER TERMS

The staggering of Board member terms and the filling of a vacant seat by an individual who will not be a Board member for a full-term impairs Board productivity, as successive Board members often have to get up to speed on the same case matter. Currently, the Board is not at full composition, since a vacancy caused by the expiration of Board Member Harry Johnson's term has not been filled.

POTENTIAL EFFECT OF STATUTORY/RULEMAKING CHANGES

As a general matter, changes in the law affect NLRB operations and could have consequences on the Agency's case load. Rulemaking and statutory changes, for example, could lead to an increase in ULP charges and/or election petitions filed with the Agency, with corresponding increases in investigations and proceedings conducted by Agency personnel. Statutory changes may also directly mandate additional litigation by the Agency, e.g., seeking injunctive relief in federal district court.

RELIABILITY OF PERFORMANCE DATA

The NLRB's performance measurement system has been highly regarded for decades and modeled by other agencies to track case processing times. Most of the data collected tracks the time spent at each step of the case processing "pipeline." The Agency does not rely on any outside sources for the data used in its performance management system. Each NLRB office is responsible for collecting and verifying performance measurement data.

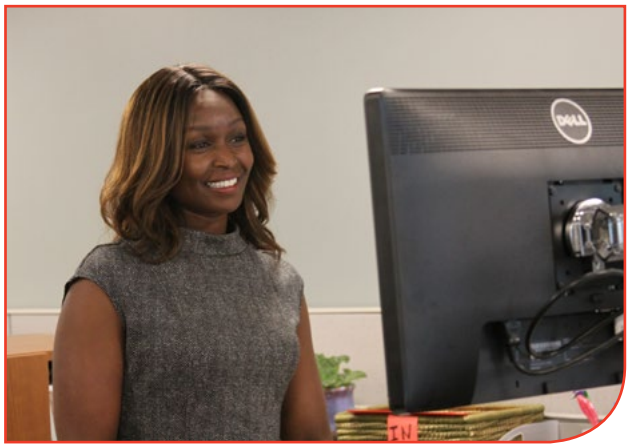
As noted previously, all of the NLRB's mission-related offices have fully integrated to the NxGen system, which allows for real-time review of all case file materials and for consistent data reporting.

PROGRAM EVALUATION

The NLRB uses various techniques and mechanisms to evaluate whether programs are achieving their GPRA goals and other performance targets. The Board regularly tracks the status of all of its cases to determine performance against yearly targets that support the Agency's strategic goals and measures. A standing committee composed of senior management officials, including, among others, the Deputy Chief

Counsels of each of the Board Members and the Executive Secretary, meets periodically to review the status of cases, to prioritize cases, and to develop lists of cases that the Board Members will jointly focus on in order to facilitate the issuance of decisions in those cases. These representatives also report back to the Board Members on performance data and staff workload, among other issues. The Board has an electronic casehandling management system that captures all case events in a database from which case production reports are generated. The Board Members also regularly meet and communicate with each other to discuss case priorities and the overall processing of cases.

The NLRB regularly monitors settlement and litigation success rates of ULP cases. In FY 2015, Regional offices settled 92.4 percent of meritorious ULP cases and won 88 percent of ULP and Compliance matters in whole or in part. A total of over $95 million was recovered in backpay, fines, dues and fees and over 2,100 employees were offered reinstatement. The Division of Judges closed 191 hearings, issued 202 decisions and achieved 531 settlements. The NLRB also tracks how the various circuit courts have treated the Board's cases on appeal. In FY 2015, the United



States Courts of Appeals ruled on Board decisions in 35 enforcement and review cases. Of those cases, 80 percent were enforced or affirmed in whole or in part. As to monitoring representation cases, in FY 2015, 96.7 percent of all initial elections were conducted within 56 days of filing.

Further, the General Counsel has had an evaluation program in place for many years to assess the performance of its Regional operations. The Quality Review Program of the Division of Operations-Management reviews ULP, representation, and compliance case files annually to ensure that they are processed in accordance with substantive and procedural requirements, and that the General Counsel's policies are implemented appropriately. Those reviews have assessed, among other things, the quality and completeness of the investigative file, the implementation of the General Counsel's initiatives and priorities, Impact Analysis prioritization of cases, and compliance with Agency decisions. Additionally, personnel from the Division of Operations-Management review complaints issued in the Regions to ensure that pleadings are correct and supported. They also conduct site visits during which they evaluate Regional casehandling and administrative procedures. In addition, to assess the quality of litigation, a committee reviews all ALJ and Board decisions that constitute a significant loss. Moreover, the Regional Offices' performance with regard to quality, timeliness, and effectiveness in implementing the General Counsel's priorities is incorporated into the Regional Directors' annual performance appraisals.

The Division of Operations-Management regularly reviews case decisions to determine the quality of litigation. Other divisions and offices, such as the Office of Appeals, Division of Advice, Division of Legal Counsel and Office of Representation Appeals, provide valuable insight and constructive feedback on the performance and contributions of field offices. Top Agency management also meets regularly with relevant committees of the American Bar Association to obtain feedback on their members' experiences practicing before the NLRB.

In addition to the evaluation of Regional Office activities, the Office of the General Counsel monitors the litigation success rate before district courts with regard to injunction litigation. In FY 2015, the Injunction Litigation Branch received 128 cases from Regional Offices to consider for discretionary injunctive relief under Section 10(j) of the Act. The Board authorized 36 cases and Regional Offices filed 10(j) petitions in 26 cases. The "success rate", i.e., the percentage of authorized Section 10(j) cases in which the Agency achieved either a satisfactory settlement or substantial victory in litigation was 96 percent. The Office of the General Counsel continues to focus its attention on "nip-in-the-bud cases", where a nascent organizing campaign is being unlawfully squelched, and on first outreach bargaining and successor cases, where the relationship between the employer and the union is most fragile.

Protecting Democracy in the Workplace Since 1935

Financial

A MESSAGE FROM THE CHIEF FINANCIAL OFFICER

I am pleased to present the National Labor Relations Board (NLRB) consolidated financial statements for the Fiscal Year 2015 Performance and Accountability Report. For the twelfth consecutive year an independent auditor has rendered an unmodified or "clean" opinion on the NLRB financial statements. The auditors identified no material weaknesses and one significant deficiency in our financial reporting during this audit cycle.

The Office of the Chief Financial Officer (OCFO) is responsible for improving efficiency and effectiveness in financial operations, reliability of financial reporting, transparency of financial data, and compliance with applicable laws and regulations. The OCFO's focus continues to be on process improvement and internal controls.

Fiscal Year 2015 was a transformational year for the Office of the Chief Financial Officer (OCFO), one in which many process improvements and operational changes were put in place in order to correct deficiencies noted in the last financial statement audit. New budget processes were rolled out as well as various enhancements in financial reporting and acquisitions. A new "Ask the CFO" website was designed and developed in fiscal year 2015, and was implemented at the start of Fiscal Year 2016.

During Fiscal Year 2015 the OCFO monitored and reported on Agency performance goals as stated in the Agency's Strategic Plan and also continued efforts on reviewing and mapping internal financial management processes that will improve controls, reduce costs, and increase efficiency.

I wish to acknowledge and thank the OCFO staff for their dedication to NLRB's mission and their diligent efforts in maintaining an unmodified opinion on our financial statements. Their demonstrated knowledge of the NLRB and its programs, as well as their constant desire to provide excellent customer service is commendable.

The NLRB continues its commitment to continuous improvement in financial management, internal controls, and in the production of timely, accurate, reliable, and transparent financial information.

Ronald E. Crupi

Ronald E. Crupi
Chief Financial Officer

INDEPENDENT AUDITOR'S REPORT

UNITED STATES GOVERNMENT
National Labor Relations Board
Office of Inspector General

Memorandum

November 4, 2015

To: Mark Gaston Pearce
Chairman

Richard F. Griffin, Jr.
General Counsel

From: David P. Berry
Inspector General

Subject: Audit of the National Labor Relations Board Fiscal Year 2015 Financial Statements (OIG-F-20-16-01)

This memorandum transmits Castro & Company's audit report on the National Labor Relations Board (NLRB) Fiscal Year (FY) 2015 Financial Statements.

The Accountability of Tax Dollars Act of 2002 requires the NLRB to prepare and submit to Congress and the Director of the Office of Management and Budget (OMB) annual audited financial statements. We contracted with Castro & Company, an independent public accounting firm, to audit the financial statements. The contract required that the audit be done in accordance with generally accepted government auditing standards issued by the Comptroller General of the United States and Bulletin 15-02, *Audit Requirements for Federal Financial Statements*, issued by OMB.

Results of Independent Audit

Castro & Company issued an unmodified opinion on the NLRB FY 2015 financial statements. The objective of the audit did not include providing assurances on internal control or on the effectiveness of NLRB's internal control over financial reporting. Consequently, Castro & Company did not provide an opinion on the effectiveness of NLRB's internal control over financial reporting. Castro & Company previously issued an unmodified audit opinion on the FY 2014 information included with the consolidated statements.

In the Independent Auditor's Report on Internal Control, Castro & Company states that it found a significant deficiency resulting from inadequate controls over undelivered orders, accounts payable, and expenditures. The Auditor's Report also states that, although there were improvements in this area over the prior year, their testing results confirmed that not all of the

FY 2014 audit recommendations were properly implemented; therefore, new recommendations are not necessary at this time.

As part of obtaining reasonable assurance about whether the Agency's financial statements are free of material misstatement, Castro & Company performed tests of the Agency's compliance with certain provisions of laws and regulations, noncompliance with which could have a direct and material effect on the determination of financial statement amounts, and certain other laws and regulations. Castro & Company's Independent Auditor's Report on Compliance with Laws and Regulations does not note any violations of laws or regulations.

Management Comments on the Report

The Office of the Chief Financial Officer submitted management's comments on Castro & Company's audit report. The comments were reviewed by Castro & Company and are included as an attachment to the final report.

Evaluation of Castro & Company Audit Performance

In connection with the contract, we reviewed Castro & Company's report and related documentation and inquired of its representatives. Our review, as differentiated from an audit in accordance with generally accepted government auditing standards, was not intended to enable us to express, and we do not express, opinions on the NLRB's financial statements or internal control or conclusions on compliance with laws and regulations. Castro & Company is responsible for the attached auditor's report dated November 4, 2015, and the conclusions expressed in the report. However, our review disclosed no instances where Castro & Company did not comply, in all material respects, with generally accepted government auditing standards.

We appreciate the courtesies and cooperation extended to Castro & Company and our staff during the audit.

Castro & Company
Auditors ✓ Advisors

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Independent Auditor's Report

Inspector General
National Labor Relations Board

We have audited the accompanying balance sheets of the National Labor Relations Board (NLRB) as of September 30, 2015 and 2014 and the related statements of net cost, changes in net position, and budgetary resources for the fiscal years then ended.

Management's Responsibility for the Financial Statements
Management is responsible for the preparation and fair presentation of these financial statements in accordance with U.S. generally accepted accounting principles; this includes 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.

Auditor's Responsibility
Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the auditing standards generally accepted in the United States of America; 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. 15-02, *Audit Requirements for Federal Financial Statements*. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the audit considers internal control relevant to the agency's preparation and fair presentation of the financial statements 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 the agency's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant estimates made by management, as well as evaluating the overall financial statements presentation. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Opinion
In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the NLRB as of September 30, 2015 and 2014, and the related statements of net cost, changes in net position, and budgetary resources for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Independent Auditor's Report
Page 2

Required Supplementary and Other Information
U.S. generally accepted accounting principles require that the information in the *Required Supplementary Information*, including *Management's Discussion and Analysis*, be presented to supplement the basic financial statements. Such information, although not part of the basic 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 basic financial statements in an appropriate operational, economic, or historical context. The supplementary information is the responsibility of management and was derived from, and relates directly to, the underlying accounting and other records used to prepare the basic financial statements. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, 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 basic financial statements, and other knowledge we obtained during our audit of the basic 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.

The information presented in the *Other Accompanying Information* and *Appendices* is presented for purposes of additional analysis and is not required as part of the basic financial statements. Such information has not been subjected to auditing procedures applied by us in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

Other Reporting Required by Government Auditing Standards
In accordance with U.S. *Government Auditing Standards* and OMB Bulletin No. 15-02, we have also issued our reports dated November 4, 2015, on our consideration of NLRB's internal control over financial reporting and the results of our tests of its compliance with certain provisions of laws, regulations, and other matters that are required to be reported under *Government Auditing Standards*. The purpose of those reports is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the internal control over financial reporting or on compliance. Those reports are an integral part of an audit performed in accordance with U.S. *Government Auditing Standards* and OMB Bulletin 15-02 in considering the NLRB's internal control and compliance, and should be read in conjunction with this report in considering the results of our audit.

This report is intended solely for the information and use of management and the NLRB Office of Inspector General, OMB, GAO, and Congress, and is not intended to be and should not be used by anyone other than these specified parties.

Castro & Company, LLC

November 4, 2015
Alexandria, VA

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Independent Auditor's Report on Internal Control

Inspector General
National Labor Relations Board

We have audited the financial statements of the National Labor Relations Board (NLRB) as of and for the years ended September 30, 2015 and 2014, and have issued our report thereon dated November 4, 2015. We conducted our audit in accordance with the auditing standards generally accepted in the United States of America; 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. 15-02, *Audit Requirements for Federal Financial Statements*.

In planning and performing our work, we considered NLRB's internal control over financial reporting by obtaining an understanding of the design effectiveness of NLRB's internal control, determining whether controls had been placed in operation, assessing control risk, and performing tests of NLRB's controls as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not to express an opinion on the effectiveness of NLRB's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of NLRB's internal control over financial reporting. We limited our internal control testing to those controls necessary to achieve the objectives described in the Office of Management and Budget (OMB) Bulletin No. 15-02, *Audit Requirements for Federal Financial Statements*. We did not test all internal controls relevant to operating objectives as broadly defined by the Federal Managers' Financial Integrity Act of 1982 (FMFIA), such as those controls relevant to ensuring efficient operations.

