The National Labor Relations Board

Performance and Accountability Report

Fiscal Year 2026

Protecting Democracy in the Workplace Since 1935

HOW THIS REPORT IS ORGANIZED

This Performance and Accountability Report (PAR) consists of the following sections:

SECTION 1 **The Management's Discussion and Analysis (MD&A)** Section provides an overview of the National Labor Relations Board's (NLRB or the Agency) mission, organization, mission-related goals, performance and financial systems highlights as well as the Agency's operational and casehandling highlights for Fiscal Year (FY) 2026. The MD&A also contains an analysis of financial statements and a discussion of compliance with legal and regulatory requirements, such as the Federal Managers' Financial Integrity Act of 1982 (FMFIA).

SECTION 2 **The Performance Section** compares the NLRB's performance to the strategic goals and objectives established in alignment with the current Administration's priorities. The current strategic goals include two mission-related goals and two support goals to help achieve the Agency's mission and vision. The performance measures associated with the mission-related goals are outcome-based. The Agency has several outcome-based performance measures for support goals combined with those that are management strategy-driven to ensure alignment with the mission and needs of stakeholders.

SECTION 3 **The Financial Section** is composed of the NLRB's audited financial statements, related footnotes, and the Independent Auditor's Report.

SECTION 4 **Other Information** provides the Top Management and Performance Challenges identified by the Office of the Inspector General (OIG) in the current fiscal year, and the NLRB's summary of audit and management assurances, which details the Agency's review of compliance with the Payment Integrity Information Act of 2019 (PIIA). For an update on the progress in addressing management and performance challenges, please see https://www.nlrb.gov/reports/inspector-general-reports/oig-semiannual-reports.

SECTION 5 **Appendices:**

Appendix A: Acronyms used throughout this report

Appendix B: Glossary of terms used throughout this report

A digital version of the NLRB FY 2026 PAR is available on the NLRB's website at https://www.nlrb.gov.

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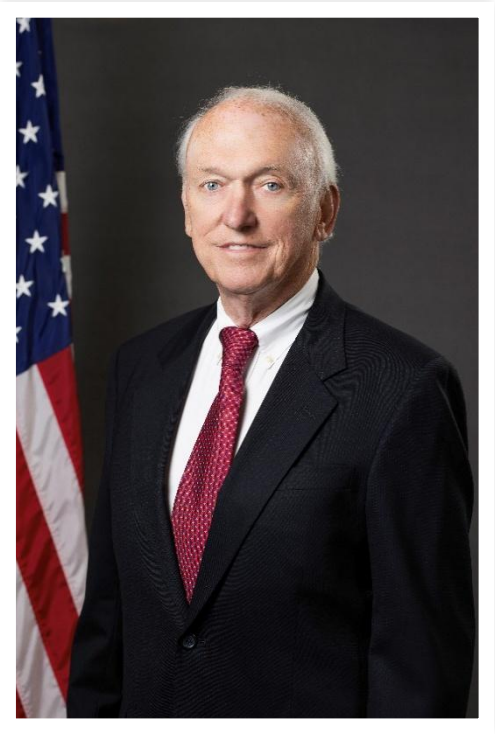
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AGENCY HEAD TRANSMITTAL LETTERS

Message from the Chairman



As Chairman of the National Labor Relations Board (NLRB), it is my privilege to submit the Performance and Accountability Report for FY 2026. This annual report provides insight into the finances and activities of the NLRB.

The NLRB is an independent federal agency charged with administering and enforcing the National Labor Relations Act (NLRA or the Act). The NLRA guarantees the right of private sector employees to choose a union, if they desire, and to bargain collectively with their employers over wages, hours, working conditions, and other aspects of their employment. Additionally, with or without a union, the NLRA protects workers' right to act collectively to seek improvements at their workplace.

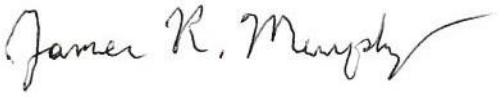
The Board itself is a five-member body that serves as an impartial decision maker to 1) adjudicate appeals regarding alleged unfair labor practices and 2) resolve questions concerning union representation. The Act also authorizes the Board to engage in rulemaking, as appropriate, as an alternate means of performing those two core functions. The Board and its career staff share a strong commitment to producing quality decisions as quickly as possible because timely decision-making is vitally important to all interested parties, including the public at large. The Board's ability to fully execute on that commitment, however, was impeded by the loss, at the end of January 2025, of its statutorily-required quorum. That circumstance continued throughout the remainder of FY 2025 and three months into FY 2026.

I am pleased to announce excellent results for Board case processing for FY 2026, despite a challenging start to the fiscal year. The Board's quorum was restored on January 7, 2026, and the Board immediately started issuing decisions in pending cases. Significantly though, after the restoration of a quorum, the Board functioned with only three members for seven months of FY 2026, and never with the full five-member complement of Board members authorized by the Act. Consequently, the individual workload borne by each member was greater than it would have been with a full Board. Nevertheless, as a result of much hard work by the Board and our short-staffed teams, the Board issued 390 decisions in contested cases in just the last nine months of FY 2026. Notably, that is more decisions issued in contested cases than in any full fiscal year since FY 2015. Furthermore, the Board successfully decreased the backlog from 591 pending cases when the new Board quorum was achieved on January 7, 2026, to 292 pending cases at the end of FY 2026. This was achieved despite 208 new cases having been assigned during this period. The

Board also successfully closed out nearly 75.0 percent of the oldest cases that were pending before the Board during FY 2026. These are significant accomplishments following nearly a year without a Board quorum, which consequently led to major case-processing delays. The Board focused its efforts on issuing decisions in pending cases during FY 2026 and did not engage in any rulemaking during the truncated fiscal year.

Beyond resuming its mission-critical legal work, I can also report that in FY 2026 the Agency made significant progress streamlining its operations using data-driven insights, developing technological improvements, and reducing its non-labor expenditures, in accordance with the President's initiatives to ensure the efficient delivery of government services in as cost-effective a manner as possible. This process of transformation will continue in FY 2027 and beyond, as the Agency implements a new electronic case management system, and continues to seek opportunities to optimize all aspects of its operations. Through these efforts, we are confident the Agency will continue building on its longstanding track record of success in enforcing the Act.

Finally, the NLRB also takes seriously its responsibility to the taxpayers to be careful stewards of public funds. As Chairman, I certify that the NLRB's internal controls and financial systems meet and conform to the requirements of the Federal Managers' Financial Integrity Act, and I have made every effort to verify the accuracy and completeness of the financial and performance data presented in this report. A more detailed discussion of the Agency's internal controls can be found starting on page 37 of this report.



James R. Murphy
Chairman

Message from the General Counsel



It is my honor to present the Office of the General Counsel's accomplishments for FY 2026. I was sworn in as General Counsel on January 7, 2026, and am pleased to return to the Agency where I started my career. This report highlights the Agency's accomplishments in case processing, operational efficiency, resource management, and collaborative initiatives that are expected to drive continued progress for both the Agency and the Office of the General Counsel.

An independent federal agency, the NLRB plays a vital role in protecting employees' rights under the NLRA, investigating and remedying unfair labor practices, and safeguarding employees' right to join or assist a union, or refrain from joining a labor organization. Through these responsibilities, the Agency supports the rights of employees, promotes compliance with federal labor law, and helps maintain fair and stable labor-management relations.

This FY 2026 report highlights the significant achievements of the Office of the General Counsel across casehandling, administration, human capital management, financial stewardship, and resource optimization. As General Counsel, I am responsible for overseeing the investigation and prosecution of unfair labor practice charges filed with the Agency, as well as the processing of representation petitions through the Agency's 26 Regional Offices nationwide. I also exercise supervisory authority over approximately 700 dedicated field employees and hundreds of Headquarters personnel who support the Agency's operational, casehandling, administrative, and human resources functions.

In FY 2026 21,587 Charges and Petitions were filed, a slight decrease of 4.27 percent over FY 2025. Notably, however, if adjustments are made to account for the 43-day government shutdown the case intake levels show an increase in filings during FY 2026.

Section 10(j) of the Act allows the Board to petition federal district courts for temporary injunctions against employers or unions while unfair labor practice cases are being litigated. This is an important tool for effective enforcement of the Act. As General Counsel I approved and the Board authorized all four 10(j) proceedings in FY 2026, including a 10(j) contempt case.

The accomplishments detailed in this report reflect the professionalism, dedication, and commitment of our employees across the country, whose efforts continue to advance the Agency's mission and strengthen service to the public.

Casehandling

Throughout FY 2026, I remained focused on fulfilling our statutory responsibilities while addressing significant operational challenges, improving case management practices, and strengthening the Agency's ability to resolve matters in a timely and consistent manner.

A principal challenge that I faced was the accumulation of pending unfair labor practice investigations and the operational demands associated with managing the Field Offices' caseload with limited resources. Addressing this backlog required a coordinated approach to workload management, case prioritization, and the allocation of available investigative resources. During FY 2026, I advanced several operational initiatives intended to improve efficiency and promote more timely case resolution. These efforts included supporting the new agency-wide docketing protocol that was implemented following the 43-day government shutdown, providing additional guidance to Regional Offices on case handling and operational priorities, and reallocating pending cases to regions with the capacity to timely complete the investigations. Together, these initiatives reflect my continued commitment to improving operations and ensuring that cases are timely processed.

An important component of these efforts was the implementation of the new agency-wide docketing protocol, announced by my predecessor in General Counsel (GC) Memorandum 26-01, *New Agency Wide Docketing Protocol*, issued on December 23, 2025. The revised procedure was designed to improve the efficiency of the initial stages of unfair labor practice investigations by ensuring that essential information and supporting evidence are submitted close in time to when the charge is filed and are available for review before a case is assigned to a Board Agent. Under the updated protocol, charging parties are asked to provide information supporting their allegations, including a timeline of relevant events, documents, and potential witnesses. Collecting this information earlier allows the Agency to make more effective use of investigative resources when cases are ready for assignment and reduces delays associated with obtaining basic information after an investigation begins. I adopted this protocol as part of a broader effort to improve case management, strengthen workload oversight, and establish more consistent practices across Regional Offices. The protocol does not change the information historically required at intake, the standard for dismissing a charge, or the established flexibility available to parties who need additional time to respond. These measures are intended to support more efficient investigations while maintaining the Agency's responsibility to evaluate allegations fairly and in accordance with the NLRA.

I strongly believe in consistent, fair, and timely case resolution across Regional Offices. In GC Memorandum 26-02, *Operational Priorities to Ensure Consistent, Fair, and Timely Case Resolution Across Regions*, issued January 28, 2026, I outlined operational priorities intended to promote greater consistency in regional case handling. Subsequently, in GC Memorandum 26-03, *Case Handling Guidance,* issued February 27, 2026, I provided additional case-handling guidance directing Regional Offices to focus investigative efforts on priority cases and the protection of employees' rights to free association. These initiatives reinforced the importance of aligning investigative activities with the Agency's statutory responsibilities while managing competing demands on staff time and resources. Clearer guidance and stronger coordination across Regional Offices support a more consistent approach to decision-making,

facilitate appropriate prioritization, and help the Agency direct its resources toward matters requiring attention.