Our consideration of internal control over financial reporting was for the limited purposes described in the preceding paragraph and would not necessarily identify all deficiencies in internal control over financial reporting that might be material weaknesses or significant deficiencies. However, we consider the internal control deficiency described below to be a significant deficiency.
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 combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the financial statements will not be prevented, or detected and corrected, on a timely basis. During our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

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 deficiency described below to be a significant deficiency.

Independent Auditor's Report on Internal Control
Page 2

NLRB's response to the finding identified in our audit is described in the accompanying Audit Response Letter. NLRB's response was not subject to auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

We noted less significant matters involving internal control and its operations which we have reported to NLRB management in a separate letter dated November 4, 2015.

This report is intended solely for the information and use of the management and the NLRB Office of Inspector General, OMB, the Government Accountability Office, and Congress, and is not intended to be and should not be used by anyone other than these specified parties.

Castro & Company, LLC

November 4, 2015
Alexandria, VA

SIGNIFICANT DEFICIENCY

I. Inadequate Controls over Undelivered Orders, Accounts Payable, and Expenditures

We noted overall improvements in the process for reviewing Undelivered Order (UDOs) and corresponding accruals in order to support the validity of UDO balances, in addition to the implementation of quarterly reviews from the prior fiscal year. Although there were improvements in the internal controls, we still noted issues due to the recording of incorrect accruals, and lack of monitoring of expired contracts and initiating the contract-close-out procedures in a timely manner to properly de-obligate funds.

During our testing, we noted several issues surrounding the accounting for UDO, AP, and expenditures as summarized below.

- During our year-end procedures, we performed an analysis of the Open Obligations as of September 30, 2015. As a result of our analysis, we noted multiple UDOs for which the period of performance had expired and for which no activity had occurred since either Fiscal Year (FY) 2013 or FY 2014. However, NLRB was still reporting those as valid obligations as of September 30, 2015. Upon further discussion with management, it was determined that an adjustment was necessary in order to remove those obligations and properly state the UDO balance as of September 30, 2015. As a result, NLRB had to record an audit adjustment of $1,114,548 before detailed testing was performed.

- We continued to note differences noted as a result of invalid obligations. For example, for two (2) General Services Administration (GSA) obligations for which the Period of Performance expired, NLRB had not commenced contract close-out procedures in order to de-obligate the remaining UDO balance. For one (1) of those GSA obligations, NLRB over-obligated an amount for an anticipated rent increase related to FY 2013 space at the HQ but due to an oversight, the amount was not de-obligated. For the other GSA obligation, the contract was funded in FY 2010 for a project that was cancelled but which remained on the books as of September 30, 2015 (both exceptions were noted during the FY 2014 testing and discussed with management but still had an open obligation amount and had not been corrected as of 6/30/15 and as of 9/30/15).

- During our interim and year-end procedures, we continued to note differences as a result of incorrect accruals. Certain accruals recorded by Finance were incorrect, as methodologies used contained accruals for services for which invoices were already paid and recognized in the General Ledger (GL), but for which the accrual was not adjusted, causing overstatements of Accounts Payable (AP) and understatements of the UDO balance. In addition, certain accruals were incorrect as a result of NLRB not properly accruing for the correct or entire period for which services had been received, resulting in an understatement of the AP and overstatement of the UDO.

- We continued to note instances in which NLRB was not consistently monitoring or following up with GSA to determine the status of completion for various on-going projects in order to

properly accrue for services that have been received and for projects which have been completed and to commence contract-close out procedures for any remaining UDO balance.

- We noted instances where improvements are needed in the administration of contracts. For example, we noted some instances where the contract modifications were not properly recorded in the GL. In addition, we noted one instance where there was no official form/documentation to authorize the contract's increase in funding.

Government Accountability Office's *Standards for Internal Control in the Federal Government* states,

> Internal control comprises the plans, methods, policies, and procedures used to fulfill the mission, strategic plan, goals, and objectives of the entity. Internal control serves as the first line of defense in safeguarding assets. In short, internal control helps managers achieve desired results through effective stewardship of public resources.
>
> Management performs ongoing monitoring of the design and operating effectiveness of the internal control system as part of the normal course of operations. Ongoing monitoring includes regular management and supervisory activities, comparisons, reconciliations, and other routine actions. Ongoing monitoring may include automated tools, which can increase objectivity and efficiency by electronically compiling evaluations of controls and transactions.
>
> Management should remediate identified internal control deficiencies on a timely basis.
>
> Transactions are promptly recorded to maintain their relevance and value to management in controlling operations and making decisions. This applies to the entire process or life cycle of a transaction or event from its initiation and authorization through its final classification in summary records. In addition, management designs control activities so that all transactions are completely and accurately recorded.
>
> Management clearly documents internal control and all transactions and other significant events in a manner that allows the documentation to be readily available for examination. The documentation may appear in management directives, administrative policies, or operating manuals, in either paper or electronic form. Documentation and records are properly managed and maintained.

Statement of Federal Financial Accounting Standards (SFFAS) No. 1, *Accounting for Selected Assets and Liabilities*, states,

> Accounts payable are amounts owed by a Federal entity for goods and services received from, progress in contract performance made by, and rents due to other entities…When an entity accepts title to goods, whether the goods are delivered or in transit, the entity should recognize a liability for the unpaid amount of the goods. If

invoices for those goods are not available when financial statements are prepared, the amounts owed should be estimated.

Not monitoring expired contracts and initiating the contract-close-out procedures in a timely manner to properly de-obligate funds, resulted in an under/overstatement in AP and under/overstatement in the obligations. In addition, by not properly monitoring open obligations, expenditures, and AP on a routine basis, the financial data used to generate management reports and financial reports required by applicable laws and regulations are not accurate. As a result, those charged with governance have no reasonable assurance as to whether they have reliable financial information to manage the operations of the Agency.

Recommendations:

Even though improvements were noted over the prior year, our testing results confirmed that not all of our FY 2014 audit recommendations have been properly implemented; therefore, new recommendations are not deemed necessary at this time.

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Independent Auditor's Report on
Compliance with Laws and Regulations

Inspector General
National Labor Relations Board

We have audited the financial statements of the National Labor Relations Board (NLRB) as of and for the year ended September 30, 2015 and 2014, and have issued our report thereon dated November 4, 2015. We conducted our audits in accordance with the auditing standards generally accepted in the United States of America; 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. 15-02, *Audit Requirements for Federal Financial Statements*.

The management of NLRB is responsible for complying with laws and regulations applicable to NLRB. We performed tests of its compliance with certain provisions of laws and regulations, noncompliance with which could have a direct and material effect on the determination of financial statement amounts, and certain other laws and regulations specified in the Office of Management and Budget (OMB) Bulletin No. 15-02, *Audit Requirements for Federal Financial Statements,* including the requirements referred to in the Federal Managers' Financial Integrity Act of 1982 (FMFIA). We limited our tests of compliance to these provisions, and we did not test compliance with all laws and regulations applicable to NLRB.

The results of our tests of compliance with applicable laws and regulations, and government-wide policies, described in the preceding paragraph identified no instances of noncompliance that are required to be reported under *Government Auditing Standards* or OMB guidance.

Providing an opinion on compliance with certain provisions of laws and regulations and government-wide policies was not an objective of our audit, and accordingly, we do not express such an opinion.

This report is intended solely for the information and use of management and the NLRB Office of Inspector General, OMB, GAO, and Congress, and is not intended to be and should not be used by anyone other than these specified parties.

Castro & Company, LLC

November 4, 2015
Alexandria, VA

NLRB RESPONSE TO AUDIT REPORT

UNITED STATES GOVERNMENT
National Labor Relations Board
Office of the Chief Financial Officer
Memorandum

November 2, 2015

TO: David P. Berry, Inspector General

FROM: Ronald E. Crupi, Chief Financial Officer

SUBJECT: Response to the Audit of the National Labor Relations Board Fiscal Year 2015 Financial Statements

We have reviewed the subject report and concur with the factual findings and recommendations. We would like to thank you and the auditors for noting the improvements made over the course of the past year. We appreciate the auditor's unmodified opinion and determination that our financial statements present fairly, in all material respects, the financial position of the National Labor Relations Board as of September 30, 2015.

The Office of the Chief Financial Officer (OCFO) continues to document processes and is implementing strategies to measure risk, manage risk, and improve internal controls to mitigate risk. The OCFO assesses processes on an ongoing basis to ensure that they are efficient, effective, and accurate.

Below is our response to the auditor's specific recommendations. A management action plan will be developed to track the progress on these recommendations.

- The Office of the Chief Financial Officer (OCFO) continues to partner with other agency stakeholders to improve methods for monitoring obligations, operating expenses, and related accounts payable on a quarterly basis.
- The OCFO has established and continues to review its quarterly accrual methodology to improve accuracy and timeliness of reporting and recording.
- The OCFO continues its data clean-up of all open obligations and accounts payable.
- The OCFO continues its training program to ensure that responsible personnel monitor obligations, operating expenses, and accounts payable balances.

Ronald E. Crupi
Chief Financial Officer

PRINCIPAL FINANCIAL STATEMENTS

AUDITOR'S REPORTS AND PRINCIPAL FINANCIAL STATEMENTS

Principal Statements

National Labor Relations Board

BALANCE SHEET

As of September 30, 2015 and 2014 *(in dollars)*

	FY 2015	FY 2014
Assets:		
Intragovernmental:		
Fund balance with Treasury	$ 32,608,920	$ 32,894,527
Advances and Prepayments	62,105	97,195
Total Intragovernmental Assets	**32,671,025**	**32,991,722**
Accounts and Interest Receivable (Note 5)	66,435	56,171
Advances and Prepayments (Note 4)	36,082	0
General property, plant and equipment (Note 6)	10,653,716	5,065,456
Total Assets	**$ 43,427,258**	**$ 38,113,349**
Liabilities:		
Intragovernmental:		
Accounts Payable	$ 5,177,074	$ 4,414,162
Employer Contributions & Payroll Taxes Payable	4,617,546	1,190,012
FECA Liabilities	402,892	444,171
Total Intragovernmental	**10,197,512**	**6,048,345**
Liabilities with the Public:		
Accounts Payable	1,923,396	3,843,641
Fed Employee Benefits - FECA Actuarial Liability	863,428	916,494
Unfunded Annual Leave	13,997,114	14,129,842
Employer Contributions Payroll & Taxes Payable	2,006,748	4,296,251
Contingent Liabilities	63,947	0
Total Liabilities	**$ 29,052,145**	**$ 29,234,573**
Net Position:		
Unexpended Appropriations	18,951,372	19,217,677
Cumulative Results of Operations	(4,576,259)	(10,338,901)
Total Net Position	**14,375,113**	**8,878,776**
Total Liabilities and Net Position	**$ 43,427,258**	**$ 38,113,349**

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

National Labor Relations Board

STATEMENT OF NET COST

For the Years Ended September 30, 2015 and 2014 *(in dollars)*

		FY 2015		FY 2014
Program Costs:				
Resolve Representation Cases				
Net Cost	**$**	**33,375,761**	**$**	**34,567,665**
Resolve Unfair Labor Practices:				
Net Cost	**$**	**247,564,985**	**$**	**253,496,211**
Other:				
Costs	$	0	$	0
Less: Earned Revenue		0		0
Net Cost	**$**	**0**	**$**	**0**
Total:				
Costs	$	280,940,746	$	288,063,876
Less: Earned Revenue		0		0
Net Cost of Operations	**$**	**280,940,746**	**$**	**288,063,876**

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

National Labor Relations Board

STATEMENT OF CHANGES IN NET POSITION

For the Years Ended September 30, 2015 and 2014 *(in dollars)*

	FY 2015	FY 2014
Cumulative Results of Operations:		
Beginning Balance	$ (10,341,523)	$ (1,626,148)
Adjustments:		
Correction of Errors	2,622	0
Beginning balance, as adjusted	(10,338,901)	(1,626,148)
Budgetary Financing Sources:		
Appropriations Used	271,251,582	263,749,337
Non-exchange Revenue	(336,287)	(160,231)
Other Financing Sources (Non-Exchange):		
Imputed Financing	15,788,093	15,762,017
Total Financing Sources	**286,703,388**	**279,351,123**
Net Cost of Operations	(280,940,746)	(288,063,876)
Net Change	**5,762,642**	**(8,712,753)**
Cumulative Results of Operations	**(4,576,259)**	**(10,338,901)**
Unexpended Appropriations:		
Beginning Balance	19,220,299	9,852,964
Adjustments:		
Correction of Errors	(2,622)	0
Beginning balance, as adjusted	19,217,677	9,852,964
Budgetary Financing Resources:		
Appropriations received	274,224,000	274,224,000
Appropriations used	(271,251,582)	(263,749,337)
Other Adjustments	(3,238,723)	(1,109,950)
Total Budgetary Financing Sources	**(266,305)**	**9,364,713**
Total Unexpended Appropriations	**18,951,372**	**19,217,677**
Net Position	**$ 14,375,113**	**$ 8,878,776**