In addition to improving procedures for incoming cases, I took direct action to address the substantial backlog of investigations. On May 6, 2026, I announced the bulk transfer of approximately 3,500 unfair labor practice cases as part of my case reallocation initiative. The transfer focused on pending investigations for which a Board Agent had not yet been assigned and was intended to redistribute aging matters from selected Regional Offices to regions with the capacity to undertake investigative work. Consistent with the agency-wide docketing protocol, transferred cases are to be assigned to Board Agents when the receiving regions have the capacity to timely investigate the charge. This initiative represented a significant operational step toward addressing the accumulation of older cases and improving the distribution of work across the Agency. By matching pending cases with available investigative capacity, I sought to reduce unnecessary delays and provide parties who had been waiting for determinations with a path toward resolution.

These operational improvements also reflect the importance of monitoring performance and making effective use of available resources. The new docketing protocol, additional case-handling guidance, and backlog transfer were intended to address different stages of the case lifecycle, from initial information gathering and assignment through investigation and resolution. These efforts support a more coordinated approach to managing workloads and identifying opportunities to reduce delays. I continue to evaluate case-management practices and operational results to identify areas where procedures can be strengthened, resources can be better aligned with workload demands, and cases can move toward resolution more efficiently. These measures will help demonstrate the progress in addressing the backlog and establish a basis for evaluating future improvements.

Although these initiatives represent important steps toward improving operational effectiveness, sustained progress requires continued attention to staffing, workload distribution, and the efficient use of investigative resources. We must balance incoming charges with pending matters, statutory deadlines, litigation responsibilities, and other demands on Regional Offices and Headquarters. In this environment, consistent procedures, clear priorities, and effective coordination are essential to maintaining the quality and timeliness of the Agency's work. I continue to pursue practical improvements that support its statutory mission, strengthen accountability, and promote the fair and consistent administration of the NLRA.

Unlike my predecessors, I did not issue a Mandatory Submissions to Advice, so that Regional Offices could concentrate on backlog investigations. To ensure transparency in my priorities, I issued GC Memorandum 26-04, *Further Guidance Regarding General Counsel Priorities,* on August 26, 2026. The memorandum identifies cases where I have requested or intend to request the Board to revisit certain precedents. The memorandum provided a summary of the positions I have taken in certain cases that have been briefed to the Board. The memorandum does not require the Regions to submit specific cases to Advice. Rather the cases are identified internally, and the Regions are to continue with their investigations and further process cases according to extant law. This approach allows for my two priorities to move forward: Regions to

prioritize the processing of aged cases to reduce the historic backlog burdening the Agency; and implement sustainable, prudent case handling practices to prevent a repetitive backlog of this scale.

In addition to case processing in the Regions, the Agency has filed lawsuits in federal district courts in order to protect the Agency's constitutionality authority. On September 12, 2025, the Agency filed a lawsuit in the Northern District of New York, challenging S. 8034. This law amended the State Employment Relations Act to permit New York's Public Employment Relations Board (PERB) to oversee private sector union elections and unfair labor practices. The NLRB has exclusive jurisdiction over most private sector labor disputes under the NLRA. On July 20, 2026, Judge Eric. R. Kommitee issued a permanent injunction that officially declared New York's S. 8034 unconstitutional and void, permanently blocking PERB from asserting authority over private sector labor issues. The court's ruling confirmed the Agency's position that attempts to override NLRB jurisdiction through state law are clearly preempted by federal labor law, under the Supreme Court's *Garmon* preemption doctrine. Since New York stipulated that this judgment is fully binding as to all entities and persons, the parties have stipulated to dismiss, without prejudice, the NLRB's action in the Northern District of New York. A similar lawsuit was filed in the United States (U.S.) District Court for the Eastern District of California, challenging the Assembly Bill (AB) 288. That case is currently pending, and the Agency is taking a similar approach in arguing that AB 288 is preempted by federal labor law under *Garmon*.

The accomplishments and initiatives described in this report reflect the ongoing efforts of employees to carry out the Agency's responsibilities in a challenging operational environment. Their work is central to investigating allegations of unfair labor practices, protecting employees' statutory rights, and ensuring that parties have the opportunity to receive determinations on the matters they bring before the Agency. I appreciate their professionalism and dedication to this important mission. Looking ahead, I will remain focused on improving case management, reducing delays, addressing the backlog of pending cases, and ensuring that available resources are directed toward the effective enforcement of federal labor law. Through these efforts, we will continue working to strengthen Agency operations and provide timely, fair, and consistent service to employees, employers, labor organizations, and the American public.



Crystal S. Carey
General Counsel

SECTION 1: MANAGEMENT'S DISCUSSION AND ANALYSIS

Protecting Democracy in the Workplace Since 1935

ABOUT THE NLRB

The NLRB is an independent federal agency established in 1935 to administer the National Labor Relations Act (the Act). The Act 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; but other government entities, railroads, and airlines are not within the NLRB's jurisdiction. As such, the NLRB is vested with the responsibility to safeguard employees' rights to organize and to determine whether to have unions as their bargaining representative, and to prevent and remedy unfair labor practices (ULPs) committed by private sector employers and unions. 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 by either an employer, a union, or both. The NLRB's authority is divided both by law and delegation. The five-member Board primarily acts as a quasi-judicial body in deciding cases on formal records. The General Counsel investigates and prosecutes ULPs before Administrative Law Judges (ALJs), 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.

Information about the NLRA, employee rights and protections, and the NLRB's statutory responsibilities is available on the Agency's website at www.nlrb.gov.

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.

Organization

The NLRB carries out its responsibilities through Headquarters in Washington, D.C., and Regional Offices located throughout the country.

The organizational chart below reflects the NLRB's organizational structure for FY 2026. The most current information regarding the Agency's organizational structure and Regional Offices is available on the Agency's website at www.nlrb.gov.

FY 2026 Organization Chart



OPERATIONAL HIGHLIGHTS

Agency Operations

FY 2026 was a very challenging year for the Board. The Board lost its quorum in January 2025 leaving it unable to issue decisions in pending cases until a new quorum was achieved on January 7, 2026. As such, the Board could not issue decisions for the first three months of FY 2026. Furthermore, after the restoration of a quorum, the Board functioned with only three members for seven months of FY 2026, and never with the full five-member complement of Board members authorized by the Act. Consequently, the individual workload borne by each member was greater than it would have been with a full Board. This was a significant obstacle to the Board meeting its case processing goals for FY 2026. Fortunately, the Board's lack of a quorum did not substantially impair General Counsel field operations or the Agency's federal court litigation. During the first three months of FY 2026, while the Board lacked a quorum, the Board's Rules and Regulations and a number of contingent delegations, effective whenever the Board loses a quorum, enabled normal Agency operations to continue during this period to the greatest extent permitted by law.

Once the Board regained a quorum on January 7, 2026, it proceeded to produce excellent results thanks to the hard work of the Board Members and their career staff. The Board issued 390 decisions in contested cases in just the last nine months of FY 2026. Notably, this is more decisions in contested cases than in any full fiscal year since FY 2015. In addition, the Board successfully brought the backlog of pending cases down from 591 pending cases when the new Board quorum was achieved on January 7, 2026, to 292 pending cases at the end of FY 2026. This was achieved despite 208 new cases having been assigned during this period. The Board also successfully closed out nearly 75.0 percent of the oldest cases that were pending before the Board during FY 2026. These are significant accomplishments given nearly a year without a Board quorum, which consequently led to major case-processing delays.

Notwithstanding the challenges described above, the Board remained committed to maintaining the high quality of its decisions. The Board is regularly apprised of the outcomes of cases that have been appealed to the federal courts of appeals and, as in years past, the Board enjoyed a high rate of judicial enforcement of its orders in FY 2026. In FY 2026, the U.S. Courts of Appeals issued 43 decisions in Board enforcement and review cases. Of those cases, 86.0 percent were enforced or affirmed in whole or in part. Senior leaders and staff on the Board-side regularly review all appellate court decisions concerning Board orders to identify strengths and weaknesses in the Board's decision-making. These strategies enabled the Board to continually evaluate ways to enhance the quality of its decisions.

The Board fully appreciates, however, that achieving the Agency's statutory mission also depends on having the necessary infrastructure, particularly Information Technology (IT), to support Agency operations. Accordingly, the Board strongly supported the Agency's efforts to modernize its IT systems and implement significant cybersecurity measures and related technology to protect the integrity of our IT systems, including the Agency's ongoing development of a new electronic case-management system, with funding

from the Technology Modernization Fund (TMF). This new system, which will go live in mid-FY 2027, will greatly enhance the Board's ability to efficiently process cases and deliver timely decisions to employees, employers, and unions awaiting resolutions of their labor disputes. The Board's commitment to this project demonstrates its focus on effective management and stewardship of its budgetary appropriations.

The Board is grateful for the restoration of a quorum in FY 2026 and the resumption of full Board-side operations for the benefit of the American people.

The General Counsel's Field Offices continued to strengthen operations by implementing improvements to case management processes designed to enhance efficiency, consistency, and accountability in the handling of ULP and representation cases. The new docketing procedure implemented following the 43-day government shutdown established a more structured approach to receiving, assigning, tracking, and monitoring cases, improving visibility into case status and supporting more consistent workload management. These process improvements helped ensure that evidence is received and processed at the outset of the investigation. This allows for streamlined processing of cases and strengthens the Agency's ability to identify and address delays. This effort supports more effective use of Agency resources.

The General Counsel's side also advanced case management efforts through the transfer of 3,500 cases from Regional Offices with an overwhelming number of cases to offices that had excess capacity. This targeted initiative was designed to address accumulated workloads and improve the timely processing of pending matters. By redistributing cases and aligning workloads with available resources and processing capacity, the backlog transfer supports more balanced case assignments and enables staff to focus on resolving outstanding matters. In conjunction with the new docketing procedure, this effort strengthened workload oversight, improved the Agency's ability to monitor progress toward case resolution, and provided a foundation for more sustainable case management. These operational improvements reflect the continued commitment to improving case processing efficiency, promoting timely resolution of cases, and delivering effective service to workers, employers, and labor organizations.

From the financial management operational perspective, FY 2026 began with a 43-day government shutdown that delayed the NLRB's FY 2025 year-end close, the FY 2026 Operating Plan, and the Staffing Plan. Despite the significant time constraints, the Agency completed its FY 2025 PAR well ahead of the December 18 deadline. At the end of FY 2026, the Agency successfully executed $293.3 million (99.7 percent) of its budget, to support the NLRB's statutory mission of resolving labor disputes.

To meet congressional requirements, the NLRB submitted operating and staffing information for Headquarters and Regional Offices, including Full-Time Employees (FTE) levels, non-personnel allocations, onboard staff, attrition, pending hires, projected FTE usage, and employee classifications. It also reported fund allocations and obligations by program, project, and activity and provided semiannual data on employees in excepted-service positions.

The Agency adapted its processes to address changing priorities and implemented Presidential Executive Order (E.O.) 14275, *Restoring Common Sense to Federal Procurement* and E.O. 14356, *Ensuring Continued Accountability in Federal Hiring*. It completed Federal Acquisition Regulation (FAR) deviations on

September 30, 2026, participated in procurement reviews, and conducted a workforce-planning review that reserved funding and positions for mission-critical, technology, and early-career roles.

To address its growing caseload and reduce its existing case backlog, the NLRB launched a hiring surge, receiving more than 7,000 applications to fill 288 funded positions. These efforts strengthened case-processing, enforcement, and administrative operations, but limited funding continues to prevent full staffing and significant caseload reductions.

The NLRB took a proactive approach in implementing the guidance from Statement of Federal Financial Accounting Standards (SFFAS) 64, *Management's Discussion and Analysis*. The Agency worked closely with Federal Accounting Standards Advisory Board (FASAB), participated in training, and streamlined the FY 2026 PAR. In support of the governmentwide GO.gov travel initiative, the Agency provided feedback and coordinated with General Services Administration (GSA); implementation is planned for the second quarter of FY 2027.

The NLRB also advanced its Case Management System (CMS) Modernization initiative, which will replace the legacy NxGen platform with a secure, scalable solution. In FY 2026, the Agency finalized its $11.6 million TMF repayment schedule, completed Phase 1, migrated approximately 80.0 percent of legacy data, and conducted multiple rounds of user acceptance testing. The new system will provide workflow automation, improved document management and search, batch electronic filing, role-based dashboards, stronger security, automated data validation, and enhanced reporting. This will reduce manual work, improve data quality, strengthen internal controls, and increase efficiency.

Technology Advances

The Office of the Chief Information Officer (OCIO) provides the technology the NLRB relies on to fulfill its mission. This includes the systems used to track cases, the tools staff use to prepare legal documents, the Agency's public website, and the safeguards that protect sensitive information. In FY 2026, OCIO focused on four priorities: replacing the Agency's aging CMS; making routine work faster and less prone to error; protecting and securing public and Agency information; and preparing staff to use new tools such as super intelligence (SI) responsibly. These priorities align with the three-technology investment identified in the Agency's FY 2026 budget request: CMS replacement, SI-enabled automation of routine work, and stronger cybersecurity. The following section describes eight critical efforts that directly advance the Agency's Strategic Goals and objectives. Each subsection explains the benefits these efforts delivered to the public, Agency employees, and the NLRB mission.

FY 2026 at a Glance

- **A new case management system is taking shape.** Phase 1 of the replacement of the NxGen CMS is complete, and Phases 2 and 3 are funded and under way, supported by the TMF, a federal fund that finances modernization projects and is repaid by the Agency.

- **Fewer errors in legal documents.** OCIO created or updated 133 standard legal document templates, including 10 new docket letters, and added Spanish-language versions.
- **Better information for managers.** Information that staff once assembled by hand now appears in one place for staffing, contracts, recruitment, risk and telework.
- **Strong cybersecurity results.** The Agency's independent security audit that was initiated in FY 2025, rated its information security program "Effective," and security training completion in FY 2026 averaged approximately 98.0 percent.
- **A responsible start with SI.** The Agency put in place SI governance rules, staff training and its first secure SI tools, with controls to protect confidential information.
- **Careful use of funds.** OCIO ended a roughly $100,000 contract for a migration tool that did not meet Agency needs, built its own secure tool that has moved about 80.0 percent of legacy content into the new CMS, and reduced unnecessary cloud spending.

Progress Against the FY 2026 Budget Request

The Agency's FY 2026 budget request described multiple technology priorities.

Budget request commitment	
Replace the aging NxGen CMS, with the goal of full deployment by September of FY 2026.	Phase 1 complete; Phases 2 and 3 funded and under way, with testing and the switch to the new system as the next steps (Section 1). About 80.0 percent of legacy content has been migrated into the new system. Go-live is scheduled for Q2 FY 2027.
Use SI to automate routine work, such as reviewing content and standardizing financial data, while protecting sensitive information.	SI governance policy, staff training, an SI Hub, and secure tools for e-litigation evidence processing, financial reconciliation and document sorting (Section 5).
Strengthen cybersecurity: real-time threat monitoring, longer-term security event logging, and federal zero trust and logging requirements.	Continuous monitoring with the Cybersecurity and Infrastructure Security Agency (CISA), expanded security event logging and monitoring with year-long log retention (Microsoft Sentinel), fixes to high-priority weaknesses, and a centralized compliance tool (Section 6).
Reduce costs of keeping the old system running and repay the TMF on schedule.	The Agency began repaying the $2.8 million Phase 2 installment in the fourth quarter of FY 2026 (Section 1). An in-house migration tool and lower cloud and licensing costs further reduced spending (Operational Efficiency and Cost Savings).

1. Replacing the Agency's Core Case Management System

Every case the NLRB handles, from the first filing to the final decision, is tracked in a CMS. The Agency's current system, known as NxGen, is about 17 years old. When it was launched, it combined 11 separate systems into one and brought real gains, including less paperwork and faster case handling, but its core software is now outdated. It has suffered outages, does not connect well with other systems, struggles to grow with demand, and is increasingly difficult to protect from cyber threats. Rather than keep repairing it, the Agency is replacing it with a new system, called CMS, in phases. The TMF is paying up front for each phase, and the Agency repays the fund over time.

Phase	What it accomplished or will accomplish	Funding
Phase 1 (complete)	Built and tested a working model of the new system, proving the design works and giving later phases a solid foundation.	The Agency began repaying the first installment, $1.55 million, in the fourth quarter of FY 2025.
Phase 2 (funded; under way)	A new contract delivers improvements to the user's experience, written system documentation, staff training, and testing by the people who will use the system every day, so that it is ready for staff to adopt.	The TMF approved $8.4 million. The Agency began repaying the first installment, $2.8 million, in the fourth quarter of FY 2026.
Phase 3 (funded; under way)	Two contracts: one keeps the old system running reliably for the first nine months and then supports the new one; the other covers the next round of staff testing, the switch to the new system ("go-live"), and improvements made at the same time.	The TMF approved $7.6 million.

Taken together, this phased approach lowers the risk of a disruptive "all at once" changeover. It targets the problems that most affect the Agency's work (outages, limited connections to other systems, and security weaknesses) and builds a dependable foundation for handling cases for years to come.

OCIO updated supporting systems alongside the new case system so that they will work with it from day one. For example, OCIO reworked the Agency's search tool (known as SOLR) to match the new system's data layout, switched it to pull documents from the Agency's modern document library instead of an older system, and is upgrading it to a newer, longer-supported version. The result is that staff and the public can expect search to be faster and more dependable once the new system goes live.

OCIO is also moving existing case content into the new system. Using a secure migration tool built in-house, OCIO has migrated about 80.0 percent of legacy content so far (see Operational Efficiency and Cost Savings).

2. Helping Staff Process Cases Faster and More Accurately

OCIO made many practical improvements that reduce the time staff spend on paperwork, rework and follow-up questions, so more of their time goes to the substance of cases.

- **Moving cases between offices.** To reduce Regional Office case backlogs, the General Counsel is moving some cases from one Regional Office to another to balance workloads. OCIO built a standard process, in English and Spanish, to notify the parties that their case has moved and to ask whether they wish to proceed or withdraw. OCIO also added an electronic status report that parties submit to the receiving Region, so Regional Offices can track incoming transferred cases.
- **Accurate, consistent legal documents.** Staff produce the Agency's standard legal documents (such as decisions, subpoenas, election notices and docket letters) from templates in Microsoft Word. OCIO updated 133 of them: it added 10 new docket letters and improved 123 existing templates, including corrected wording and citations, new Spanish versions, and updated signature blocks after leadership changes. Built-in fields now fill in case information automatically. These changes mean fewer manual edits, fewer errors, and consistent documents in every Region.
- **Easier, clearer filing for the parties.** OCIO corrected and clarified the online filing system (E-Filing) and the online petition system so that filings reach the right office, confirmation emails are clear, and out-of-date options no longer appear. OCIO also made case documents visible to the right offices and added the required Privacy Act Statement consistently across the Agency's filing and case applications.
- **More dependable workflow tools.** OCIO made behind-the-scenes case-processing steps more reliable and more automated. The system now records who made each change and when, creates case folders more dependably, and follows standardized steps for tasks such as recognizing a bargaining representative. OCIO's tuning also makes the system faster.
- **Better visibility for decision makers.** Senior legal leaders on the Board side, including Chief Counsels and their deputies, now automatically receive an alert whenever a Board vote is taken on a case their office is involved in. This keeps leadership informed of key milestones and supports consistent oversight of decision-making.
- **Secure storage and signing of documents.** OCIO moved documents to a more modern, secure library that keeps clear version histories and creates PDF copies reliably. OCIO also strengthened electronic signatures, which the Agency moved from DocuSign to Adobe Sign: every signer now confirms their identity with a one-time code sent to their email before signing. This adds security without requiring signers to create new accounts, and it protects the integrity of signed affidavits, case documents and compliance records.
- **Everyday administrative tasks.** OCIO also automated the filing of non-case documents into the new system and improved the Office of Human Resources (OHR), finance and records processes that staff use every day, including probationary-period certification, the retirement portal, centrally billed account review, records disposition, training requests, and employee out-processing. These changes cut back-and-forth emails and give staff and managers clearer visibility into where each request stands.

3. Improving Public Access, Transparency and Trust

The public, including workers, unions and employers, relies on NLRB.gov and the Agency's online filing tools to find information and take action. OCIO made the following improvements.

- **Always-current legal information.** The public page listing the Agency's appellate court briefs used to be updated by hand. It now updates itself from the Agency's records, so the public always sees the most recent litigation activity without staff effort.
- **Easier, more accurate search.** OCIO reorganized search results on the website and fixed long-standing defects, so people can find case documents, guidance and program information more easily. Public case search also now shows only active allegations, so the public sees accurate, authoritative case information.
- **Consistent Regional Office pages.** Regional Office pages across NLRB.gov now use consistent titles, naming and listed roles, which reduces confusion for people looking for the right office.
- **Safer website visits.** The website now protects visitors' browsing data more securely, in line with current best practices.
- **A better internal website.** OCIO modernized the employee intranet with a cleaner design and better navigation, and moved many offices off older sites to new, easier-to-use workspaces. Staff can find what they need faster, and the Agency spends less on upkeep.

4. Giving Leaders Better Information to Manage Resources

Managers previously gathered information from several places and assembled it by hand. OCIO built dashboards, which are online reports that update automatically and combine data from several systems, so leaders can make decisions with current, consistent information.

Dashboard	
Fieldwide Staffing	Combines case workload with staffing levels so leadership can compare offices side by side, see where workload and staffing are out of balance, and place staff where they are needed most.
Court Reporting Contract	Brings contract spending (obligations, invoices and payments) into one view, helping the Acquisition Management Branch oversee the contract and reconcile payments.
Strategic Recruitment	Shows which job-posting channels (such as USAJOBS, Indeed and LinkedIn) attract applicants, so the OHR can focus outreach where it works best.
Enterprise Risk Management	Tracks risks across the Agency and how they are addressed in one place, supporting timely decisions.