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

National Labor Relations Board

STATEMENT OF BUDGETARY RESOURCES

For the Years Ended September 30, 2015 and 2014 *(in dollars)*

		FY 2015		FY 2014
Budgetary Resources:				
Unobligated balance, brought forward, October 1:	$	4,428,811	$	4,988,244
Unobligated balance brought forward, October 1, as adjusted	$	4,428,811	$	4,988,244
Recoveries of prior year unpaid obligations		3,861,517		2,450,471
Other changes in Unobligated Balance		(3,238,723)		(1,110,159)
Unobligated balance from prior year budget authority, net		5,051,605		6,328,556
Appropriations (discretionary and mandatory)		274,224,000		274,224,000
Spending authority from offsetting collections (discretionary and mandatory)		61,815		158,656
Total Budgetary Resources (Note 15)	**$**	**279,337,420**	**$**	**280,711,212**
Status of Budgetary Resources:				
Obligations incurred:	$	274,476,353	$	276,282,401
Unobligated balance, end of year:				
Apportioned		481,752		333,058
Unapportioned		4,379,315		4,095,753
Total Unobligated balance, end of year		4,861,067		4,428,811
Total Budgetary Resources (Note 15)	**$**	**279,337,420**	**$**	**280,711,212**
Change in Obligated Balance:				
Unpaid Obligations:				
Unpaid obligations, brought forward, October 1 (gross)	$	28,465,715	$	18,223,752
Obligations incurred		274,476,353		276,282,401
Outlays (gross)		(271,333,858)		(263,589,967)
Recoveries of prior year unpaid obligations		(3,861,517)		(2,450,471)
Unpaid obligations, end of year (gross)		27,746,693		28,465,715
Memorandum (non-add) entries:				
Obligated balance, start of year (net)	$	28,465,715	$	18,223,752
Obligated balance, end of year (net)	**$**	**27,746,693**	**$**	**28,465,715**
Budget Authority and Outlays, Net:				
Budget authority, gross (discretionary and mandatory)	$	274,285,815	$	274,382,656
Actual offsetting collections (discretionary and mandatory)		(61,815)		(158,656)
Budget Authority, net (discretionary and mandatory)	**$**	**274,224,000**	**$**	**274,224,000**
Outlays, gross (discretionary and mandatory)	$	271,333,858	$	263,589,967
Actual offsetting collections (discretionary and mandatory)		(61,815)		(158,656)
Outlays, net (discretionary and mandatory)		271,272,043		263,431,311
Agency Outlays, net (discretionary and mandatory)	**$**	**271,272,043**	**$**	**263,431,311**

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

NOTES TO PRINCIPAL STATEMENTS

Note 1. Summary of Significant Accounting Policies

A. Reporting Entity

The National Labor Relations Board (NLRB) is an independent federal agency established in 1935 to administer the National Labor Relations Act (NLRA). The NLRA is the principal labor relations law of the United States, and its provisions generally apply to private sector enterprises engaged in, or to activities affecting, interstate commerce. The NLRB's jurisdiction includes the U.S. Postal Service; other government entities, railroads, and airlines are not within the NLRB's jurisdiction. The NLRB seeks to serve the public interest by reducing interruptions in commerce caused by industrial strife. The NLRB does this by providing orderly processes for protecting and implementing the respective rights of employees, employers, and unions in their relations with one another. The NLRB has two principal functions: (1) to determine and implement, through secret ballot elections, free democratic choice by employees as to whether they wish to be represented by a union in dealing with their employers and, if so, by which union; and (2) to prevent and remedy unlawful acts, called unfair labor practices (ULP), by either employers, unions, or both. The NLRB's authority is divided both by law and delegation. The five-member Board (Board) primarily acts as a quasi-judicial body in deciding cases on formal records. The General Counsel investigates and prosecutes ULP charges before administrative law judges, whose decisions may be appealed to the Board; and, on behalf of the Board, conducts secret ballot elections to determine whether employees wish to be represented by a union.

B. Basis of Accounting and Presentation

These financial statements have been prepared to report the financial position, net cost, changes in net position, and budgetary resources of the NLRB as required by the Accountability of Tax Dollars Act of 2002. These financial statements have been prepared from the books and records of the NLRB in accordance with generally accepted accounting principles (GAAP), and the form and content requirements of the Office of Management and Budget (OMB) Circular No. A-136, *Financial Reporting Requirements, revised as of August 4, 2015.* GAAP for federal entities are the standards prescribed by the Federal Accounting Standards Advisory Board (FASAB), which is the official standard-setting body for the Federal government. While the statements have been prepared from the books and records of the NLRB in accordance with 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. These financial statements present proprietary and budgetary information.

The Balance Sheet presents agency assets and liabilities, and the difference between the two, which is the agency's net position. Agency assets include both entity assets — those which are available for use by the agency — and non-entity assets — those which are managed by the agency but not available for use in its operations. Agency liabilities include both those covered by budgetary resources (funded) and those not covered by budgetary resources (unfunded). If investments are made for backpay, these funds are not recognized on the balance sheet of any federal entity. A note disclosure is required to provide information about its fiduciary activities. See Note 1F, Fiduciary Activities, for additional information.

The Statement of Net Cost presents the gross costs of programs less earned revenue to arrive at the net cost of operations for both programs and for the Agency as a whole.

The Statement of Changes in Net Position reports beginning balances, budgetary and other financing sources, and net cost of operations, to arrive at ending balances.

The Statement of Budgetary Resources provides information about how budgetary resources were made available as well as their status at the end of the period. Recognition and measurement of budgetary information reported on this statement is based on budget terminology, definitions, and guidance in OMB Circular No. A-11, *Preparation, Submission, and Execution of the Budget, dated June 30, 2015.*

The Agency is required to be in substantial compliance with all applicable accounting principles and standards established, issued, and implemented by the FASAB, which is recognized by the American Institute of Certified Public Accountants (AICPA) as the entity to establish GAAP for the Federal government. The Federal Financial Management Integrity Act (FFMIA) of 1996 requires the Agency to comply substantially with (1) federal financial management systems requirements, (2) applicable federal accounting standards, and (3) the United States Standard General Ledger at the transaction level.

OMB financial statement reporting guidelines for FY 2015 require the presentation of comparative financial statements for all of the principal financial statements. The NLRB is presenting comparative FY 2015 financial statements for the Balance Sheet, Statement of Net Cost, Statement of Changes in Net Position, and Statement of Budgetary Resources, and these statements have been prepared in accordance with generally accepted accounting principles.

The financial statements should be read with the realization that they are for a component of the United States Government, a sovereign entity. One implication of this is that liabilities cannot be liquidated without legislation that provides resources and legal authority to do so.

The accounting structure of federal agencies is designed to reflect both accrual and budgetary accounting transactions. Under the accrual method of accounting, revenues are recognized when earned, and expenses are recognized when a liability is incurred, without regard to receipt or payment of cash.

The budgetary accounting principles, on the other hand, are designed to recognize the obligation of funds according to legal requirements, which in many cases is prior to the occurrence of an accrual based transaction. The recognition of budgetary accounting transactions is essential for compliance with legal constraints and controls over the use of federal funds.

The information as presented on the Statement of Net Cost is based on the programs below:

Representation Cases are initiated by the filing of a petition by an employee, a group of employees, an individual or labor organization acting on their behalf, or in some cases by an employer. The petitioner requests an election to determine whether a union represents, or in some cases continues to represent, a majority of the employees in an appropriate bargaining unit and therefore should be certified as the employees' bargaining representative. The role of the Agency is to investigate the petition and, if necessary, conduct a hearing to determine whether the employees constitute an appropriate bargaining unit under the NLRA. The NLRB must also determine which employees are properly included in the bargaining unit, conduct the election if an election is determined to be warranted, hear and decide any post-election objections to the conduct of the election and, if the election is determined to have been fairly conducted, to certify its results.

ULP Cases are initiated by individuals or organizations through the filing of a charge with the NLRB. If the NLRB Regional Office believes that a charge has merit, it issues and prosecutes a complaint against the charged party, unless settlement is reached. A complaint that is not settled or withdrawn is tried before an administrative law judge (ALJ), who issues a decision, which may be appealed by any party to the Board. The Board acts in such matters as a quasi-judicial body, deciding cases on the basis of the formal trial record according to the law and the body of case law that has been developed by the Board and the federal courts.

C. Budgets and Budgetary Accounting

Congress annually adopts a budget appropriation that provides the NLRB with authority to use funds from the U.S. Treasury (Treasury) to meet operating expense requirements. The NLRB has single year budgetary authority and all unobligated amounts at year-end are expired. At the end of the fifth year, all amounts not expended are canceled. All revenue received from other sources must be returned to the Treasury.

Budgetary accounting measures appropriation and consumption of budget/spending authority or other budgetary resources and facilitates compliance with legal constraints and controls over the use of federal funds. Under budgetary reporting principles, budgetary resources are consumed at the time of purchase. Assets and liabilities, which do not consume current budgetary resources, are not reported, and only those liabilities for which valid obligations have been established are considered to consume budgetary resources.

D. Financing Sources

The NLRB receives funds to support its programs through annual appropriations. These funds may be used to pay program and administrative expenses, primarily salaries and benefits, occupancy, travel, and contractual service costs.

For accounting purposes, appropriations are recognized as financing sources (appropriations used) at the time expenses are accrued. Appropriations expended for general property, plant and equipment are recognized as expenses when the asset is consumed in operations (depreciation and amortization).

E. Fund Balance with the Treasury

The NLRB does not maintain cash in commercial bank accounts. Cash receipts and disbursements are processed by the Treasury. The agency's records are reconciled with those of Treasury. The fund balances with the Treasury are primarily appropriated funds that are available to pay current liabilities and to finance authorized purchases. Funds with the Treasury represent the NLRB's right to draw on the Treasury for allowable expenditures. In addition, funds held with the Treasury also include escrow funds that are not appropriated but are backpay funds that are the standard Board remedy whenever a violation of the NLRA has resulted in a loss of employment or earnings. Cash received and investments made for backpay funds are not recognized on the balance sheet. A note disclosure is required to provide information about its fiduciary activities. See Note 1F, Fiduciary Activities, for further explanation.

See Note 2 for additional information on Fund Balance with Treasury.

F. Fiduciary Activities

Fiduciary activities are the collection or receipt, and the management, protection, accounting, and investment, and disposition by the Federal government of cash or other assets in which non-Federal individuals or entities have an ownership interest that the Federal government must uphold. Fiduciary cash and other assets are not assets of the Federal government. Fiduciary activities are not recognized on the proprietary financial statements, but are reported on schedules in the notes to the financial statements. (See SFFAS No. 31, Accounting for Fiduciary Activities).

The fiduciary funds collected by NLRB and held in escrow accounts with the Treasury are funds that are not appropriated but are backpay funds that are the standard Board remedy whenever a violation of the NLRA has resulted in a loss of employment or earnings. The NLRB may invest funds in Federal government securities for backpay that are held in the escrow account at Treasury. Any cash received for the investments made for backpay funds will not be recognized on the balance sheet of any federal entity. A note disclosure is still required to provide information about its fiduciary activities. See Note 3, Fiduciary Activities.

The Federal government securities include Treasury market-based securities issued by the Federal Investment Branch of the Bureau of the Fiscal Service. Market-based securities are Treasury securities that are not traded on any securities exchange, but mirror the prices of marketable securities with similar terms.

It is expected that Investments will be held until maturity; therefore they are valued at cost and adjusted for amortization of discounts, if applicable. The discounts are recognized as adjustments to interest income, utilizing the straight-line method of amortization for short-term securities (i.e., bills). Investments, redemptions, and reinvestments are controlled and processed by the Department of the Treasury.

There exists a signed Memorandum of Understanding (MOU) between the NLRB and the Treasury establishing the policies and procedures that the NLRB and the Treasury agree to follow for investing monies in, and redeeming investments held by, the deposit fund account in Treasury.

See Note 3 for additional information on Fiduciary Activities.

G. Advances

Advances consist of amounts advanced by the NLRB for postage meter funding and for the Department of Transportation transit subsidy program.

See Note 4 for additional information on the Advances.

H. Accounts Receivable, Net of Allowance for Doubtful Accounts

Accounts Receivable primarily consists of amounts due the NLRB from Agency employees. Accounts receivable are stated net of allowance for doubtful accounts. The allowance is estimated based on an aging of account balances, past collection experience, and an analysis of outstanding accounts at year-end.

See Note 5 for additional information on Accounts Receivable.

I. General Property, Plant and Equipment

General property, plant and equipment consist primarily of leasehold improvements, telephone systems, and computer hardware and software. Please see subsequent reference to remainder interest in Florida real estate obtained as a remedy in a ULP case.

Personal property costing $15,000 or more per unit is capitalized at cost and depreciated using the straight-line method over the useful life. Other property items are expensed when purchased. Expenditures for repairs and maintenance are charged to operating expenses as incurred. The useful life for this category is three to twelve years. Leasehold improvements costing $100,000 or more are capitalized at cost and amortized using the straight-line method over the life of the lease. There are no restrictions on the use or convertibility of general property, plant and equipment.

Internal Use Software. Internal use software (IUS) includes purchased commercial off-the-shelf software (COTS), contractor-developed software, and software that was internally developed by Agency employees. IUS is capitalized at cost if the acquisition cost is

$100,000 or more. For COTS software, the capitalized costs include the amount paid to the vendor for the software; for contractor-developed software it includes the amount paid to a contractor to design, program, install, and implement the software. Capitalized costs for internally developed software include the full cost (direct and indirect) incurred during the software development stage. During FY 2014, the Agency performed an evaluation of the Internal Use Software capitalization policy and changed the standard useful life to three years, in order to more accurately match expenses with the time period in which the benefits were received from the software. The NLRB continues to use the conventional straight-line method.

Internal Use Software in Development. Internal use software in development is software that is being developed, but not yet put into production. At the time the software is moved into production the costs will be moved into the IUS account and amortized accordingly, as described above. The NLRB continues to enhance a major software development project called the Next Generation Case Management System (NXGen) that replaced a number of case tracking systems with one enterprise-wide system. NXGen supports the President's Management Agenda, such as for e-Gov, E-Filing, e-FOIA, and public web-based access to NLRB data. This project has been a multiple year undertaking in which a large portion of the system was rolled out in FY 2011.

See Note 6 for additional information on General Property, Plant and Equipment, Net.

J. Non-Entity Assets

Assets held by the NLRB that are not available to the NLRB for obligation are considered non-entity assets.

See Note 9 for additional information on Non-Entity Assets.

K. Liabilities

Liabilities represent the amount of monies or other resources that are likely to be paid by the NLRB as the result of a transaction or event that has already occurred. However, no liability can be paid by the NLRB absent an appropriation. Liabilities for which an appropriation has not been enacted are therefore classified as Liabilities Not Covered by Budgetary Resources and there is no certainty that the appropriation will be enacted. Also, liabilities of the NLRB arising from other than contracts can be abrogated by the government, acting in its sovereign capacity.

L. Liabilities Not Covered by Budgetary Resources

Liabilities represent the amount of monies or other resources that are likely to be paid by the NLRB as the result of a transaction or event that has already occurred. Liabilities not covered by budgetary resources result from the receipts of goods or services in the current or prior periods, or the occurrence of eligible events in the current or prior periods for which appropriations, revenues, or other financing sources of funds necessary to pay the liabilities have not been made available through Congressional appropriations or current earnings of the reporting entity.