OCIO also expanded the Agency's main reporting platform, Oracle Analytics Server (OAS), with more reports, easier filters and exports, and access limited by job role to protect sensitive data. OCIO tests reports with the staff who use them and review them monthly to ensure they are accurate.

5. Use of Responsible Super Intelligence

SI can help a small workforce handle heavy workloads, but only if it is used carefully. OCIO therefore began with rules and training before tools.

- **Rules first.** OCIO wrote the Agency's SI governance policy, which sets clear rules for when and how SI may be used, how risks are weighed, and who decides. This positions the Agency to adopt Microsoft 365 Copilot and other tools in a way that is ethical, lawful and consistent with federal direction.
- **Prepared staff.** OCIO arranged multi-week training on Microsoft Copilot and Westlaw CoCounsel for the groups that will use them most, particularly legal staff, and launched an SI Hub, a single intranet site with training materials, policies and guidance.
- **Secure evidence review ("Simple Chat").** OCIO implemented a secure, SI-assisted tool called Simple Chat that lets Agency attorneys analyze documents and evidence, and do related research, more quickly. It runs in a secure, Agency-controlled environment that meets the Agency's security, privacy and governance requirements, which improves productivity while protecting sensitive information.
- **Early, useful tools.** Document-reading software now automatically pulls key information from complex case files used in e-litigation, reducing manual work for attorneys and legal staff and shortening case preparation. A financial investigation tool speeds up reconciliation and analysis. The Agency also uses SI to sort documents and extract key details. Each tool operates within the Agency's security boundary with controls that protect confidential information.

6. Protecting the Agency's Information and Systems

The NLRB holds sensitive case and personal information, and it is a regular target for cyber-attacks. OCIO's security work this year focused on preventing problems, finding them quickly, and meeting federal requirements.

- **Independent audit results.** An independent audit by the Agency's Inspector General found the Agency's information security program "Effective," with an overall maturity rating of "Managed and Measurable." Two of the six core security functions were rated at the highest level ("Optimized"), with the remaining being rated at "Managed and Measurable." Strong security helps maintain public trust in the Agency's mission.
- **A well-trained workforce.** Staff completed required security awareness training at a rate averaging about 98.0 percent in FY 2026. Training is ongoing, hands-on and tailored to job roles, and the Agency also took part in joint exercises with other federal partners.

- **Finding and fixing weaknesses.** The Agency works with the CISA, the federal government's lead cyber defense agency, to scan continuously for weaknesses and to detect and respond to threats on staff computers, as required by Executive Order 14144. OCIO fixed high-priority weaknesses found in these scans, shrinking the opportunities available to attackers. A new centralized tool for managing security and compliance gives better visibility into system approvals, more consistent tracking, and better management of risk.
- **Better detection and response.** Following the Office of Management and Budget (OMB) Memorandum M-26-14, E*nsuring Effective and Efficient Agency Logging and Network Visibility to Defend Against Evolving Cyber Threats*, the Agency adopted a risk-based approach to keeping security event records. Stronger identity checks, greater cloud security maturity and expanded monitoring now allow the Agency to keep records longer and detect and respond to threats more effectively.
- **Centralized logging with Microsoft Sentinel.** OCIO implemented Microsoft Sentinel, a system that collects and analyzes security records from across the Agency, and extended monitoring to high-risk applications and critical systems. OCIO expanded log collection, monitoring and retention, and the Agency now keeps logs for a full year, which supports compliance, audit readiness, incident response, investigations and operational reporting. Better visibility into system activity supports risk management and strengthens the Agency's ability to detect, investigate and respond to security events.
- **Secure mobile devices.** The Agency also invested in securing its mobile device platform through derived certificates making the Agency more secure.
- **Vendor risk.** The Agency now uses a third-party service that rates the security of its vendors and continuously monitors risks in the software and hardware it buys, so purchasing decisions are better informed.
- **Keeping access to information limited.** The Agency reviewed who has access to its SharePoint collaboration sites, removed unused Microsoft Teams sites, and removed access for people who no longer need it, following CISA guidance. This lowers the chance that sensitive information is seen by the wrong people and reduces upkeep.
- **Preparing for what is next.** OCIO also started identifying which systems depend on an older Microsoft sign-in method that Microsoft is retiring, so they can be moved to a modern, more secure method before support ends.
- **A faster, safer wireless network.** OCIO upgraded the wireless network at the Agency's Washington Headquarters to newer equipment, purchased equipment for field offices, and is installing it. The new equipment is faster, less affected by interference from neighboring buildings, and has stronger built-in protections, including stronger encryption, automatic detection of rogue wireless devices, and blocking connections to known malicious websites.

7. Working Smarter Behind the Scenes

Before any new feature reaches staff or the public, OCIO tests it and checks its security. This year OCIO automated much of that work, so the team catches problems early, before they affect cases.

- **Automatic quality checks.** OCIO's automated tests now check key functions after every change and produce a consolidated report each time.
- **Controlled releases.** A formal release checklist, with automated tests and senior management sign-off, decides whether a new version goes live or is rolled back. This makes releases more predictable and safer.
- **Stress testing.** Load testing simulates many people using the system at once, so OCIO can find and fix slowdowns before launch.
- **Automated security paperwork.** OCIO now generates security scans and the evidence needed for formal system approval (known as an "Authority to Operate") automatically, which saves staff time and supports compliance.
- **Listening to users.** OCIO interviewed users, held regular check-ins with stakeholders on the design of the new case system, and brought their feedback together in one place, so design decisions reflect what staff actually need.

8. Operational Efficiency and Cost Savings

Many of the efforts above reduce the time spent on repetitive, error-prone work. The clearest example is the document template program: with 133 templates updated, staff spend less time editing and correcting documents, work from a single standard in every Region, and rely less on older tools. Similar savings come from the dashboards, the workflow automation and the automated testing described above. These improvements help the Agency maintain service levels while holding down administrative cost.

- **Ending a vendor contract that did not fit.** In FY 2025, OCIO assessed Tzunami, a commercial tool proposed for moving content into the new system and found that it did not meet the Agency's core migration requirements. The Agency terminated the related task order (No. 63NLRB25F0029, valued at about $100,000), avoiding further spending on a solution that did not meet mission needs.
- **Building migration tools in-house.** OCIO designed and built a secure, Agency-owned migration framework ("F1") that has migrated about 80.0 percent of legacy content into the new CMS. It sped up migration and improved reporting, validation and data verification. Building the tool in-house reduced the Agency's reliance on outside migration vendors, improved long-term sustainability, kept full control of the migration process with the Agency, and created reusable capabilities for future migration phases and modernization projects.

- **Reusing software the Agency already owns.** OCIO repurposed ShareGate migration licenses already acquired through the Administrative Systems program instead of buying additional tools and combined them with custom automation scripts (PowerShell) to move content and its descriptive data (metadata). This got more value from existing software investments and kept new purchasing costs down.
- **Lower projected licensing and contractor costs.** The Agency-owned automation and migration tools reduced dependence on third-party tools, lowered projected licensing and contractor costs, and accelerated modernization.
- **Lower cloud costs.** OCIO matched Azure cloud resources to actual needs ("rightsizing"), eliminated unused services, and bought Azure Reserved Instances, which are cloud capacity purchased in advance at a discount. These steps reduced unnecessary cloud spending while maintaining performance and reliability.
- **Ongoing review of spending.** OCIO continuously reviews cloud services, infrastructure costs and licensing needs so that technology investments stay aligned with Agency priorities and the Agency's responsibility to taxpayers.
- **Financial stewardship of the new case system.** OCIO and the Office of the Chief Financial Officer (OCFO) now run a stronger quarterly cost-allocation process for Internal Use Software (IUS), which is software the Agency builds or buys for its own use. OCIO reports regularly, separates design and development work from other activities, and accurately identifies labor and non-labor costs for the TMF case management system modernization. This helps the Agency comply with federal accounting standards, make more reliable decisions about which costs to record as long-term assets (capitalization), reconcile costs more easily, and report finances accurately and on time. It reflects OCIO's commitment to safeguarding federal resources while modernizing technology.
- **Faster administrative processes.** OCIO modernized enterprise workflows and forms for OHR, Finance, Records Management and the Division of Operations Management. The upgrades covered probationary-period certification, the retirement portal (now with Power BI reporting insights), centrally billed account review, records disposition, superior qualifications approval routing, training request forms, and the employee out-processing checklist (Form 4197). They reduced manual effort, improved data accuracy and sped up turnaround for program offices. They also gave staff clearer visibility into each step, cut back-and-forth communication, and made required compliance workflows more predictable, which reduced bottlenecks that had slowed administrative work.

Public Information Program

The Agency's Public Information Program is one of the critical services provided by the NLRB to the American public, including employers, unions, and employees. Under this program, in addition to the services provided by the Office of Congressional and Public Affairs (OCPA) in Headquarters, Board Agents

in the Field Offices provide information directly to individuals or entities that contact the Agency seeking assistance. In FY 2026, the Agency's Regional Offices received 27,113 public inquiries regarding workplace issues. In responding to these inquiries, the Board Agents spent a considerable amount of time explaining the rights and responsibilities under the Act, preparing charges and referring parties to other federal or state agencies. Of the 21,588 Charges and Petitions filed, the vast majority were filed electronically (via the E-Filing portal on the public website and onsite fillable forms), with others being filed by mail, facsimile or in-person. The public may also contact the Agency through a toll-free telephone service (1-844-762-6572) designed to provide easy and cost-free access to information. Callers to this number will hear messages recorded in English and Spanish languages that provide a general description of the Agency's mission, contact information for other government agencies, and contact information for the Regional Offices in closest geographic proximity. Hearing impaired callers who wish to speak to an NLRB representative can contact T-Mobile Relay Conference Captioning by visiting its website at https://www.tmobileaccess.com/federal, and submitting a form asking its Communications Assistant to call the NLRB's toll-free number (1-844-762-6572). Board staff also monitor publicinfo@nlrb.gov, an email account for general public inquiries.

Public outreach is encouraged and has been embraced at all levels of the Agency. Over the past few years, Board Members, the General Counsel, Regional Directors, OCPA staff, and Board Agents participated in numerous speaking engagements at events sponsored by law schools, bar associations, chambers of commerce, worker advocacy groups, and various other employer, union, and human resources professional groups to provide information about the NLRA and the role of the NLRB in impartially enforcing the Act. During FY 2026, Agency leadership spoke with a variety of media outlets about the NLRB's congressional mandate and the rights and responsibilities under the Act. Additionally, the Director of OCPA responded to media inquiries. The Agency also maintains accounts on a variety of social media platforms, including X (formerly known as Twitter), Facebook, Bluesky, Threads, and Instagram.