Intragovernmental

The U.S. Department of Labor (DOL) paid Federal Employees Compensation Act (FECA) benefits on behalf of the NLRB, which had not been billed or paid by the NLRB as of September 30, 2015 and 2014, respectively.

Federal Employees Workers' Compensation Program

The Office of Workers' Compensation Programs (OWCP) provides income and medical cost protection to covered federal civilian employees injured on the job, to employees who have incurred work-related occupational diseases, and to beneficiaries of employees whose deaths are attributable to job-related injuries or occupational diseases. The OWCP

is administered by DOL, which pays valid claims and subsequently seeks reimbursement from the NLRB for these paid claims.

The FECA liability consists of two components. The first component is based on actual claims paid by DOL but not yet reimbursed by the NLRB. The NLRB reimburses DOL for the amount of the actual claims as funds are appropriated for this purpose. There is generally a two- to three-year time period between payment by DOL and reimbursement by the NLRB. As a result, the NLRB recognizes a liability for the actual claims paid by DOL and to be reimbursed by the NLRB.

The second component is the estimated liability for future benefit payments as a result of past events. This liability includes death, disability, medical, and miscellaneous costs. The NLRB determines this component annually, as of September 30, using a method that considers historical benefit payment patterns.

Due to the small number of claimants, the NLRB uses the methodology of reviewing the ages of the claimant on a case-by-case basis to evaluate the estimated FECA liability. The determination was made to use the life expectancy of claimants of 80 and 84 years for male and female, respectively.

See Notes 8 and 10 for additional information on the FECA liability.

Accrued Annual Leave

Accrued annual leave represents the amount of annual leave earned by the NLRB employees but not yet taken.

See Notes 8 and 10 for additional information on Accrued Annual Leave.

M. Contingencies

The criteria for recognizing contingencies for claims are:

1. a past event or exchange transaction has occurred as of the date of the statements;
2. a future outflow or other sacrifice of resources is probable; and
3. the future outflow or sacrifice of resources is measurable (reasonably estimated).

The NLRB recognizes material contingent liabilities in the form of claims, legal action, administrative proceedings and suits that have been brought to the attention of legal counsel, some of which will be paid by the Treasury Judgment Fund. It is the opinion of management and legal counsel that the ultimate resolution of these proceedings, actions and claims, will not materially affect the financial position or results of operations.

Contingencies are recorded when losses are probable, and the cost is measurable. When an estimate of contingent losses includes a range of possible costs, the most likely cost is reported; where no cost is more likely than any other, the lowest possible cost in the range is reported. This item will normally be paid from appropriated funds.

See Note 16 for additional information on Contingencies.

N. Unexpended Appropriations

Unexpended appropriations represent the amount of the NLRB's unexpended appropriated spending authority as of the fiscal year-end that is unliquidated or is unobligated and has not lapsed, been rescinded, or withdrawn.

O. Annual, Sick, and Other Leave

Annual and Sick Leave Program.

Annual leave is accrued as it is earned by employees and is included in personnel compensation and benefit costs. Each year, the balance in the accrued annual leave liability account is adjusted to reflect current pay rates. Annual leave earned but not taken, within established limits, is funded from future financing sources. Sick leave and other types of non-vested leave are expensed as taken.

See Notes 8 and 10 for additional information on Annual Leave.

P. Life Insurance and Retirement Plans

Federal Employees Group Life Insurance (FEGLI) Program.

Most NLRB employees are entitled to participate in the FEGLI Program. Participating employees can obtain "basic life" term life insurance, with the employee paying two-thirds of the cost and the NLRB paying one-third. Additional coverage is optional, to be paid fully by the employee. The basic life coverage may be continued into retirement if certain requirements are met. The Office of Personnel Management (OPM) administers this program and is responsible for the reporting of liabilities. For each fiscal year, OPM calculates the U.S. Government's service cost for the post-retirement portion of the basic life coverage. Because the NLRB's contributions to the basic life coverage are fully allocated by OPM to the pre-retirement portion of coverage, the NLRB has recognized the entire service cost of the post-retirement portion of basic life coverage as an imputed cost and imputed financing source.

Retirement Programs.

The NLRB employees participate in one of two retirement programs, either the Civil Service Retirement System (CSRS), a defined benefit plan, or the Federal Employees Retirement System (FERS), a defined benefit and contribution plan. On January 1, 1987, FERS went into effect pursuant to Public Law 99-335. Most of the NLRB employees hired after December 31, 1983, are automatically covered by FERS and Social Security. Employees hired prior to January 1, 1984, could elect to either join FERS and Social Security or remain in CSRS. Employees covered by CSRS are not subject to Social Security taxes, nor are they entitled to accrue Social Security benefits for wages subject to CSRS. The NLRB contributes a matching contribution equal to 7 percent of pay for CSRS employees.

FERS consists of Social Security, a basic annuity plan, and the Thrift Savings Plan. The Agency and the employee contribute to Social Security and the basic annuity plan at rates prescribed by law. In addition, the Agency is required to contribute to the Thrift Savings Plan a minimum of 1 percent per year of the basic pay of employees covered by this system and to match voluntary employee contributions up to 3 percent of the employee's basic pay, and one-half of contributions between 3 percent and 5 percent of basic pay. For FERS employees, the Agency also contributes the employer's share of Medicare. The maximum amount of base pay that an employee participating in FERS may contribute is $18,000 in calendar year (CY) 2015 to this plan. Employees belonging to CSRS may also contribute up to $18,000 of their salary in CY 2015 and receive no matching contribution from the NLRB. The maximum for catch-up contributions for CY 2015 is $6,000. For CY 2015, the regular and catch-up contributions may not exceed $24,000. The sum of the employees' and the NLRB's contributions are transferred to the Federal Retirement Thrift Investment Board.

OPM is responsible for reporting assets, accumulated plan benefits, and unfunded liabilities, if any, applicable to CSRS participants and FERS employees government-wide, including the NLRB employees. The NLRB has recognized an imputed cost and imputed financing source for the difference between the estimated service cost and the contributions made by the NLRB and covered CSRS employees.

The NLRB does not report on its financial statements FERS and CSRS assets, accumulated plan benefits, or unfunded liabilities, if any, applicable to its employees. Reporting such amounts is the responsibility of OPM. The portion of the current and estimated future outlays for CSRS not paid by the NLRB is, in accordance with Statement of Federal Financial Accounting Standards (SFFAS) No. 5, Accounting for Liabilities of the Federal government, included in the NLRB's financial statements as an imputed financing source.

Liabilities for future pension payments and other future payments for retired employees who participate in the Federal Employees Health Benefits and the FEGLI programs are reported by OPM rather than the NLRB.

SFFAS No. 5, Accounting for Liabilities of the Federal government, requires employing agencies to recognize the cost of pensions and other retirement benefits during their employees' active years of service. OPM actuaries determine pension cost factors by calculating the value of pension benefits expected to be paid in the future, and provide these factors to the agency for current period expense reporting. Information was also provided by OPM regarding the full cost of health and life insurance benefits.

As of fiscal year-end September 30, 2015, the NLRB, utilizing OPM provided cost factors, recognized $7,490,172 of pension expenses, $8,270,495 of post-retirement health benefits expenses, and $27,426 of post-retirement life insurance expenses, beyond amounts actually paid. The NLRB recognized offsetting revenue of $15,788,093 as an imputed financing source to the extent that these intra-governmental expenses will be paid by OPM. In comparison, in FY 2014, the NLRB recognized $7,744,311 of pension expenses, $7,991,274 of post-retirement health benefits expenses, and $26,486 of post-retirement life insurance expenses, beyond amounts actually paid. The NLRB recognized offsetting revenue of $15,762,071 as an imputed financing source from OPM.

See Note 13 for additional information.

Q. Operating Leases

The NLRB has no capital lease liability or capital leases. Operating leases consist of real and personal property leases with the General Services Administration (GSA) and commercial copier leases. NLRB leases all buildings through GSA. The NLRB pays GSA a standard level users charge for the annual rental. The standard level users charge approximates the commercial rental rates for similar properties. The NLRB is not legally a party to any building lease agreements, so it does not record GSA-owned properties as assets. The real property leases are for NLRB's Headquarters and Regional Offices and the personal property leases are for Fleet vehicles and commercial copiers.

See Note 12 for additional information on Operating Leases.

R. Net Position

Net position is the residual difference between assets and liabilities and is composed of unexpended appropriations and cumulative results of operations. Unexpended appropriations represent the amount of unobligated and unexpended budget authority. Unobligated balances are the amount of appropriations or other authority remaining after deducting the cumulative obligations from the amount available for obligation. The cumulative results of operations are the net result of the NLRB's operations since inception.

S. Use of Management Estimates

The preparation of the accompanying financial statements in accordance with generally accepted accounting principles in the United States of America requires management to make certain estimates and assumptions that directly affect the results of reported assets, liabilities, revenues, and expenses. Actual results could differ from these estimates.

T. Tax Status

The NLRB, as an independent Board of the Executive Branch, a federal agency, is not subject to federal, state, or local income taxes, and, accordingly, no provision for income tax is recorded.

U. Comparative Data

Comparative data for the prior year have been presented for the principal financial statements and their related notes.

V. Subsequent Events

Subsequent events and transactions occurring after September 30, 2015 through the date of the auditor's opinion have been evaluated for potential recognition

or disclosure in the financial statements. The date of the auditors' opinion also represents the date that the financial statements were available to be issued.

Note 2. Fund Balance with Treasury

Treasury performs cash management activities for all federal agencies. The net activity represents Fund Balance with Treasury. The Fund Balance with Treasury represents the right of the NLRB to draw down funds from Treasury for expenses and liabilities. Fund Balance with Treasury by fund type as of September 30, 2015 and September 30, 2014 consists of the following:

(in thousands)	General Funds	Escrow Funds	Total Fund Balance with Treasury
FY 2015 Entity Assets	$ 32,609	$ -	$ 32,609
Non-Entity Assets	-	336	$ 336
Total	$ 32,609	$ 336	$ 32,945
FY 2014 Entity Assets	$ 32,735	$ -	$ 32,735
Non-Entity Assets	-	$ 160	$ 160
Total	$ 32,735	$ 160	$ 32,895

Fund Balance with Treasury by Fund Type:

The status of the fund balance may be classified as unobligated available, unobligated unavailable, and obligated. Unobligated funds, depending on budget authority, are generally available for new obligations in current operations. The unavailable balance includes amounts appropriated in prior fiscal years, which are not available to fund new obligations.

The obligated but not yet disbursed balance represents amounts designated for payment of goods and services ordered but not yet received or goods and services received but for which payment has not yet been made.

Obligated and unobligated balances reported for the status of Fund Balance with Treasury do not agree with obligated and unobligated balances reported on the Statement of Budgetary Resources because the Fund Balance with Treasury includes items for which budgetary resources are not recorded, such as deposit funds and miscellaneous receipts.

Status of Fund Balance with Treasury as of September 30, 2015 and September 30, 2014 consists of the following:

Fund Balance with Treasury by Availability:

(in thousands)	FY 2015	FY 2014
Unobligated Balance		
Available	$ 482	$ 333
Unavailable	4,380	4,096
Obligated balance not yet disbursed	27,747	28,306
Non-budgetary fund balance with Treasury	336	160
Total	$ 32,945	$ 32,895

Note 3. Fiduciary Activities

Effective for the period beginning after September 30, 2008, the cash received and the investments made for backpay funds will not be recognized on the balance sheet of any federal entity. A note disclosure is still required to provide information about its fiduciary activities. See Note 1F, Fiduciary Activities, for further explanation.

Backpay funds are the standard Board remedy whenever a violation of the NLRA has resulted in a loss of employment or earnings. NLRB holds these funds in an escrow account with Treasury or invests the funds that are authorized by the Regional Compliance Officers and other management officials in market-based Treasury securities issued by the Federal Investment Branch of the Bureau of the Fiscal Service.

There exists a signed MOU between the NLRB and the U.S. Treasury (Treasury) establishing the policies and procedures that the NLRB and the Treasury agree to follow for investing monies in, and redeeming investments held by, the deposit fund account in Treasury.

Schedule of Fiduciary Activity
As of September 30, 2015 and 2014

(in thousands)	FY 2015	FY 2014
Fiduciary net assets, beginning of the year	$ 6,549	$ 2,587
Fiduciary revenues	2,609	8,953
Investment earnings	0	0
Disbursements to and on the behalf of beneficiaries	(4,615)	(4,991)
Increase (Decrease) in fiduciary net assets	$ (2,006)	$ 3,962
Fiduciary net assets, end of year	$ 4,543	$ 6,549

Fiduciary Net Assets
As of September 30, 2015 and 2014

(in thousands)	FY 2015	FY 2014
Fiduciary Assets		
Cash and cash equivalents	$ 4,543	$ 6,549
Investments	0	0
Fiduciary Liabilities		
Less: Liabilities	0	0
Total Fiduciary net assets	$ 4,543	$ 6,549

Note 4. Advances

Advances to the Public

Advances to the public were paid for postage meter funding.

Intragovernmental

Intragovernmental Advances were paid to the Department of Transportation for the employee transit subsidy program.

Note 5. Accounts Receivable, Net of Allowances for Doubtful Accounts

Intra-governmental accounts receivable for year-end FY 2015 and FY 2014 is zero.

(in thousands)	FY 2015	FY 2014
With the public		
Accounts receivable	$ 92	$ 74
Allowance doubtful accounts	(26)	(18)
Accounts receivable-net	$ 66	$ 56

Note 6. General Property, Plant and Equipment, Net

General property, plant and equipment consist of that property which is used in operations and consumed over time. The table below summarizes the cost and accumulated depreciation for general property, plant and equipment.

Depreciation expense for the fiscal year ended September 30, 2015 and September 30, 2014 was $3,213,836 and $6,748,970 respectively.