FY 2026 Statistical Highlights

The following statistical highlights provide an overview of the NLRB's activities and case processing results during FY 2026:

- The Board issued 390 decisions in contested cases: 167 unfair labor practice cases and 223 representation cases.
- 85.2 percent of all initial elections were conducted within 56 days of filing the petition.
- Initial elections in union representation cases were conducted in a median of 33 days from the filing of the petition.
- The Regional Offices issued 363 complaints.
- 49.2 percent of meritorious unfair labor practice charges were resolved within 365 days.
- The Regional Offices prevailed, in whole or in part, in 85.0 percent of the Board and Administrative Law Judge decisions issued in FY 2026.
- The Regional Offices settled 100.0 percent of meritorious cases.
- $44.6 million was recovered on behalf of employees as backpay, consequential damages, or reimbursement of fees, dues, and fines, and 258 employees offered reinstatement.
- The Agency received 27,113 inquiries through its Public Information Program.
- The Division of Judges closed 92 hearings, issued 91 decisions, and achieved 278 settlements in cases on its trial docket.

Casehandling

The NLRB strives to create a positive labor-management environment for the Nation's employees, unions, and employers by assuring employees free choice regarding union representation and by preventing and remedying statutorily defined ULPs. The NLRB maintains a public-focused and 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 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 prevent and remedy ULPs on the part of employers and unions so as to effectuate employees' rights under the NLRA and promote commerce and strengthen the Nation's economy.

Casehandling Functions

Unfair Labor Practice Proceedings

The NLRA regulates the conduct of labor-management relations between employers and unions. The NLRB enforces the provisions of the Act through ULP proceedings, which are adjudicated and remedied through procedures under the NLRA.

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

The General Counsel investigates ULP charges through the Agency's network of Regional, Subregional, and Resident Offices (collectively known as 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 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 record, according to the Act 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 U.S. Court of Appeals. In addition, if a party refuses to comply with a Board decision, the Board 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 temporary 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 Agency to petition a federal district court for an injunction to temporarily prevent ULPs 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. Determining whether the use of Section 10(j) is appropriate in a particular case is dependent on preserving the Board's ability to effectively remedy the alleged ULP and ensuring the alleged violator would not otherwise reap the benefits of its violation.

Under the 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 the 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 ULPs, 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 [1]. Representation cases are initiated by the filing of a petition (petitioner) 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 determining whether certification should be issued.

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. The Board also has ultimate authority to determine such matters 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 delegated authority to render initial decisions in representation matters, which are subject to Board review.

Compliance Proceedings

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. The 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 Administrative Law Judges, 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.

[1] Unlike ULP hearings where violations of the statute are litigated in an adversarial proceeding, representation case hearings are fact-finding proceedings regarding questions concerning representation.

Casehandling Highlights

The NLRB acts only on cases brought before it and does not initiate cases. Charges must be filed with the Agency to begin an investigation, and if merit is found to the charge allegations, the Regional Director has delegated authority from the General Counsel to issue a complaint absent settlement.

All proceedings originate with the filing of charges or petitions by employees, labor unions, or private-sector employers engaged in interstate commerce. The Agency's FY 2026 case intake totaled 21,588 cases, including 19,093 ULP cases and 2,495 representation cases. Of the ULP charges filed by the public, which contained one or more allegations of unlawful conduct, 22.0 percent were found to have merit, and the settlement rate was 101.8 percent. This rate can exceed 100.0 percent because the denominator counts merit cases only, while the numerator includes all settlements—meritorious cases plus adjusted dismissals and adjusted withdrawals, including pre-determination resolutions. Of the 2,495 representation petitions, 2,404 involved petitions to conduct secret-ballot elections in which workers in appropriate units freely decide whether they want unions to represent them in collective bargaining with their employers.

There were 160 RM petitions filed, which are filed by employers who question whether the incumbent union should continue to be the bargaining representative of its employees. There were 22 union security deauthorization petitions (UD petitions) filed, which seek elections in which workers vote on whether to rescind existing union-security agreements. The NLRB also received two amendment of certification (AC petitions) seeking amendment of a certification of representative, and 62 unit clarification petitions (UC petitions), which seek clarification of an existing bargaining unit.

The NLRB is focused on effectuating the dual purposes of the Act to ensure employees' free choice regarding union representation, and to prevent and remedy statutorily defined ULPs in an efficient manner that best serves the needs of the American people.

This section highlights some of the Agency's more notable casehandling activities in furtherance of these purposes, included cases handled by the Board and the Regions. Additional information regarding the NLRB cases and decisions is available on the Agency's website at https://www.nlrb.gov/cases-decisions.

The Board Highlights

The Board Finds No Violation for intemperate Discussions at the Bargaining Table over Bargaining Proposals

Inland Waters Pollution Control, Inc.

07-CA-277239 & 07-CA-277239; 375 NLRB No. 15 Detroit, MI, July 29, 2026

The Board (Chairman Murphy and Member Mayer; Member Prouty, dissenting) adopted the ALJ's conclusion that the Respondent violated Section 8(a)(3) and (1) by unlawfully discharging two employees for engaging in union and other protected concerted activities, including engaging in protected picketing in support of a strike. The Board also reversed the ALJ's conclusion that the Respondent unlawfully

threatened employees for filing grievances or pursuing grievances, regardless of their merit. The Board affirmed disciplinary discharges for the employees, but found no violation for intemperate discussions at the bargaining table over bargaining proposals.

The Board Ensures Adherence to Notice of Election Directions in Mail-Ballot Election

Starbucks Corporation

19-RC-295849; 375 NLRB No. 7 Seattle, WA, July 22, 2026

In *Starbucks Corporation*, the Board (Chairman Murphy and Member Mayer; Member Prouty, dissenting in part) granted the Employer's request for review of the Regional Director's decision on certain objections. On review, the Board reversed the Regional Director and sustained the challenges to the ballots of two voters who hand-delivered their mail ballots to the Regional Office, instead of returning their ballots through the mail as directed in the Notice of Election. The Board overruled the Employer's objections to the election that the Region engaged in misconduct and that the Union engaged in "unlawful ballot harvesting by soliciting voters to vote in person rather than by mail."

The Board Rules that Employees Wearing "Black Lives Matter" Message was Not Protected

Whole Foods Market, Inc.

01–CA–263079, et al.; 375 NLRB No. 20 various locations, July 31, 2026

In *Whole Foods Market, Inc.*, the Board (Chairman Murphy and Member Mayer; Member Prouty, dissenting in part) unanimously adopted the ALJ's conclusion that the Respondent did not violate Section 8(a)(1) by prohibiting its employees from wearing clothing or accessories that displayed the phrase "Black Lives Matter" or its acronym "BLM" during working time and disciplining employees for doing so. The Board agreed with the ALJ's finding that the employees' BLM display did not have a goal related to the employees' terms and conditions of employment or their lot as employees and therefore was not protected by the Act.

Additionally, the Board reversed the ALJ's finding that the Respondent violated Section 8(a)(1) by maintaining, promulgating, and enforcing an overly broad dress code rule in its employee handbook from late 2013 until November 2020. Chairman Murphy and Member Mayer cited the Respondent's good-faith compliance with a 2013 Settlement Agreement concerning the dress code rule; that its omission of one word from the revised rule was inadvertent; and that the General Counsel for approximately 8 years after the 2013 Settlement Agreement never indicated to the Respondent that there was an issue with the rule.

The Board Declines to Depart from Longstanding Remedial Practice

Longmont United Hospital

27–CA–296153; 374 NLRB No. 52 Longmont, CO, February 26, 2026

In *Longmont United Hospital*, the Board (Chairman Murphy and Member Mayer; Member Prouty, dissenting) considered whether it should overrule *Ex-Cell-O Corp.*, 185 NLRB 107 (1970), and adopt a remedy that would require employers to compensate employees "for the lost opportunity to engage in collective bargaining at the time and in the manner contemplated by the Act" in test-of certification cases. The Board declined to depart from its longstanding remedial practice where an employer has defended its refusal to bargain on grounds that it is challenging the union's certification. The Board identified numerous concerns with requiring a certification-testing employer to pay compensatory damages for refusing to bargain in order to challenge a Board-issued certification and reiterated the Board's conclusion from *Ex-Cell-O Corp.* that "the proposed remedy is a matter for Congress, not the Board."

After Petitioning for Rehearing, the Agency Obtains Full Enforcement of the Board's Decision from the En Banc Ninth Circuit in a Case Protecting Work at the Port of Seattle

International Longshore and Warehouse Union and International Longshore and Warehouse Union, Local 19 (SSA Terminals, LLC)

19-CD-269637

The case arose from a jurisdictional dispute between the International Longshore and Warehouse Union (ILWU) and the International Association of Machinists and Aerospace Workers, District Lodge 160, Local Lodge 289 (IAM), after SSA Terminals (SSAT) opened a container terminal in the Port of Seattle and assigned maintenance and repair work at that terminal for the first time. Under their respective collective-bargaining agreements, ILWU and IAM were both entitled to perform the work, and both unions demanded that SSAT comply with its contractual obligations. In an earlier proceeding (369 NLRB No. 126), the Board exercised its authority to resolve the dispute under Section 10(k) of the Act and awarded the work to IAM.

After ILWU continued to pursue the disputed work, and after complaint was issued and the case was litigated by Region 19, the Board (Chairman McFerran and Members Kaplan and Prouty) found that ILWU violated Section 8(b)(4)(D) of the Act. The Board rejected ILWU's assertion of a work-preservation defense that instead would apply in secondary-boycott cases, as described in *NLRB v. International Longshoremen's Association* (*ILA*), 447 U.S. 490 (1980), and, on the same basis, distinguished *International Longshore & Warehouse Union v. NLRB*, 978 F.3d 625 (9th Cir. 2020) (*Kinder Morgan*).

On review, a three-judge panel of the Ninth Circuit denied enforcement. It held that the Board's rejection of the *ILA* work-preservation defense raised by ILWU could not be reconciled with the circuit precedent of *Kinder Morgan*. The Appellate and Supreme Court Litigation Branch then filed a petition for rehearing en banc, which was granted. After supplemental briefing and oral arguments, the Ninth Circuit, sitting en

banc, agreed with the Board. It issued a decision in which it overturned *Kinder Morgan*, held that the Board properly determined that ILWU violated Section 8(b)(4)(D), and enforced the Board's order in full.

The Region Highlights

The Region Obtains Settlement Requiring Employer to Pay Over $3.6 Million to Former Economic Strikers

Langeloth Metallurgical Company, LLC

06-CA-290184

After an investigation and determination of merit, the Region issued a complaint alleging that the Employer violated Section 8(a)(3) and (1) of the Act by, among other things, failing to reinstate or delaying the reinstatement of approximately 60 former strikers following the Union's unconditional offer to return to work in September 2021.

Following a hearing, the ALJ found that, although the Employer reinstated some strikers, it unlawfully failed to reinstate, or delayed reinstating, the remaining former strikers. While the case was pending before the Board on exceptions, the Region reached a settlement, which the Acting Regional Director approved on July 22, 2026, requiring the Employer to pay $3,662,485 to 51 former strikers who the Region determined were eligible for reinstatement. The monetary relief includes backpay, missed 401(k) contributions, reimbursable expenses, interest, compensation for adverse tax consequences, and front pay for those who waived reinstatement. The monetary settlement provided 100.0 percent back pay for all impacted strikers. The settlement also requires the Employer to, among other things, correct seniority dates for vacation accrual purposes for certain reinstated strikers, post a Notice to Employees, and notify the affected former strikers that it has removed from its files any reference to its failure to reinstate or timely recall them.

The Region Obtains Settlement Requiring Respondent to Reinstate a Discharged Business Agent and Pay $768,000 in Make-Whole Relief

International Brotherhood of Electrical Workers, Local 111

27-CA-301386, et al.

After an investigation and determination of merit, the Region issued a complaint alleging that the Respondent, a labor organization acting as an employer, violated Section 8(a)(3), (5), and (1) of the Act by, among other things, threatening employees, discharging a business agent, and making unilateral changes to employees' terms and conditions of employment.

Following the hearing, the ALJ issued a decision finding that the Respondent unlawfully threatened employees, discharged the business agent, and made certain unilateral changes. After limited progress in mediation, the parties resumed settlement discussions in early 2026, and on April 10, 2026, the Regional Director approved a comprehensive compliance settlement resolving the cases. The settlement requires the Respondent to reinstate the business agent to the position they would have attained absent the

unlawful discharge, pay approximately $530,000 in make-whole relief, make $229,000 in contributions to the relevant benefit funds, and make whole two additional employees affected by the unilateral changes in the amount of approximately $9,000.

The Region Wins an Administrative Law Judge Decision Ordering Reinstatement of Five Unlawfully Discharged Insurance Agents

American Automobile Association of Northern California, Nevada and Utah

32-CA-280838, et al.

After an investigation and determination of merit, the Region issued a complaint alleging that the Employer violated Section 8(a)(3), (5), and (1) of the Act by, among other things, discharging five employees because of their union activity, more strictly enforcing its rules and policies after learning of its employees' organizing efforts, and unilaterally changing unit employees' terms and conditions of employment - including paid time off, flexible hours, work from home, clocking in, and counter duty - without affording the Union notice and an opportunity to bargain.

Following a hearing, the ALJ issued a decision finding that the Employer unlawfully discharged the five employees, eliminated unit employees' eligibility for a longstanding incentive award, diverted unit work to non-unit employees, maintained a rule prohibiting employees from discussing wage information, and issued subpoenas to employees seeking information about their union activities and communications with the Board. The Judge ordered the Employer to reinstate the five employees with full make-whole relief, compensate unit employees for the lost award benefits, re-establish the status quo as it existed prior to February 2021, expunge the unlawful discipline, and post a Notice to Employees at all of its branches.

ANALYSIS OF FINANCIAL STATEMENTS

Table of Key Financial Measures

The following table presents the NLRB's financial position and results of operations for FY 2026, including comparisons of financial balances from the current year to the prior year. Explanations of significant changes and trends are provided in the sections following the table.

(In Dollars)	FY 2026	FY 2025	Increase/ (Decrease) $	Increase/ (Decrease) %
Costs				
Gross Program Costs	$ 286,000,400	$ 327,471,693	$(41,471,293)	-12.7%
Less Earned Revenue	(101,730)	-	(101,730)	100.0%
Net Cost of Operations	$ 285,898,670	$ 327,471,693	$(41,573,023)	-12.7%
Net Position				
Assets				
Fund Balance with Treasury	$ 71,703,890	$ 53,442,527	$ 18,261,363	34.2%
Property, Plant, & Equipment, Net	24,454,228	16,057,316	8,396,912	52.3%
Accounts Receivable	491,018	490,394	624	0.1%
Advances and Prepayments	109,523	464,537	(355,014)	-76.4%
Total Assets	$ 96,758,659	$ 70,454,774	$ 26,303,885	37.3%
Liabilities				
Unfunded Annual Leave	$ 14,929,805	$ 15,429,304	(499,499)	-3.2%
Accounts Payable	8,559,530	6,991,497	1,568,033	22.4%
Accrued Funded Payroll & Leave and Payroll Taxes Payable	5,483,765	5,274,085	209,680	4.0%
Technology Modernization Fund	-	6,264,070	(6,264,070)	-100.0%
Benefit Contributions Payable	1,630,053	1,454,806	175,247	12.0%
Other	705,012	796,459	(91,447)	-11.5%
Total Liabilities	$ 31,308,165	$ 36,210,221	(4,902,056)	-13.5%
Net Position (Assets minus Liabilities)	$ 65,450,494	$ 34,244,553	$ 31,205,941	91.1%

Balance Sheet

The NLRB's total assets were $96.8 million as of September 30, 2026. The Fund Balance with Treasury (FBWT), the NLRB's largest asset, totaled $71.7 million (74.1 percent) of total assets. FBWT represents available appropriated funds and balances held on behalf the U.S. Government. It is an asset of the NLRB and a corresponding liability of the U.S. Government General Fund. The FBWT enables the NLRB to make expenditures and pay liabilities. The NLRB's FBWT includes general funds, deposit funds, clearing accounts, and miscellaneous receipt accounts.

Property, Plant, and Equipment (PP&E) represent the NLRB's second-largest asset at $24.5 million (25.3 percent) of total assets. PP&E increased $8.4 million (52.3 percent) primarily due to capitalized internal-use software development costs associated with the TMF project and leasehold improvements related to office renovations and relocations. The increase was partially offset by accumulated depreciation and amortization of existing PP&E.

Advances and Prepayments decreased by $355.0 thousand (76.4 percent), due to lower prepayments for security investigations, transportation benefits, and professional services resulting from contract reductions.

The NLRB's total liabilities were $31.3 million as of September 30, 2026. The liabilities consisted of amounts owed to vendors, federal government trading partners, and the Agency's employees.

The Unfunded Annual Leave liability of $14.9 million accounted for 47.7 percent of the NLRB's total liabilities and remained relatively consistent with the prior year with only a 3.2 percent decrease. In FY 2026, the NLRB received the third and final $7.6 million TMF transfer from GSA to modernize its case management system.

The NLRB made the final repayment of $10.0 million to GSA in FY 2026, leaving no future amounts due. Accounts Payable increased by $1.6 million (22.4 percent), primarily due to higher year-end accruals for goods and services received but not yet invoiced or paid. The increase was driven largely by professional services accruals, including approximately $1.1 million for OCIO contracts, and $193.4 thousand for Commercial Off-the-Shelf (COTS) software maintenance.

Benefit Contributions Payable increased $175.2 thousand (12.0 percent), due to higher fiscal year-end accruals for employer payroll taxes and employee benefit contributions. The increase was driven by employer contributions for Medicare, Federal Insurance Contributions Act, Civil Service Retirement System (CSRS) and Federal Employees Retirement System (FERS) retirement, health and life insurance benefits, Thrift Savings Plan (TSP) matching contributions, and related employee benefit costs.

Statement of Net Cost

The Statement of Net Cost reflects the cost of mission critical activities to resolve unfair labor practices and representation cases filed by employees, employers, and unions. In FY 2026, the Net Cost of

Operations was $285.9 million; with 88.0 percent attributable to resolve charges for unfair labor practices and 12.0 percent for representation cases. The Net Cost of Operations decreased $41.6 million (12.7 percent) primarily due to workforce-related reductions in personnel compensation and benefits; lower facilities and professional services costs, reduced imputed costs, and lower future-funded expenses. Increased capitalization of eligible software development and leasehold improvement costs also reduced current-period expenses, contributing to the overall decrease in program costs.

Statement of Changes in Net Position

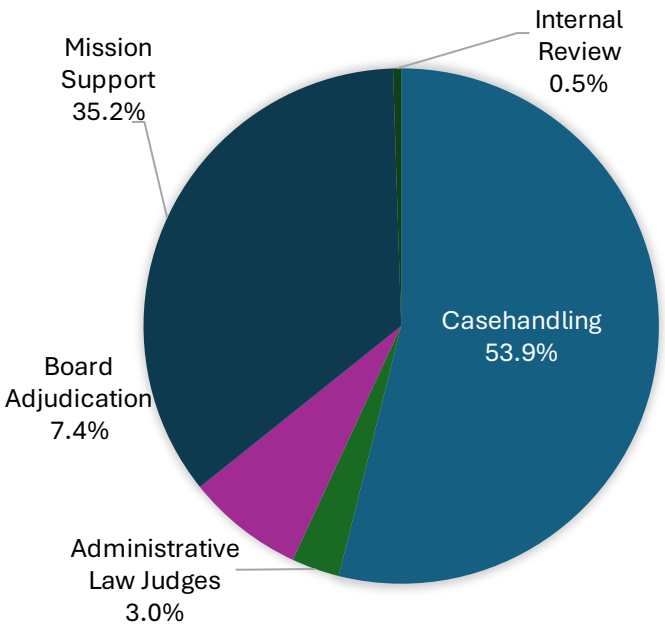
The Statement of Changes in Net Position is driven by changes in two components: Unexpended Appropriations and Cumulative Results of Operations. Unexpended Appropriations represent the portion of the entity's appropriations associated with undelivered orders and unobligated balances. This balance increased by $12.2 million (38.1 percent), primarily due to lower expenditures supporting mission activities, including reductions in personnel compensation and benefits, goods and services received, and information technology support.

Cumulative Results of Operations increased by $19.0 million (871.3 percent), primarily due to lower costs associated with carrying out the NLRB's mission. Key drivers included reduced personnel compensation and benefits resulting from workforce reductions; decreased facilities-related expenses attributable to rent adjustments, contract liquidations, and the reduction of headquarters office space; and lower professional services and other administrative costs.

Statement of Budgetary Resources

The Statement of Budgetary Resources shows the budgetary resources available and the status at the end of the period. This statement also represents the relationship between budget authority and budget outlays and reconciles obligations to total outlays. For FY 2026, the NLRB's total budgetary resources were $311.9 million which included appropriations of $294.2 million and unobligated balance from prior years of $17.6 million. In FY 2026, new obligations were $300.9 million and total outlays were $281.8 million. In FY 2026, the apportioned unexpired balance at the end of the fiscal year was $8.7 million which includes the unobligated balance of $7.7 million for the no-year TMF Fund and $958.5 thousand for the annual appropriated fund.

The FY 2026 Budget, amounting to $294.2 million, was allocated to fund the NLRB's statutory mission of resolving labor disputes. The NLRB's five program activities, which define the major mission functions for budgetary reporting, were fully supported with an obligation of 293.3 million (99.7 percent) of the enacted appropriation. This left approximately 0.3 percent of the budget to provide for any upward obligations that may arise in FY 2027.



The FY 2026 obligated budget of $293.3 million provided:

- $158.1 million to support Casehandling
- $103.3 million for Mission Support
- $21.6 million for Board Adjudication
- $8.8 million for Administrative Law Judges
- $1.5 million for Internal Review

Limitations of Financial Statements

The financial statements are prepared to report the overall financial position and results of operations, consistent with the requirements of 31 United States Code (U.S.C.) § 3515(b). The statements are prepared from records of Federal entities in accordance with Federal generally accepted accounting principles (GAAP) and the formats prescribed by OMB. Reports used to monitor and control budgetary resources are prepared from the same records. Users of the statements are advised that the statements are for a component of the U.S. Government.

ANALYSIS OF SYSTEMS, CONTROL, LEGAL, COMPLIANCE

The NLRB complies with applicable federal laws and requirements governing financial management, accountability, internal controls, information security, and other areas of Agency operations. The following provides information on the NLRB's compliance with key federal laws and management assurances applicable to the Agency during FY 2026.