(in thousands) FY 2015	Asset Cost	Accumulated Depreciation/ Amortization	Net Asset Value
Equipment	$ 2,775	$ 1,943	$ 832
Construction in Progress	15	0	15
Leasehold Improvements	5,347	135	5,212
Internal Use Software	31,051	26,485	4,566
Internal Use Software in Development	29	0	29
Totals	$ 39,217	$ 28,563	$ 10,654

(in thousands) FY 2014	Asset Cost	Accumulated Depreciation/ Amortization	Net Asset Value
Equipment	$ 3,383	$ 2,641	$ 742
Internal Use Software	27,785	23,666	4,119
Internal Use Software in Development	204	0	204
Totals	$ 31,372	$ 26,307	$ 5,065

Note 7. Intragovernmental Accounts Payable

These accounts payables are with our federal trading partners, of which the largest amounts are with the General Services Administration (GSA).

Note 8. Liabilities Not Covered by Budgetary Resources

Liabilities not covered by budgetary resources represent amounts owed in excess of available congressionally appropriated funds or other amounts. The custodial liability represents amounts collected from the public for court costs, freedom of information requests and other miscellaneous amounts that must be transferred to the Treasury.

The composition of liabilities not covered by budgetary resources as of September 30, 2015 and September 30, 2014, is as follows:

(in thousands)	FY 2015	FY 2014
Intragovernmental:		
FECA-Unfunded	$ 403	$ 444
Total Intragovernmental	403	444
Estimated Future FECA	863	917
Accrued Annual Leave	13,997	14,130
Total Liabilities not covered by budgetary resources	15,263	15,491
Total Liabilities covered by budgetary resources	13,789	13,744
Total Liabilities	$ 29,052	$ 29,235

Note 9. Non-Entity Assets

Non-Entity assets, restricted by nature, consist of miscellaneous receipt accounts. These amounts represent cash collected and accounts receivable (net of allowance for doubtful accounts). The miscellaneous receipts represent court costs and freedom of information requests that must be transferred to the Treasury.

The composition of non-entity assets as of fiscal year ended September 30, 2015 and September 30, 2014, is as follows:

(in thousands)	FY 2015	FY 2014
Non-entity assets		
Fund Balance with Treasury	$ 336	$ 160
Fiduciary Net Assets	4,543	6,549
Total Non-Entity Assets	4,879	6,709
Entity assets	43,427	38,113
Total Assets	$ 48,306	$ 44,822

Additionally, NLRB received a remainder interest in real property valued at approximately $46,000 as part of a settlement. This asset is not included in the table above.

Note 10. Cumulative Results of Operations

(in thousands)	FY 2015	FY 2014
FECA paid by DOL	$ (178)	$ (173)
FECA – Unfunded	(403)	(444)
Estimated Future FECA	(863)	(917)
Accrued Annual Leave	(13,997)	(14,130)
General Property, Plant & Equipment, Net	10,654	5,065
Other	211	260
Cumulative Results of Operations	$ (4,576)	$ (10,339)

Note 11. Intragovernmental Costs and Exchange Revenue

For the intragovernmental costs, the buyer and seller are both federal entities. The earned revenue is the reimbursable costs from other federal entities. The NLRB has the authority to provide administrative law judges' services to other federal entities. There is no exchange revenue with the public.

(in thousands)	FY 2015	FY 2014
Resolve Representation Cases		
Intragovernmental Costs	$ 8,397	$ 10,547
Costs with the Public	24,979	24,021
Total Net Cost – Resolve Representation Cases	$ 33,376	$ 34,568
Resolve Unfair Labor Practices		
Intragovernmental Costs	$ 62,286	$ 77,342
Costs with the Public	185,279	176,154
Total Net Cost – Resolve Unfair Labor Practices	$ 247,565	$ 253,496
Other		
Other Costs	$ 0	$ 0
Less: Earned Revenue	0	0
Total Net Cost – Other	$ 0	$ 0
Net Cost of Operations	$ 280,941	$ 288,064

Note 12. Operating Leases

GSA Real Property. Most of NLRB's facilities are rented from the GSA, which charges rent that is intended to approximate commercial rental rates. The terms of NLRB's occupancy agreements (OA) with GSA will vary according to whether the underlying assets are owned by GSA or rented by GSA from the private sector. The NLRB has OAs with GSA, which sets forth terms and conditions for the space the Agency will occupy for an extended period of time. Included within the OAs are 120 to 180 day notification requirements for the Agency to release space. For purposes of disclosing future operating lease payments in the table below, federally-owned leases are included in years FY 2016 through FY 2020.

Rental expenses for operating leases for the fiscal year ended September 30, 2015 are $23,906,475 for Agency lease space and $3,227,167 for Agency building security. For FY 2014 the operating lease costs were $26,732,911 and the Agency building security portion was $3,287,279. NLRB Headquarters moved to a new location in July 2015, resulting in a reduction in rent costs. The rent credits realized in 2016 will be used to offset furniture and equipment costs.

(in thousands) Fiscal Year	GSA Real Property
2016	17,709
2017	23,305
2018	24,141
2019	24,728
2020	25,333
Total Future Lease Costs	$ 115,216

Note 13. Imputed Financing Costs

OPM pays pension and other future retirement benefits on behalf of federal agencies for federal employees. OPM provides rates for recording the estimated cost of pension and other future retirement benefits paid by OPM on behalf of federal agencies. The costs of these benefits are reflected as imputed financing in the consolidated financial statements. Expenses of the NLRB paid or to be paid by other federal agencies at September 30, 2015 and 2014 consisted of:

(in thousands)	FY 2015	FY 2014
Office of Personnel Management:		
Pension expenses	$ 7,490	$ 7,744
Federal employees health benefits	8,271	7,991
Federal employees group life insurance program	27	27
Total Imputed Financing	$ 15,788	$ 15,762

Note 14. Appropriations Received

The NLRB received $274,224,000 in warrants for both fiscal years ended September 30, 2015 and 2014.

Note 15. Statement of Budgetary Resources

The Statement of Budgetary Resources provides information about how budgetary resources were made available as well as their status at the end of the period. It is the only financial statement exclusively derived from the entity's budgetary general ledger in accordance with budgetary accounting rules that are incorporated into GAAP for the Federal government. The total Budgetary Resources of $279,337,421 as of September 30, 2015 and $280,711,212 as of September 30, 2014, includes new budget authority, unobligated balances at the beginning of the year, spending authority from offsetting collections, recoveries of prior year obligations and permanently not available.

The amount of budgetary resources obligated for undelivered orders was $27,746,693 for FY 2015 and $28,465,715 for FY 2014. The NLRB's unobligated balance available at September 30, 2015 was $481,752 and at September 30, 2014 was $333,058.

Apportionment Categories of Obligations Incurred. NLRB's obligations incurred as of September 30, 2015 and September 30, 2014 by apportionment Category A, B, and E is shown in the following table. Category A apportionments distribute budgetary resources by fiscal quarters; Category B apportionments typically distribute budgetary resources by activities, projects, objects or a combination of these categories; and Category E are not subject to apportionment. OMB does not require the Agency to separate its funding and therefore all obligations incurred were from one funding category.

(in thousands) FY 2015	Apportioned Category A	Apportioned Category B	Not Subject to Apportioned	Total
Obligations Incurred:				
Direct	$ 274,476	$ -	$ -	$ 274,476
Reimbursable	-	-	-	-
Total Obligations Incurred	$ 274,476	-	-	$ 274,476

(in thousands) FY 2014	Apportioned Category A	Apportioned Category B	Not Subject to Apportioned	Total
Obligations Incurred:				
Direct	$ 276,282	$ -	$ -	$ 276,282
Reimbursable	-	-	-	-
Total Obligations Incurred	$ 276,282	-	$ -	$ 276,282

Note 16. Contingencies

The NLRB is involved in various lawsuits incidental to its operations. While the ultimate outcome of these matters is not presently determinable, it is the opinion of management that the resolution of outstanding claims will not have a materially adverse effect on the financial position of the NLRB. It should also be noted that there is pending litigation against the General Services Administration concerning the NLRB's prior Headquarters facility lease that could impact the Agency. On June 17, 2015, the lessor of Franklin Court submitted a claim alleging that the government failed to vacate the entire premises at lease expiration. GSA issued a Contracting Officer's Final Decision (COFD) on August 14, 2015, denying the claim. NLRB may be required to budget in FY 2016 or FY 2017 for any judgment or settlement costs associated with a ruling against the Government. An estimate of the potential claim cannot be made at this time.

Note 17. Reconciliation of Net Cost of Operations to Budget

For the Years Ended September 30, 2015 and 2014

(in thousands)	FY 2015	FY 2014
Resources Used to Finance Activities		
Current Year Gross Obligations	$ 274,476	$ 276,282
Budgetary Resources from Offsetting Collections		
Spending Authority from Offsetting Collections		
Earned		
Collected	(62)	(159)
Recoveries of Prior Year Unpaid Obligations	(3,862)	(2,450)
Other Financing Resources		
Imputed Financing Sources	15,788	15,762
Other	0	0
Total Resources Used to Finance Activity	$ 286,340	$ 289,435
Resources Used to Finance Items Not Part of the Net Cost of Operations		
Budgetary Obligations and Resources not in the Net Cost of Operations		
Change in Undelivered Orders	(7,967)	(4,893)
Current Year Capitalized Purchases	(530)	(2,929)
Components of the Net Cost of Operations which do not Generate or Use Resources in the Reporting Period		
Revenues without Current Year Budgetary Effect		
Other Financing Sources Not in the Budget	(15,788)	(15,762)
Costs without Current Year Budgetary Effect		
Depreciation and Amortization	3,214	6,749
Disposition of Assets	4	0
Future Funded Expenses	(110)	(210)
Imputed costs	15,788	15,762
Bad Debt Expense	9	7
Other Expenses Not Requiring Budgetary Resources	(19)	(95)
Net Cost of Operations	$ 280,941	$ 288,064

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Other Accompanying Information

INSPECTOR GENERAL'S TOP PERFORMANCE & MANAGEMENT CHALLENGES

UNITED STATES GOVERNMENT
National Labor Relations Board
Office of Inspector General

Memorandum

October 14, 2015

To: Mark Gaston Pearce
Chairman

Richard F. Griffin, Jr.
General Counsel

From: David Berry
Inspector General

Subject: Top Management and Performance Challenges

As part of the Performance and Accountability Report, the Office of Inspector General (OIG) is required by section 3516 of title 31 to summarize what the Inspector General considers to be the most serious management and performance challenges facing the Agency and briefly assess its progress in addressing those challenges. This memorandum fulfills that requirement. The information provided in this report is based upon our reviews and investigations, as well as our general knowledge of the National Labor Relations Board's (NLRB or Agency) operations.

For the purpose of this report, an item can be noted as a management or performance challenge even though it is not a deficiency or within the control of the Agency. In our prior year's memorandum, we identified eight management and performance challenges. This year we are retiring one challenge.

CHALLENGES

Manage in the current political environment.

Without commenting on the merits of the issues, it is appropriate to highlight the politically charged debate regarding labor relations and the NLRB. Functioning in this environment continues to challenge both the political appointees who govern and the career personnel who manage. It is likely that, in the coming year, the Agency will continue to attract active Congressional oversight with the prospect of legislation affecting its authority to regulate labor relations and continued litigation regarding the implementation of its regulatory authority.

Reorganize and consolidate operations.

Starting in Fiscal Year (FY) 2011, the Office of the General Counsel initiated working groups to study the case processing of Regional Offices and certain Headquarters operations. At about the same time, the Board and the Office of the General Counsel began to reorganize the financial management of the Agency and other Headquarters operations.

Much of the effort that was focused on reorganizing the financial management and mission-related functions of the Agency has been completed. Now that effort should be refocused on the Agency's administrative functions.

Since the end of 2012, the Division of Administration has had significant turnover of its senior level managers. While the General Counsel's office has attempted to temporarily fill the management gap on an "as needed" basis, the administrative functions of the Agency need to be reassessed by the Agency's leadership, organized in a fashion that meets the needs of the Agency, and provided with competent and stable management to ensure that it accomplishes its functions. The scope of the challenge is illustrated by the results of our recent audit of the Security Branch that disclosed significant incidents of mismanagement. Also, during the past fiscal year, issues with the human resources function came to light. Although corrective actions are being undertaken, in the coming year, much of our attention will be focused on examining and making recommendations related to this challenge.

Manage the Agency's financial resources.

Both the FY 2010 and FY 2011 audits of the financial statements contained a finding by the independent auditing firm that there was a significant deficiency in internal control. Although the findings were largely related to problems in the procurement process, our audit of end-of-the-year spending demonstrated that there was a lack of sound budgeting and planning processes that are essential to proper fiscal management.

In July 2012, the Board created the Office of the Chief Financial Officer (OCFO), implementing the final recommendation of the FY 2010 audit of the financial statements. That office now oversees the budget, procurement, and payment processes. In FY 2013, the OCFO set about creating a new system of controls to effectively manage the Agency's appropriation. At the end of FY 2013 and during FY 2014, three senior financial managers departed the Agency and left behind very few records of processes or procedures.

Although the Board and Office of the General Counsel laid the foundation for a sound financial management system and the Chief Financial Officer has worked to remedy the deficiencies noted in past reviews, the *Audit of the NLRB Fiscal Year 2014 Financial Statements* found both a material weakness and significant deficiencies in internal controls. The OCFO is working to resolve those issues, but hard work must continue to ensure that the necessary internal controls are firmly established.

Manage the NLRB's human capital.

The need to maintain a stable and productive workforce is key to the NLRB's ability to fulfill its statutory mission. Factors outside the NLRB's control that may directly affect its ability to maintain a stable and productive workforce include, but are not limited to, the prospect of hiring restrictions, reduced or flat appropriations, and the loss of key personnel through retirements.

The past uncertainty of the fiscal environment, along with the loss of key personnel to retirements and transfers, placed significant stress and burden upon the Agency's workforce. The threat of furloughs, curtailment of meaningful training opportunities, and loss of monetary awards and cost-of-living pay increases negatively affected the overall workforce morale. Combined, these factors degraded the Agency's ability to properly address its human capital needs and impeded its ability to maintain a stable workforce through retention and recruitment.