- **Antideficiency Act** – No known violations occurred in FY 2026.
- **Debt Collection Improvement Act** – The NLRB is in compliance with the Act.
- **Digital Accountability and Transparency Act** – The NLRB is in compliance with the Act.
- **Federal Information Security Modernization Act (FISMA)** – The NLRB is in compliance with FISMA reporting requirements through the submission of quarterly and annual reports, and the annual Senior Agency Official for Privacy report to OMB as required.
- **Government Charge Card Abuse Prevention Act** – The NLRB is in compliance with the Act.
- **Payment Integrity Information Act** – A detailed report of the NLRB's improper payments activities is presented in the *Other Information* section on page 105.
- **Prompt Payment Act** – The NLRB made late payments resulting in $129 in interest penalties in FY 2026.
- **Federal Financial Management Improvement Act** – The NLRB is in compliance with the Act.
- **Federal Managers' Financial Integrity Act** – The NLRB is in compliance with the Act.

Financial Systems

The NLRB obtains the majority of its financial systems and services from the Department of the Interior's Interior Business Center (IBC). The IBC provides shared services and offers administrative and financial services to the NLRB. The services provided include system support for procurement and contracts, payroll management, finance, accounting, and travel. The NLRB is responsible for overseeing the work produced by the IBC and ensuring that financial systems and internal controls are in place to fulfill legislated and regulatory financial management requirements. The IBC provides shared services using the following systems:

- **Oracle Federal Financials (OFF)** – The integrated system of record for all financial transactions.
- **Oracle Analytics Server** – IBC's OAS reporting solution is a group of over 95 top level reports, 70 financial/purchasing reports (analysis), 22 payroll reports (analysis), four credit cards and Do Not

Pay (DNP) reports (analysis) across Oracle modules that the NLRB can customize to meet its own agency-specific needs.

- **Federal Payroll and Personnel System** – The personnel system of record that interfaces with the OFF system.
- **E2Solutions** – The eTravel system provided by CWTSato, which is the NLRB's Travel Management Service. E2Solutions also interfaces with the Oracle system.
- **Invoice Payment Platform** – U.S. Department of Treasury's (Treasury) web-based system that provides a single, integrated, secure system to simplify the management of vendor invoices. It is offered at no charge to federal agencies and their vendors.
- **Government invoicing (G-Invoicing)** –Treasury's platform for managing intragovernmental transactions (buy/sell) between federal agencies and their trading partners.

Fraud Reduction Report

In FY 2026, the NLRB carried out both quantitative and qualitative risk assessments, including a comprehensive fraud risk assessment of potential fraud risks within key financial business processes. This assessment highlighted potential fraud risks in key sub-process areas: Travel Cards, Back Pay, Time and Attendance, and Contracts. Since the prior reporting period, the NLRB has advanced its Fraud Risk Assessment Policy from the draft stage to formal review. The policy has been finalized and submitted to Agency leadership and Special Counsel for review, and the NLRB is currently addressing comments received as part of the review process in preparation for implementation. In the interim, the NLRB continues to strengthen its fraud risk mitigation efforts by identifying opportunities to enhance existing internal controls and evaluating additional measures to address identified fraud risks, while incorporating feedback into the policy in preparation for implementation.

Assessment of Internal Control and Financial Management Systems

Federal Managers' Financial Integrity Act

The NLRB employs an integrated approach to assessing its internal controls. The assessment includes an FMFIA survey completed by designated Agency managers and executives addressing the principles in the Government Accountability Office's *Standards for Internal Control in the Federal Government* (Green Book), a review of supporting documentation to assess entity-level controls (ELCs) against the 17 Green Book principles, and testing of key controls across key financial business processes. The assessment also considers other relevant information, including OIG audits and investigations, program evaluations, financial system reviews, and prior management reviews.

Based on the results of the Internal Control Program assessment and consideration of other relevant information, senior management has determined that the NLRB's internal controls are adequate to provide reasonable assurance in support of effective and efficient operations, reliable financial reporting, and compliance with applicable laws and regulations.

The Statement of Assurance (SOA) provided on page 40 is required by the FMFIA and OMB Circular No. A-123, *Management's Responsibility for Internal Control*.

FMFIA Section 2, Management Control

Section 2 of the FMFIA requires federal agencies to report, based on annual assessments, any material weaknesses that have been identified in connection with their internal and administrative controls. The reviews that took place in FY 2026 provide reasonable assurance that the NLRB systems and internal controls comply with the requirements of FMFIA, and no material weaknesses were noted.

FMFIA Section 4, Financial Management Systems

Section 4 of the FMFIA requires agencies to evaluate their financial management systems annually. The NLRB evaluated its financial management systems for the year ended September 30, 2026, in accordance with FMFIA and OMB Circular No. A-123, Appendix D, *Management of Financial Management Systems – Risk and Compliance*. Based on its evaluation, the NLRB determined that its financial management systems, taken as a whole, conform to the principles and standards developed by the Comptroller General, OMB, and the Department of the Treasury.

The NLRB relies on IBC for financial management services. As part of its annual evaluation, the NLRB reviewed IBC's independent auditor's report prepared in accordance with the Statement on Standards for Attestation Engagements No. 18, including the auditor's assessment of the design and operating effectiveness of relevant internal controls. The NLRB evaluated the reported control deficiencies, including those related to access controls, to determine whether they presented risks to the Agency's financial management operations. The NLRB determined that compensating controls are in place to mitigate the risks associated with the identified deficiencies.

The NLRB also voluntarily considers the objectives of the Federal Financial Management Improvement Act (FFMIA) as part of its evaluation of its financial management environment. As part of this effort, the NLRB obtained written confirmation from IBC that its financial management system complies with FFMIA. The NLRB considered this confirmation, along with its review of IBC's independent auditor's report, in evaluating the financial management services supporting its operations.

Annual Statement of Assurance

UNITED STATES GOVERNMENT

NATIONAL LABOR RELATIONS BOARD

WASHINGTON, DC

October 26, 2026

STATEMENT OF ASSURANCE

Management is responsible for establishing and maintaining effective internal controls and financial management systems that meet the objectives of the Federal Managers' Financial Integrity Act of 1982 (FMFIA). The National Labor Relations Board (NLRB) evaluated the effectiveness of internal controls over reporting, the efficiency of operations, and compliance with applicable laws and regulations. This evaluation was performed in accordance with Office of Management and Budget (OMB) Circular No. A-123, Management's Responsibility for Internal Control. Based on the preliminary results of the evaluation, the NLRB can provide reasonable assurance over the effectiveness and efficiency of its internal controls over its operations. Additionally, the NLRB has complied with the applicable laws and regulations as of September 30, 2026. Based on the internal control testing, the NLRB can provide reasonable assurance that related control objectives were met for the specified period and no material weaknesses and/or significant deficiencies were identified in the design or operating effectiveness of the internal controls.

In accordance with the requirements of OMB Circular No. A-123, Appendix A, Management of Reporting and Data Integrity Risk, the NLRB evaluated the effectiveness of internal control over financial reporting. This evaluation includes internal controls related to the preparation of the annual financial statements, and safeguarding of assets. The result of this evaluation provides reasonable assurance that the NLRB's internal control over financial reporting was operating effectively as of September 30, 2026.

The NLRB has submitted all monthly Fiscal Year 2026 Digital Accountability and Transparency Act (DATA Act) submissions to the U.S. Department of the Treasury as required by the Act.

James R. Murphy
Chairman

Crystal S. Carey
General Counsel

SECTION 2: PERFORMANCE SECTION

Protecting Democracy in the Workplace Since 1935

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 current Strategic Plan represent the core functions of the Agency in enforcing the Act as efficiently as possible and in a manner that gives full effect to the rights afforded to employees under the Act. The two support goals further enable the Agency to accomplish its mission.

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

The mission-related goals emphasize individual segments of case processing to promote timely, efficient, and well-managed casehandling, while the support goals provide a broader picture of how the Agency achieves its mission. One of the NLRB's human capital goals is to create a results-oriented performance `

As to the Agency's 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 the Government Performance and Results Act of 1993 and the Government Performance and Results Modernization Act of 2010. 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 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 conducting 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 Act.

The aim of the Agency is to fully effectuate employees' rights under the Act, which also works 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. While it is difficult to quantify by the number of ULPs, the Agency can quantify commitment to resolve all disputes that are brought before us, and to provide a remedy and ensure that labor peace is maintained or restored. Noting that the Agency cannot sua sponte [2] investigate the 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 covering the five-year period of the current Strategic Plan.

[2] A Latin phrase describing an act of authority taken without formal prompting from another party.

Goal 1 – Unfair Labor Practices

GOAL 1 (MISSION):

ENSURE EFFECTIVE ENFORCEMENT OF THE NATIONAL LABOR RELATIONS ACT THROUGH TIMELY AND QUALITY CONSIDERATION AND RESOLUTION OF UNFAIR LABOR PRACTICES WITH APPROPRIATE REMEDIES

Objectives:

1. Achieve timely consideration and appropriate resolution of unfair labor practice charges at every stage of processing.
2. Demonstrate high-quality performance in the prosecution and adjudication of meritorious unfair labor practice charges.
3. Promptly pursue remedies for statutory violations.

Performance Measures for Goal 1, Objective 1

Objective 1: Achieve timely consideration and appropriate resolution of unfair labor practice charges at every stage of processing.

Goal 1, Objective 1, Measure 1

Measure 1: By the end of FY 2030 the Agency will close 85.0 percent of all unfair labor practice cases within 365 days of filing.

YEAR	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030
TARGET	65.0%	70.0%	75.0%	80.0%	85.0%
ACTUAL	54.3%	N/A	N/A	N/A	N/A

For FY 2026, the Agency closed 18,172 ULP cases, 9,870 of which — 54.3 percent — were closed percent were closed within 365 days of filing. During this same period, the Agency closed 8,302 cases that did not meet our timeliness target, with an average age of 867.6 days. As we continue focusing on resolving our oldest cases, our performance against the target may decline further. Once those older cases are closed, however, we expect our performance against the timeliness targets to improve and return to normal levels.

Goal 1, Objective 1, Measure 2

Measure 2: By the end of FY 2030 the Agency will close 55.0 percent of meritorious unfair labor practice cases within 365 days of filing.

YEAR	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030
TARGET	51.0%	52.0%	53.0%	54.0%	55.0%
ACTUAL	45.4%	N/A	N/A	N/A	N/A

Of the 18,172 ULP cases closed during FY 2026, 5,406 were determined to be meritorious, and 2,455 of those — 45.4 percent — were closed within 365 days of filing. During this same period, the Agency closed 2,951 meritorious ULP cases that did not meet the timeliness target, with an average age of 1,023.5 days. Because we are prioritizing closure of the oldest backlog cases, our performance on this measure may continue to decline in the near term. However, once those older cases are closed, we expect our performance against the timeliness targets to improve and return to normal levels.

Goal 1, Objective 1, Measure 3

Measure 3: Issue decisions in 90.0 percent of pending unfair labor practice cases that, by the end of the fiscal year, will have been pending before the Board for more than 18 months.