Historically, the Agency reduced its workforce through attrition to meet the fiscal restraints. As of January 2014, the Agency reduced its workforce by almost 10 percent from the FY 2011 workforce level, with over half of the reduction occurring in FY 2013. While the Agency was able to mitigate some of the effects of the reduction with targeted hiring for key positions, overall the loss of personnel and the administrative burdens of the hiring process created significant managerial challenges that were not necessarily evenly distributed across the Agency or mission functions.

Although there has been some relief in the fiscal environment, the prospect of a significant reduction in funding remains a very real possibility, and there remain few areas to trim the Agency's spending. Additionally, in the next fiscal years, the Agency will absorb many of the expenses related to the Headquarters move that was mandated by the General Services Administration (GSA). While some savings may occur with the reduction of Headquarters rent, to effectuate the move without a supplement to its appropriation, the Agency utilized GSA's "FIT" program to structure the cost of the move with future payments. The ability of the Agency to manage its fiscal resources through the management of its human capital is not without limits, and any significant reduction in funding will put significant limitations on the ability of the Agency to maintain its workforce and fulfill its statutory mission.

Maintain the Agency's institutional knowledge.

The many changes in technology, laws and regulations, and management systems have altered the manner in which employees perform their official duties. As these changes occur, the policies and procedures are not always updated on a timely basis. Over time, individual offices come to rely upon the collective institutional knowledge of the staff. While this may be a short-term solution, it puts far too much reliance on the skills of individual employees while lacking the safeguards of well-documented processes. The fact that at an Agency of this size, specialized tasks are often performed by a limited number of employees compounds this problem.

We continue to see a loss of key employees because of retirement and other separations. The challenge of succession planning and capturing the knowledge and procedures for the Agency's processes by formalizing institutional knowledge with policies and procedures remains. Meeting that challenge is even more difficult when fiscal restraints limit the ability to hire or promote a successor prior to a key employee's departure.

Manage the Agency's information technology resources in a manner that achieves efficiency and security.

Each year, the Office of the Chief Information Officer (OCIO) continues to devote significant resources to improving and upgrading information technology equipment and capability. During this fiscal year, the OCIO completed its migration of mission-related offices to the NxGen case processing system and began to implement a unified communications system.

The OCIO also devoted significant resources to securing and improving information technology networks. Likewise, the OIG also devotes resources to auditing, inspecting, and investigating information technology control and security issues. Despite these efforts, the Agency's information technology infrastructure and the information contained in it remain at risk because of the rapid evolution of information technology threats. Given this environment and the move to "Cloud" service providers, ensuring the security of the Agency's information in its information technology systems remains a long-term challenge.

Implement audit recommendations in a timely manner.

In last year's Top Management and Performance Challenges memorandum, we reported that the Agency had 15 open audit recommendations. Since that time, 6 of the 15 open recommendations were closed and we added 42 new recommendations. Of the 42 new recommendations, 9 have been closed. At this time, there are a total of 42 open recommendations. The oldest of the open recommendations is from an audit report issued in FY 2012. A recommendation is not closed until we verify that the implementing action appropriately addressed the issue that necessitated the recommendation.

Retiring Challenges

Relocate Headquarters.

The relocation of Headquarters occurred in July 2015 and it was in fact a significant challenge. The move was completed and this challenge was met.

SUMMARY OF AUDIT AND MANAGEMENT ASSURANCES

I. SUMMARY OF FINANCIAL STATEMENT AUDIT

Audit Opinion			Unmodified		
Restatement			No		
Material Weaknesses	Beginning Balance	New	Resolved	Consolidated	Ending Balance
	1	0	1	0	0
TOTAL	1	0	1	0	0

II. SUMMARY OF MANAGEMENT ASSURANCES

EFFECTIVENESS OF INTERNAL CONTROL OVER OPERATIONS (FMFIA §2)

Statement of Assurance				Unqualified		
Material Weaknesses	Beginning Balance	New	Resolved	Consolidated	Reassessed	Ending Balance
	0	0	0	0	0	0
TOTAL	0	0	0	0	0	0

SUMMARY OF MANAGEMENT ASSURANCES (CONT'D.)

COMPLIANCE WITH FINANCIAL SYSTEMS REQUIREMENTS (FMFIA §4)

Statement of Assurance				Systems conform with financial management systems requirements		
Material Weaknesses	Beginning Balance	New	Resolved	Consolidated	Reassessed	Ending Balance
	0	0	0	0	0	0
TOTAL	0	0	0	0	0	0

IMPROPER PAYMENTS INFORMATION ACT

Pursuant to the Improper Payments Information Act (IPIA) of 2002 (Public Law No. 107-300), dated November 26, 2002, and amended on July 22, 2010 by the Improper Payments Elimination and Recovery Act (IPERA) of 2010 (Public Law No. 111-204), and again in 2012 with the Improper Payments Elimination and Recovery Improvement Act (IPERIA) of 2012 (Public Law No. 112-248); Under the Office of Management and Budget's (OMB) Circular A-123; Appendix C guidance, requires all agencies under the executive branch of the United States to comply with IPERIA.

For FY 2015, the NLRB paid nearly $16 million to vendors, or about 6% of the total budget. The remaining payments were made to employees for payroll and travel, and to other government agencies. The NLRB is committed to minimizing the risk of improper payments and we use a variety of system controls, separation of duties, and other procedures to reduce that risk and to promptly identify any improper payments that might occur. These controls are tested as part of the SSAE 16, A-123, and financial statement audit processes; they are also considered during the annual FMFIA process.

Given these controls, we estimate the improper payments rate to be at most 1.5 percent and the improper payments amount to be $3,813,149.17 or less. This level is below the threshold established by the OMB and therefore does not represent significant improper payments. Accordingly, no plan is proposed to further reduce improper payments nor would a recovery audit program be cost effective.

October 2014 - June 2015						
	Number (#) of payments reviewed for improper payments	Dollars ($) of payments reviewed for improper payments	Number (#) of payments stopped	Dollars ($) of payments stopped	Number (#) of improper payments reviewed and not stopped	Dollars ($) of improper payments reviewed and not stopped
Reviews with DMF Public	7,346	$ 17,555,745	N/A	N/A	1	$ 133
Reviews with SAM Exclusions Public	7,346	$ 17,555,745	N/A	N/A	16	$ 5,299

- Payments reviewed for improper payments includes the total number of payments disbursed by the Agency through the PACER payment system minus any payments that were excluded from matching due to a missing or unmatchable TIN (DMF only).
- Payments stopped is currently not applicable since the Do Not Pay matching and adjudication process is based on post payment results.
- Improper payments reviewed and not stopped includes the total number of matches identified by the Do Not Pay Initiative that were adjudicated as improper to the Agency.

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Appendices

APPENDIX A

ACRONYMS

ALJ	Administrative Law Judge
CATS	Case Activity Tracking System
CFO	Chief Financial Officer
CR	Continuing Resolution
DNP	"Do Not Pay" List
FASAB	Federal Accounting Standards Advisory Board
FMFIA	Federal Managers' Financial Integrity Act
FPPS	Federal Payroll and Personnel System
FY	Fiscal Year
GAAP	Generally Accepted Accounting Principles
GPRA	Government Performance and Results Act
GPRAMA	Government Performance and Results Modernization Act
IUS	Internal Use Software
IPIA	Improper Payments Information Act
MDA	Management Discussion and Analysis
NBC	National Business Center
NxGen	Next Generation Case Management System
NLRA	National Labor Relations Act
NLRB	National Labor Relations Board
OCFO	Office of the Chief Financial Officer
OCIO	Office of the Chief Information Officer
OIG	Office of Inspector General
OMB	Office of Management and Budget
PAR	Performance and Accountability Report
ULP	Unfair Labor Practice

APPENDIX B

DEFINITIONS

Case: The general term used in referring to a charge or petition filed with the Board. Each case is numbered and carries a letter designation indicating the type of case.

Charge: A document filed by an employee, an employer, a union, or an individual alleging that a ULP has been committed by a union or employer.

Collective Bargaining: Negotiation between organized workers and their employer or employers to determine wages, hours, rules, and working conditions.

Complaint: A document that initiates "formal" proceedings in a ULP case. It is issued by the Regional Director when he or she concludes on the basis of a completed investigation that any of the allegations contained in the charge have merit and the parties have not achieved settlement. The complaint sets forth all allegations and information necessary to bring a case to hearing before an administrative law judge pursuant to due process of law. The complaint contains a notice of hearing, specifying the time and place of the hearing.

Compliance: The carrying out of remedial action as agreed upon by the parties in writing; as recommended by the administrative law judge in the decision; as ordered by the Board in its decision and order; or as decreed by the court.

Dismissed Cases: Cases may be dismissed at any stage. For example, following an investigation, the Regional Director may dismiss a case when he or she concludes that there has been no violation of the law, that there is insufficient evidence to support further action, or for other legitimate reasons. Before the charge is dismissed, the charging party is given the opportunity to withdraw the charge by the Regional Director. A dismissal may be appealed to the Office of the General Counsel.

Formal Action: Formal actions may be documents issued or proceedings conducted when the voluntary agreement of all parties regarding the disposition of all issues in a case cannot be obtained, and where dismissal of the charge or petition is not warranted. Formal actions are those in which the Board exercises its decision-making authority in order to dispose of a case or issues raised in a case. "Formal action" also describes a Board decision and consent order issued pursuant to a stipulation, even though a stipulation constitutes a voluntary agreement.

***Gissel* Bargaining Order:** *Gissel* bargaining orders are orders to bargain with a union that may no longer have majority support because of serious employer ULPs that have poisoned the possibility of a fair election.

Impact Analysis: Provides an analytical framework for classifying cases so as to differentiate among them in deciding both the resources and urgency to be assigned each case. All cases are assessed in terms of their impact on the public and their significance to the achievement of the Agency's mission. The cases of highest priority, those that impact the greatest number of people, are placed in Category III. Depending on their relative priority, other cases are placed in Category II or I.

Interstate Commerce: In the U.S., any commercial transaction or traffic that crosses state boundaries or that involves more than one state. Government regulation of interstate commerce is founded on the commerce clause of the Constitution (Article I, section 8), which authorizes Congress "To regulate Commerce with foreign Nations, and among the several States, and with Indian Tribes."

"Nip-in-the Bud" Cases: Cases arising from alegations of unfair labor practices committed during union organizing campaigns.

Overage Case: To facilitate or simplify Impact Analysis, case processing time goals – from the date a charge is filed through the Regional determination – are set for each of the three categories of cases, based on priority. A case is reported "overage" when it is still pending disposition on the last day of the month in which its time target was exceeded. Cases that cannot be processed within the timelines established under the Impact Analysis program for reasons that are outside the control of the Regional Office are not considered to be overage.

Petition: A petition is the official NLRB form filed by a labor organization, employee, or employer. Petitions are filed primarily for the purpose of having the Board conduct an election among certain employees of an employer to determine whether they wish to be represented by a particular labor organization for the purposes of collective bargaining with the employer concerning wages, hours, and other terms and conditions of employment.

Protected Concerted Activity: The National Labor Relations Act (NLRA) protects employees' rights to engage in protected concerted activities with or without a union, which are usually group activities (two or more employees acting together) attempting to improve working conditions, such as wages and benefits.

Social Media: Various online technology tools that enable people to communicate easily via the Internet to share information and resources. These tools can encompass text, audio, video, images, podcasts, and other multimedia communications.

Test of Certification: A "test of certification" presents the issue of whether an employer has unlawfully refused to bargain with a newly-certified union. Because the Act does not permit direct judicial review of representation case decisions, the only way to challenge a certification is a refusal to bargain followed by a Board finding. However, because all relevant legal issues were or should have been litigated in the Representation case, the related ULP case is a no-issue proceeding that can be resolved without a hear¬ing or extensive consideration by the Board.

Unfair Labor Practice (ULP): An unfair labor practice is illegal conduct by either a labor organization or an employer that violates the National Labor Relations Act.

APPENDIX C

HISTORICAL PERFORMANCE MEASURES FOR GOALS 3 AND 4

FY 2014 Strategic Goal 3 (Support): Achieve Organizational Excellence

Management Strategies

Objective 1: Initiative 1

- The Division of Administration (DofA) established a Human Capital Planning Section (HCPS) to administer the Agency's human capital management program. The draft Plan containing human capital goals, objectives, and strategies is expected to be completed in the first quarter of FY 2015.
- Office of Human Resources (OHR) partnered with OPM's Human Resources Solutions to pilot "USA Performance", a newly developed automated web-based performance appraisal system tool. It is designed to streamline the manual performance management process and increase visibility and transparency in performance management process. The use of USA Performance aligns performance plans with strategic goals, and ensures compliance with Federal performance management regulations. The pilot began in June 2014, with performance of senior executives and the next phase will involve GS and prevailing grade employees.
- OHR meets regularly with Headquarters and field managers to assist in collaborative efforts with employees and the unions on a variety of workplace issues such as maxiflex, telework, and performance management programs.
- DofA's Security branch was successful in reducing the reinvestigation backlog to approximately 750 from 1,018. The Agency expects the office to remain on target to complete the 20 percent goal, listed in the management strategies, next year.
- The DofA's Office of Employee Development (OED) expanded Skillport training software; electronically organized its developmental resources for Field Agents, including instructor modules, videos narrative resources; developed prototypes and piloted user-friendly online training for board agents; provided teambuilding to consolidated regions; and presented a 12-hour course on the "Seven Habits of Highly Effective People" to new Regional directors and a 90 minute workshop on "Promoting a Culture of Personal Accountability" that dealt with how to motivate people to take ownership of their work, an important skill for managing teleworkers.

Objective 1: Initiative 2

- OHR began developing a Quality Assurance and Quality Control Unit to assess and improve the accountability process. The following action steps will be taken as a result of OPM's hiring reform:
  - Evaluate current designated examining authority and merit promotion hiring timeframes;
  - Identify the impact of negotiated agreements on hiring timelines;
  - Analyze and recommend methods for measuring improvement in timeliness;
  - Develop a schedule to meet hiring timeliness;
  - Identify actions needed to address barriers;
  - Prioritize occupations within respective divisions;
  - Train OHR staff on all tools available through USA staffing.
- OHR has begun working with stakeholders to standardize over 1,300 of the Agency's position descriptions.
- The Agency's Office of Equal Employment Opportunity (OEEO) timely submitted the Agency's annual MD715 report for Fiscal Year 2013 to the EEOC, which provides a demographic analysis of

the Agency workforce by gender, race, national origin, and disability, in all stages of employee life (e.g., hiring, grade level distribution, training, promotions, separations).

- OEEO also provided a State of the Agency report to senior leadership to assist with strategies and enhance the diversity of its workforce.
- OEEO and OHR initiated a collaborative work group to develop a Strategic Recruitment Plan for the Agency. As part of the plan, OEEO posted to its web page recruitment resources for reaching out to diverse student populations of African American, Hispanic, Asian American and Pacific Islander, and Native American populations. It also sent out email communications to these resource organizations promoting recruitment through the Agency's Honors Attorneys program. OEEO is also developing the Special Emphasis Program Manager role for each of these populations, as well as for disabled employees and veterans, to enhance the Agency's outreach initiatives to these communities.
- The Agency hired a new Disability Coordinator, who maintains applications for applicants that have contacted the Agency to be considered for employment under the "Schedule A" Hiring Authority, and OHR plans to host a number of training presentations for managers and supervisors on "Schedule A" Hiring, as well as on the Selective Placement Program.

Objective 2: Initiative 1

- DofA's Security Branch made improvements to its webpages, such that employees can find a host of information on physical security, personnel security, continuity of operations, classes offered by Department of Homeland Security, and policies from the Interagency Security Committee, and OPM Federal Investigative Service. Further, an Administrative Policies and Procedures Manual (APPM) on Personnel Security was updated and published and one on Physical Security is in draft form.
- DofA's Facilities and Property Branch (FPB) developed an extensive Communication Plan that continues to inform employees about the Headquarters relocation, including managing expectations related to the cultural transition to a reduced-space work environment, and it provided physical tours. The project, which is dubbed, "Total Workplace Solutions," also includes a web page devoted to all aspects of the new relocation including timing, neighborhood businesses, furniture, technology and other requirements.
- In addition, the FPB established a Headquarters Space Advisory Committee, which includes representatives from all Divisions and both employee Unions, to communicate updates on the new Headquarter Space Initiative and keep employees throughout the workforce informed on the latest project information.
- HCPS launched a Human Capital web page in order to provide a platform to distribute a wealth of information and guidance about NLRB's human capital planning efforts.
- HCPS received and analyzed the 2013 Federal Employee Viewpoint Survey results and provided an executive level briefing to Senior Management and is in the process of doing the same with the recently published FY 2014 FEVS results.
- OHR developed the Honorary Awards program, where a number of employees were acknowledged during an awards ceremony, and it implemented a regular schedule for providing service awards.

Objective 2: Initiative 2

- OHR benchmarked other agencies to identify ways to improve the on boarding program, and, along with Senior Managers, revamped the Agency's on-boarding process.
- OHR provided one-on-one and group instructions to managers to assist them in providing guidance in understanding their role in communicating expectations to Agency employees on performance management.
- The former Director of Administration produced a quarterly Significant Happenings Report to report the work of the employees within the Division to

senior management, and planned a Division-wide Recognition Day to celebrate the work of the Division and foster camaraderie, which was attended by the General Counsel, Deputy General Counsel, Assistant General Counsel, and Board Members.

Objective 2: Initiative 3

- The following policy statements were released to Board agents in 2014: Equal Employment Opportunity Policy Statement; Policy Statement on the Prevention of Unlawful Harassment, Including Sexual Harassment; Alternative Dispute Resolution (ADR) Policy Statement; and the Diversity and Inclusion Policy Statement.
- The MD-715 was timely submitted electronically in first quarter of 2014 calendar year to the EEOC providing FY 2013 information.
- The NLRB offered Agency-wide diversity training, which was mandatory for managers and supervisors, on Transgender in the Workplace in 2012, made the sessions available on the OED website, and issued a related Agency-wide memo.
- With encouragement form senior leadership, the OEEO, OHR, and OED have partnered to develop a more robust diversity and inclusion training program. In furtherance, of this goal, senior leaders and representatives from various divisions have attended and accessed external programs.
- In 2003, the Agency established a mentoring program on the General Counsel-side for newly-hired and newly-transferred professionals and support staff in order to support the mandate that the Agency have workforce that reflects the diversity of our Nation. In FY 2014, the General Counsel asked that the program be revamped and the Mentoring Committee is working on doing so, including exploring best practices in mentoring at other federal agencies.
- The OEEO relies on the Agency's cadre of collateral duty Special Emphasis Program Coordinators (SEPCs) to assist the Agency in its efforts to build and maintain an inclusive work environment. OEEO conducted four-one hour videoconference training sessions in 2013 and 2014. The training supports the SEPCs in carrying out their responsibilities and duties and also provides a forum to share ideas and best practices.
- OHR has educated and encouraged management to utilize the Local Veterans Employment Representative Program to recruit for various positions. As a result, the Agency has hired at least eight veterans through the program.

Strategic Goal 4 (Support): Manage agency resources in a manner that instills public trust.

Objective 1: Initiative 1

Measure:

- The Agency's enterprise case management system, Next Generation Case Management System (NxGen), was made to replace 11 separate legacy systems and integrate into a single unified solution that leverages multiple technologies.

NxGen presently manages:

Internal users	1,350
Cases	263,355 (+10%*)
Case Actions of the Agency	766,343 (+27%*)
Documents, images, and videos, each linked to its Action and Case	4,678,794 (+47%*)

* All percentages are year-over-year calculations

Measure:

- The Agency soon will complete the consolidation of its separate legacy case tracking systems into an enterprise case management solution, a success that is rare within the Federal government. The last remaining Agency Office, the Contempt, Compliance, and Special Litigation Branch, will be migrated into NxGen beginning in the first quarter of FY 2015.

Measure:

- In FY 2014, the Agency expanded its electronic distribution of case documents with an E-Delivery pilot involving six Regions, one party (USPS) and new 10 document types. The pilot recently has been expanded to two document types for all Regions. To date, 2,101 documents have been sent to the USPS electronically, resulting in notable savings to the NLRB and a great convenience to the USPS.

[10/1/2013 – 9/30/2014]

Number of E-Filings Received	29,127 (+15%*)
Number of Documents Received	43,031 (+13%*)
Number of Board and ALJ Decisions E-Served	737
Total Number of parties E-Serviced Decisions	55,191 (+3%*)
Number of E-Deliveries of Case Documents	2,101 (new process)

* All percentages are year-over-year calculations

Measure:

- The NLRB is committed to achieving the goals set forth in the President's Open Government Directive. The three principles of transparency, participation, and collaboration inform current and future plans for the Agency's information systems. With the near complete implementation of the NxGen, the Agency is able to provide improved information regarding its cases and significantly increase the number and type of case documents made available to the public. In FY 2014, the Agency also made substantial progress towards a new external search interface and public data warehouse that will continue to deliver on the goals of Open Government.

Number of NLRB Document Types Available for Public Access	197
Total Number of Case Documents Available for Public Access	346,109

Please see *http://www.nlrb.gov/open/public-documents* for a list of the document types available to the public.

Objective 1: Initiative 2

Measure:

- In FY 2013, the Agency made the decision to expand the capabilities of the Office 365 Suite and utilize the cloud-based SharePoint offering. The Office 365 SharePoint solution provides all of the necessary components of a technology service catalog and complements the existing Intranet. In FY 2014, the Agency's governance and development teams focused on streamlining business processes through forms automation with workflow and routing.
  - As an example of these efforts, and to support the Agency's new Collective Bargaining Agreement, the Administrative Systems team recently completed the development of and is piloting a comprehensive solution to automate the processes for requesting, routing and approval, and reporting for the following schedules: Telework, Alternate Work (e.g., Gliding Flex, Maxi Flex and 5-4-9), and Leave. Upon approval by a supervisor or manager, the requests are created as items on a shared Outlook calendar for each individual office so that all employees can determine where to contact someone if they are working, but not physically in the office. All approved items are then made available to the individual office's timekeeper for filing, processing and record keeping. Aggregate reports are also available to HR, which will significantly reduce manual data calls that are performed each year in preparation for reports sent to the Office of Personnel Management (OPM).

Measure:

- Currently, the Agency utilizes disparate networks for its data and video conferencing services and manages 52 legacy phone systems from different voice service providers in the Field and Headquarters. The segregation of data, voice,

and video services results in an inefficient use of Agency resources and creates communication and collaboration silos within critical business processes. Additionally, the Agency's present communications infrastructure provisions remote access for certain business processes only to Agency laptops, with limited support for mobile and tablet devices.

- The objectives of the Agency's Unified Communication and Collaboration (UCC) effort are to provide enhanced functionality to Agency staff while achieving cost savings through such strategies as consolidating networks and taking advantage of lower cost technical alternatives and contract vehicles. Specifically, the Agency is trying to create a modern single unified communications platform and network to empower Agency personnel to communicate with voice, video and data from all locations including the office, at home and on the road. The Agency awarded a UCC contract on September 24 and the Agency expects the implementation to take between eight and 12 months. After the initial investments in the UCC build-out and end-user equipment, the Agency expects total network services costs to be in line with the current separate allocations for data, voice and video networks, and anticipates the enhanced services to demonstrably improve administrative efficiencies.

Measure:

- With the increasing requests for collaboration, the Agency embarked upon efforts to implement SharePoint team sites to manage the need for document collaboration, discussion forums, wiki pages, and site mailboxes. Team sites are being created for all departments and divisions so that each office will have a secure place to store documents, create conversations, receive email alerts when changes occur, and collaborate on work products. Additionally, individual team sites are being created to support the various needs of the Agency. For example, to assist with the reduction of printed materials for conferences, team sites were created to review/edit presentations and conference materials and then store all materials to be made available to the participants. Furthermore, the Agency is addressing the need for document collaboration by geographically dispersed employees by providing access to the Office Online applications. This allows multiple employees the ability to simultaneously work on Word, Excel and PowerPoint documents, which provides increased collaboration and avoids confusion with managing multiple versions of documents that then need to be merged together.

Objective 1: Initiative 2

Measure:

- All required reports to external regulatory bodies were prepared in accordance with established time lines.

Measure:

- OCFO has developed a formalized annual training plan for all allowance holders. During FY 2014, finance-related training was held as part of the Office Managers and Field Managers trainings. Topics included Oracle Federal Financial processes, eTravel processes, and Federal Travel Regulations.

Measure:

- The OCFO Budget office has worked closely with the program offices and NLRB Senior Leadership to develop a detailed budget spend plan which serves to inform NLRB management for decision making.

Measure:

- During FY 2015 OCFO Finance Office plans to communicate obligation status reports to program offices through an automated monthly email. The development of the report has been completed within FY 2014 and the automated email generation will begin in FY 2015. This report will help program managers to monitor their budgets at a more detailed level.

Measure:

- The Contracting Officers as well as the purchase card holders utilize the General Services Administration's (GSA), Federal Strategic Sourcing Initiative (FSSI) in the ordering of supplies and services. By doing so, the NLRB has increased its utilization of strategic sourcing from a savings rate of 14.47 percent in FY 2013 to 18 percent. In FY 2014, the NLRB increased its utilization of strategic sourcing higher with a savings rate of 34 percent; yielding a savings of $106,168.

Measure:

- As demonstrated in the chart below, the NLRB increased the percentage of contract awards to small, disadvantaged owned businesses from Fiscal Year 2012 to Fiscal Year 2013 in all categories. During fiscal year 2014, the NLRB awarded the Unified Communications contract almost $2M to a large business which impacted the small business categories. The Acquisition Management Branch will focus on making small businesses the supplier of choice in FY 2015.

Fiscal Year	Total Small Business	Woman Owned	Small Disadvantaged	Veteran Owned
FY 2012	31.3%	7.9%	12.3	3.9%
FY 2013	34.2%	17.9%	7.4%	4.9%
FY 2014	29.2%	12.4 %	10.2%	4.4%

Objective 2: Initiative 1

Management Strategies:

- The Agency formed an outreach committee, comprised of board agents from divisions, branches and offices throughout the Agency. The committee continues to explore new modes and methods to educate the public, particularly those, such as youth and immigrant populations, that may be unfamiliar with the Agency and the Act and may be more vulnerable to exploitation due to their lack of knowledge of workplace rights.
- In order to educate more audiences through non-traditional outreach, particularly those prone to exploitation, the Agency is trumpeting successes and recent cases of interest, as well as including human interest stories, so that the public can more easily relate to the information being shared. The CPAO is issuing news releases of recent cases, such as Board and court decisions, settlement agreements, and cases involving injunctive relief or compliance.
- The Agency is invigorating local relationships for joint outreach and local working group forums where there are regular meetings with board agents from other agencies to work on various joint projects/ materials. These federal, state and local agencies include, but are not limited to, EEOC, local Human Rights Commissions, Wage and Hour, OSHA, Whistleblower, Unemployment Compensation, and Office of Special Counsel. Two Headquarters managers are tasked with facilitating quarterly roundtable discussions with Regional outreach coordinators to ensure sharing of best practices/ materials. The Agency is also reviewing MOUs entered into decades ago and re-establishing connections with counterparts.
- As to Letters of Agreement (LOA), the Agency is continuing efforts to reach out to foreign embassies/ ministries/consulates and finalize letters of agreement for education of workers and business owners. In FY 2013, the Agency executed a LOA with the Mexican embassy and selective consulates, and in FY 2014, with the Ministry of Ecuador. Efforts to parlay those national agreements into local agreements between Regions and consulates, and to provide materials to Regions for assistance with education per the LOA are ongoing.
- The Agency is culling and editing current outreach materials so that Board Agents have presentations with a uniform brand for Powerpoints and other formats in a central repository for use nationwide.

Objective 3: Initiative 1

Measure:

- Over the past year, the Chairman and General Counsel have jointly promoted several ethics program initiatives to all employees and visibly participated in the values-based training program presented in FY 2014. The training engaged employees in discussions of ethical decision making principles and considered how ethical decisions are made within the context of our own personal core values and those of the Agency. The training also stressed personal responsibility in the ethical decision making process.
- The General Counsel and Chairman also increased the staff of the Ethics Branch to ensure that sufficient resources are devoted to the program to facilitate effective program management and outreach to all employees.
- The NLRB Ethics Staff have met with the Board Members and the General Counsel collectively and separately to discuss a range of government and legal ethics issues.
- The NLRB's Designated Agency Ethics Official has full access to Agency leadership and can approach them for assistance when the need arises.
- In addition, the combining of the NLRB's Legal Ethics Program with the Government Ethics Program has provided NLRB employees with a cohesive, comprehensive program, thus raising the visibility of the program among employees. Employees now know that they have one office where they can go with ethics questions and issues, where their questions will be addressed from the perspective of the government's ethics rules and, for attorneys, within the parameters of their bar rules.

Measure:

- The ethics staff was proactive in expanding the number of training products available to all NLRB employees. They developed a number of one-page, easy-to-read Job Aids designed to help employees identify potential government ethics issues and provide additional guidance where informational gaps might exist. The Job Aids focused on conflicts of interest, including both financial conflicts and appearance issues; the acceptance of gifts from outside sources; the acceptance from and the giving of gifts to coworkers; the Hatch Act; outside employment; the outside practice of law; and the government's 14 Principles of Ethical Conduct. The Chairman and General Counsel promoted the usefulness of the Job Aids and identified them as a valuable tool for promoting an ethical culture at the NLRB in a memo to all NLRB employees. Job Aids on legal ethics topics have been prepared as well.
- The Ethics web page on the NLRB's Intranet was revamped and rebranded as the "Ethical Highway." Ethics guidance materials are readily available to all NLRB employees through the web page. Articles on ethics appear monthly in the NLRB's employee newsletter, the All Aboard, alternating between legal ethics topics and subjects involving the government's rules and regulations. Monthly tips on legal ethics ("On the Road with the Ethics Code") are issued to the NLRB's Field Offices, and each Region has an ethics coordinator who assists in promoting them.
- The New Employees Ethics Orientation has been converted to an online module in the Agency's learning management system and is assigned to new employees as part of the on-boarding process. Completion of the module can be tracked within the system. This ensures that all new employees receive an orientation to the government's ethics rules and regulations and provides a brief overview of the screening wall that separates the adjudicatory and prosecutorial sides of the Agency. Forty-seven new employees were trained in FY 2014. The module has also been packaged as a refresher course for incumbent employees, which they can access anytime through the same system.
- The Ethics Staff provided in-person briefings on both government and legal ethics to the Agency's summer student interns, student volunteers, and detailees, and will continue to provide briefings at Agency conferences where they can reach large,

diverse audiences. In August 2014, an ethics presentation was provided at the NLRB Regional Management Conference in Washington, DC. During the latter portion of FY 2014, the Ethics Staff introduced two ethics training initiatives. In June, they began a new legal ethics training program for attorneys and field examiners in the NLRB's Field Offices that covers skip counsel issues and attorney-client privilege. During the course, Agency employees complete a "Testing Your Knowledge" quiz to test their knowledge in these areas.

- In September, the Ethics Staff launched a training campaign for all Agency employees on the benefits and pitfalls of using email in the NLRB's casehandling process. This training is being presented in weekly broadcasts and uses a variety of delivery methods, such as webcasts, podcasts, and job aids, to convey information. The Chairman and General Counsel promoted the program to employees prior to the launch of the campaign which helped to raise awareness of the importance of the training. The training campaign began in September and will conclude in December 2014. In addition, each weekly segment will be posted on the "Ethical Highway" page of the NLRB Insider after its initial broadcast.

Measure:

- As of September 30, 2014, 87 percent of ethics inquiries were resolved within 5 business days. Of the 557 inquiries received from November 14, 2013 through September 30, 2014, 447 required guidance memos that addressed the inquiry from the perspective of the government's ethics rules and, for attorneys, within the parameters of their bar rules.

Measure:

- As of September 30, 2014, 100 percent of the financial disclosure reports received were reviewed and certified within the 60-day regulatory time period. Where a reviewer identified either a potential or actual conflict of interest, a memo was prepared and sent to the filer providing ethics advice and guidance.

Measure:

- The NLRB uses an electronic financial disclosure system, FDOnline, for the filing and review of the Confidential Financial Disclosure Reports which are filed by designated employees within the Agency.
- While FDOnline contains a component for filing Public Financial Disclosure Reports (OGE Form 278), the NLRB's Designated Agency Ethics Official decided to wait to require the electronic filing of public reports until after the Office of Government Ethics unveils the new electronic system it is currently testing. Until such time as that system is made available for use, Public Financial Disclosure Reports are still filed in paper copy, even though filers are encouraged to use the online, fillable version of the OGE Form 278 developed by the Office of Government Ethics.

Objective 3: Initiative 2

Measure

- Responses to internal auditors have been prepared and all deadlines have been successfully coordinated with auditors. There are no outstanding requests that need an agency response. The OCIO responded completely and timely to internal audits and information requests, including:
  - Audit of the NLRB Fiscal Year Financial Statements
  - Audit of FY 2013 Sequestration – Preparation, Implementation, and Impact
  - Cloud Computing Audit
  - Federal Managers' Financial Integrity Act (FMFIA)

Objective 3: Initiative 3

- Responses to external auditors have been prepared and all deadlines have been successfully coordinated with auditors. There are no outstanding requests that need an agency response.
- The CFO participated in the GAO's Regulatory Cost Benefit Analysis (GAO 451043).
- The OCIO responded completely and timely to external information requests, including:
  - Questions posed in the Office of Management and Budget Memorandum M-14-04, Fiscal Year 2013

Reporting Instructions for the Federal Information Security Management Act and Agency Privacy Management
  - The quarterly requirements for FISMA, Trusted Internet Connection (TIC), and Senior Agency Official for Privacy (SAOP) reporting
  - Exhibit 53 and the corresponding Information Technology section for the Congressional Budget Justification
  - NARA's Annual Records Assessment and the OMB Records Directive (M-12-18) Report
- The OCIO responded appropriately to external technology mandates, including:
- Having successfully consolidated its infrastructure, the Agency is taking full advantage of cloud computing's benefits (Cloud First, Federal Cloud Computing Strategy) to maximize capacity utilization, improve IT flexibility and responsiveness, and minimize cost. Current efforts include utilizing:
- Microsoft's cloud-based, software and platform as services solutions, Office 365 and Azure for:
  - Email repositories and services; the Agency repurposed the nearly one million dollar investment in its email infrastructure to extend the lifespan of its NxGen on-premises infrastructure
  - Replacing its end-of-life collaboration platform with Microsoft's SharePoint solution
  - Supplanting its near end-of-life network attached storage and desktop backup with Microsoft's Office 365 One Drive for Business solution
- Amazon's Elastic Compute Cloud to:
  - Host its NxGen case management development environment
  - Save approximately $500,000 over the next 6 years by hosting its legacy Momentum financial data rather than accepting the proposal of the Department of the Interior's (DOI) Interior Business Center (IBC)
- The ServiceNow cloud Information Technology Services Management (ITSM) platform, which the OCIO uses to be more transparent, provides Agency staff with multiple ways to get quality support, and as the technology enabler of its internal effectiveness initiatives.
- GovDelivery cloud services to deliver all case participant communications, including for its electronic services initiative.
- The Agency was acknowledged for having achieved compliance with OMB's TIC Initiative, version 2.0. As such, it is one of a few small civilian agencies that have complied with this mandate.

Objective 3: Initiative 4

Measure:

- Based on the information in the FOIA Tracking System, the Agency responded to initial FOIA requests on an average of seven days for requests received from October 1, 2013 to September 30, 2014. The Agency received 4,458 requests for this period and responded to 4,093 of those requests in 1-20 days. Thus, 91.81 percent of the FOIA requests were processed within the 20- day statutory time period.

Measure:

- The Agency sought an extension of time to process a request beyond the 20-day period in 7.08 percent of the FOIA requests received during this time period.

Measure:

- The Agency received 20 FOIA Appeals from October 1, 2013 to September 30, 2014. The average elapsed days to process the appeal was 22 working days. In 9 of the 20 FOIA appeals, a final determination was made within 20 working days. Two of the appeals received during this period were pending as of September 30, 2014.

FOIA centralization is underway and will be expanding in the coming months. Centralization of FOIA processing will ensure greater consistency and efficiencies in FOIA handling. In August, the NLRB's FOIA Branch hired a new Branch Chief, who has provided assistance towards full centralization of the processing of Regional FOIA requests.

APPENDIX D

Strategic Goal 1 (Mission): Promptly and fairly investigate, prosecute, and resolve unfair labor practices under the National Labor Relations Act.

Management Strategies:

- Maintain and enhance alternative decision-making procedures to expedite Board and ALJ decisions in unfair labor practice cases.
- Utilize Compliance Unit to identify and coordinate compliance in merit cases.
- Maintain and enhance existing interregional assistance programs to ensure that unfair labor practice cases in offices with backlogs are transferred to offices with available staff.
- Share best practices in unfair labor practice processing to assist regions in resolving unfair labor practice case issues promptly and fairly.

Strategic Goal 2 (Mission): Promptly and fairly resolve all questions concerning representation of employees.

Management Strategies:

- Maintain and enhance alternative decision-making procedures to expedite Board decisions in representation cases.
- Maintain and enhance existing interregional assistance programs to ensure that representation cases in offices with backlogs are transferred to offices with available staff.
- Identify and utilize procedures to ensure careful and timely processing of Requests for Review, Special Appeals, and Hearing Officer Reports.
- Share best practices in representation case processing to assist regions in resolving representation case issues promptly and fairly.

Strategic Goal 3 (Support): Achieve Organizational Excellence

Management Strategies:

- Maintain a current human capital plan that includes human capital goals, objectives, and strategies and a workforce plan that is consistent with the Human Capital Assessment and Accountability Framework (HCAAF) of the Office of Personnel Management (OPM).
- Ensure that the Agency's performance management system is results oriented and aligned with the Agency's goals and objectives.
- Demonstrate significant improvement in OPM's assessment of the Agency's performance management system.
- Ensure that managers collaborate with the Agency's employees and unions to implement Agency policies and collective bargaining agreements concerning workplace flexibilities.
- Reduce the number of pending background investigations by 20% each year.
- Enhance employee development and learning opportunities through Skillport, Training Tuesdays, and other blended media.
- Identify, through updating the workforce plan, core competencies for managers and actions necessary to close skill gaps as required by OPM.
- Comply with OPM's hiring reform, which tracks time spent to fill vacancies.
- Identify areas in which the Agency can enhance its diversity and talent through annual analysis of MD-715 guidance.
- Attract qualified and diverse applicants, including veterans and persons with disabilities, by following OPM and Equal Employment Opportunity Commission (EEOC) guidance and utilizing best practices of similar agencies.
- Establish working relationships with veterans groups and Veterans Administration and Department of Labor veterans programs to ensure that outreach efforts to veterans are consistent with OPM, congressional and Presidential directives.
- Improve internal communications, Identify and implement strategies to increase the number of employees who respond to the Federal Employee Viewpoint Survey.
- Identify and implement strategies to increase the percentage of Federal Employee Viewpoint Survey responders who are satisfied or very satisfied.
- Develop a collaborative program to encourage employee creativity and innovation, including the Agency's suggestion program.
- Utilize internal and external recognition programs to acknowledge employee contributions.
- Review and enhance the employee on boarding program.
- Ensure that each employee is provided with a performance plan and a clear understanding of management's expectations.
- Enhance publicity of significant organizational accomplishments.
- Demonstrate leadership accountability, commitment, and involvement regarding diversity and inclusion.
- Involve employees as participants and responsible agents of diversity, mutual respect and inclusion.
- Encourage participation in special emphasis observances.

Strategic Goal 4 (Support): Manage agency resources in a manner that instills public trust

Performance Measures:

- Complete the deployment of the Next Generation Case Management System (NXGen), replacing 11 separate legacy systems, to all Agency mission offices during FY 2015.
- Increase the rates of electronic service, delivery, and filings, thereby reducing the paperwork burden on constituents, including individuals, labor unions, businesses, government entities and other organizations.
- Increase the information shared electronically with the public, making the Agency's case processes more transparent.
- Streamline the Agency transactional processes by providing employees ready access to the tools, data and documents they require from anywhere, at any time.
- Create a modern single unified communications platform and network to empower Agency personnel to communicate with voice, video and data from all location including the office, at home and on the road by FY 2016.
- Create a dynamic social collaborative environment for employee engagement.
- Produce financial reports as required by OMB, Treasury, and Congress.
- Conduct annual training of allowance holders.
- Conduct training for new allowance holders within 90 days of on boarding.
- Increase transparency in enterprise financial reporting.
- Increase use of strategic sourcing, purchase card program, and in sourcing to minimize waste and abuse.
- Increase number of awards given to minority business enterprises.
- Involve Agency leadership promoting visibility of NLRB Ethics Program.
- Increase employee awareness of ethics responsibilities by maintaining an education program that reaches all NLRB employees at all levels.
- Respond to 85% of ethics inquiries within 5 days of receipt.
- Review and certify financial disclosure reports within 60 days of receipt and notify fliers of real or potential conflicts.
- Use technology to improve financial disclosure reporting and review process.
- Prepare response to internal audit reports as required by the auditor, meeting the deadlines specified in the reports.
- Prepare response to external audit reports as required by the auditor, meeting the deadlines specified in the reports.
- Respond to initial FOIA requests within 20 working days (FOIA).
- Seek a statutory extension for less than 15% if requests (FOIA).
- Respond to statutory appeals within 20 working days (FOIA).
- Seek a statutory extension for less than 20% of appeals (FOIA).

Management Strategies:

- Focus on most critical business needs first.
- Split projects into smaller, simpler segments with clear deliverables.
- Employ ongoing, transparent project oversight from the NxGen and Administrative Systems Integrated Project Teams.
- Increase information sharing in the Agency through mechanisms that are easy for employees to contribute to and access.
- Employ further non-traditional outreach to immigration and youth populations.
- Engage with organizations to better educate workers and employers such as joint outreach with sister agencies.
- Focus on Protected Concerted Activity vs. Union Activity.

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