YEAR	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030
TARGET	90.0%	90.0%	90.0%	90.0%	90.0%
ACTUAL	53.0%	N/A	N/A	N/A	N/A

The Board went without a quorum to decide cases for almost all of calendar year (CY) 2025, which included the first three months of FY 2026. This meant that for almost a year, the Board could not issue any decisions or orders in pending cases. As a result, an extremely large number of ULP cases fell into the category of cases that would have been pending before the Board for more than 18 months at the end of FY 2026 (i.e., "oldest cases"). The Board regained a quorum on January 7, 2026, yet the Board functioned with only three members for seven months of FY 2026, and never with the full five-member complement of Board members authorized by the Act. Consequently, the individual workload borne by each member was greater than it would have been with a full Board. Nevertheless, the Board made significant progress toward achieving this goal by closing 53.0 percent of its oldest pending ULP cases by the end of FY 2026. While this did not meet the goal of issuing decisions in 90.0 percent of the oldest ULP cases, the large backlog of cases created by the lack of a Board quorum for approximately a year presented an insurmountable challenge. When the oldest representation cases are also factored in, the Board successfully closed out nearly 75.0 percent of all the oldest cases that were pending before the Board during FY 2026. This is a significant accomplishment following nearly a year without a Board quorum, which consequently led to major case-processing delays. The Board is confident that further strides will be made to close out its oldest pending cases in the coming fiscal year.

Goal 1, Objective 1, Measure 4

Measure 4: Ensure that the median age of all cases pending before the Board at the end of each fiscal year is 180 days or less.

YEAR	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030
TARGET	180 days or less	180 days or less	180 days or less	180 days or less	180 days or less
ACTUAL	434 days	N/A	N/A	N/A	N/A

The Board went without a quorum to decide cases for almost all of CY 2025, which included the first three months of FY 2026. This extended period when the Board could not issue decisions created a very large backlog of pending cases and significantly increased the median age of cases pending before the Board. The Board regained a quorum in January 2026, yet the Board functioned with only three members for seven months of FY 2026, and never with the full five-member complement of Board members authorized by the Act. Consequently, the individual workload borne by each member was greater than it would have been with a full Board. Nevertheless, the Board worked diligently to reduce its backlog of pending cases for the remainder of the fiscal year. The Board successfully brought the backlog of pending cases down from 591 pending cases when the new Board quorum was achieved on January 7, 2026, to 292 pending cases at the end of FY 2026. This was achieved despite 208 new cases having been assigned during this period. In addition, although the Board was only able to issue decisions for nine months of the fiscal year, it issued 390 decisions in contested cases during FY 2026. This was the highest number of decisions issued by the Board in contested cases since 2015, when the Board issued 394 decisions after a full year of work.

Despite the great strides made by the Board in reducing the large backlog of cases caused by the year-long lack of quorum, and the exceptional number of decisions issued in contested cases, as of the end of FY 2026, the median age of all cases pending before the Board was 434 days. This metric was clearly impacted by the Board's inability to issue decisions for a year. And although the Board did not meet the goal of maintaining a median age of all pending cases of 180 days or less, the Board expects that this metric will improve over time as the Board continues its work to clear the backlog of cases.

Performance Measures for Goal 1, Objective 2

Objective 2: Demonstrate high-quality performance in the prosecution and adjudication of meritorious unfair labor practice charges.

Goal 1, Objective 2, Measure 1

Measure 1: Conduct ongoing quality reviews and provide annual ratings assessing the quality of work performed in the casehandling of unfair labor practice and representation case files for all Field Offices.

YEAR	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030
TARGET	100.0%	100.0%	100.0%	100.0%	100.0%
ACTUAL	100.0%	N/A	N/A	N/A	N/A

Agency quality reviews spanned all 26 Regions and covered all critical case-handling elements and workflows, including ULP investigations and litigation; R-case work, such as election agreements and pre- and post-election decisions; and compliance work, including informal settlements and formal compliance case processing. Each Region was rated Highest Quality, High Quality, Quality, or Low Quality. Of the 26 Regions, 12 Regions received a rating of Highest Quality, 12 Regions received High Quality, two Regions received Quality, and zero Regions received Low Quality.

Performance Measures for Goal 1, Objective 3

Objective 3: Promptly pursue remedies for statutory violations.

Goal 1, Objective 3, Measure 1

Measure 1: Ensure that at least 85.0 percent of the Board Orders are closed or advanced to the next stage in fewer than 300 days.

YEAR	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030
TARGET	85.0%	85.0%	85.0%	85.0%	85.0%
ACTUAL	68.8%	N/A	N/A	N/A	N/A

In FY 2026, the Agency closed or advanced qualifying cases within 300 days in 33 of 48 matters, or 68.8 percent, falling short of the strategic goal target of 85.0 percent. Ongoing staffing shortages in both the Compliance Officer (CO) and Compliance Assistant (CA) positions have adversely impacted overall case processing capacity and slowed progression through key stages. Recent hiring efforts should lend to an improved trajectory here.

Goal 1, Objective 3, Measure 2

Measure 2: Ensure that at least 85.0 percent of Federal Circuit Court Orders are closed or advanced to the next stage in fewer than 300 days.

YEAR	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030
TARGET	85.0%	85.0%	85.0%	85.0%	85.0%
ACTUAL	56.7%	N/A	N/A	N/A	N/A

In FY 2026, the Agency closed or advanced qualifying cases within 300 days in 17 of 30 matters, or 56.7 percent, falling short of the strategic goal target of 85.0 percent. A primary contributor to this gap is ongoing staffing shortages in both the CO and CA positions, which have reduced overall case-processing capacity and slowed progression through key stages. Recent hiring efforts should lend to an improved trajectory here.

Goal 2 – Representation Cases

GOAL 2 (MISSION):

PROVIDE TIMELY AND EFFECTIVE MECHANISMS TO RESOLVE QUESTIONS CONCERNING REPRESENTATION

Objectives:

1. Achieve timely resolution of all questions concerning representation of employees.

Performance Measures for Goal 2, Objective 1

Objective 1: Achieve timely resolution of all questions concerning the representation of employees.

Goal 2, Objective 1, Measure 1

Measure 1: Reach 85.0 percent pre-election agreement rate in representations cases.

YEAR	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030
TARGET	85.0%	85.0%	85.0%	85.0%	85.0%
ACTUAL	93.7%	N/A	N/A	N/A	N/A

For FY 2026, the Agency has reached election agreements in 93.7 percent of all representation cases, exceeding the target of 85.0 percent.

Goal 2, Objective 1, Measure 2

Measure 2: Issue decisions in 90.0 percent of pending representation cases that, by the end of the fiscal year, will have been pending before the Board for more than 12 months.

YEAR	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030
TARGET	90.0%	90.0%	90.0%	90.0%	90.0%
ACTUAL	97.0%	N/A	N/A	N/A	N/A

The Board went without a quorum to decide cases for almost all of CY 2025, which included the first three months of FY 2026 and therefore could not issue any decisions or orders in pending cases until it regained a quorum on January 7, 2026. Despite losing the first 3 months of the fiscal year and never operating with a full five-member complement of Board members, the Board nonetheless succeeded in achieving this goal. By the end of FY 2026, the Board had closed 97.0 percent of its oldest pending representation cases. This excellent result demonstrates the Board's commitment to timely issuance of rulings in representation matters.

Goal 2, Objective 1, Measure 3

Measure 3: Ensure that the median age of all cases pending before the Board at the end of each fiscal year is 180 days or less.

YEAR	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030
TARGET	180 days or less	180 days or less	180 days or less	180 days or less	180 days or less
ACTUAL	434 days	N/A	N/A	N/A	N/A

The Board went without a quorum to decide cases for almost all of CY 2025, which included the first three months of FY 2026. This extended period when the Board could not issue decisions created a very large backlog of pending cases and significantly increased the median age of cases pending before the Board. The Board regained a quorum in January 2026, yet the Board functioned with only three members for seven months of FY 2026, and never with the full five-member complement of Board members authorized by the Act. Consequently, the individual workload borne by each member was greater than it would have been with a full Board. Nevertheless, the Board worked diligently to reduce its backlog of pending cases for the remainder of the fiscal year. The Board successfully brought the backlog of pending cases down from 591 pending cases when the new Board quorum was achieved on January 7, 2026, to 292 pending cases at the end of FY 2026. This was achieved despite 208 new cases having been assigned during this period. In addition, although the Board was only able to issue decisions for nine months of the fiscal year, it issued 390 decisions in contested cases during FY 2026. This was the highest number of decisions issued by the Board in contested cases since 2015, when the Board issued 394 decisions after a full year of work.

Despite the great strides made by the Board in reducing the large backlog of cases caused by the year-long lack of quorum, and the exceptional number of decisions issued in contested cases, as of the end of FY 2026, the median age of all cases pending before the Board was 434 days. This metric was clearly impacted by the Board's inability to issue decisions for a year. And although the Board did not meet the goal of maintaining a median age of all pending cases of 180 days or less, the Board expects that this metric will improve over time as the Board continues its work to clear the backlog of cases. Notably, the Board made great strides with regard to its pending representation cases, and the median age of pending representation cases at the end of FY 2026 was only 121 days.

Goal 2, Objective 1, Measure 4

Measure 4: By the end of Fiscal Year 2030, the Agency will close 95.0 percent of all representation cases within 365 days of filing.

YEAR	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030
TARGET	91.0%	92.0%	93.0%	94.0%	95.0%
ACTUAL	90.9%	N/A	N/A	N/A	N/A

For FY 2026, the Agency has closed 90.9 percent of all representation cases within 365 days of filing.

Goal 3 – Human Capital

GOAL 3 (SUPPORT):

ACHIEVE ORGANIZATION EXCELLENCE AND SERVE AS A MODEL EMPLOYER

Objectives:

1. Increase opportunities for career enhancement.
2. Continue to recruit and retain a talented workforce.

Performance Measure for Goal 3, Objective 1

Objective 1: Increase opportunities for career enhancement.

Goal 3, Objective 1, Measure 1

Measure 1: Strive to achieve a satisfaction percentage rating (65.0 percent or above) of the "Talent Management Index" using the annual FEVS results.

YEAR	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030
TARGET	65.0%	65.0%	65.0%	65.0%	65.0%
ACTUAL	N/A	N/A	N/A	N/A	N/A

The Office of Personnel Management (OPM) canceled the 2025 Federal Employee Viewpoint Survey (FEVS), resulting in no governmentwide reports or data published since the cancellation. The OPM, however, announced in July 2026, starting with the 2026 annual employee survey cycle, agencies are responsible for administering their own employee surveys to assess engagement and organizational climate. The Talent Management Index metric will be reported when the Agency administers its own employee survey and results become available.

Performance Measure for Goal 3, Objective 2

Objective 2: Continue to recruit and retain a talented workforce.

Goal 3, Objective 2, Measure 1

Measure 1: Strive to reach a satisfaction percentage rating (65.0 percent or above) for the "Job Satisfaction Index" using the annual FEVS results.

YEAR	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030
TARGET	65.0%	65.0%	65.0%	65.0%	65.0%
ACTUAL	N/A	N/A	N/A	N/A	N/A

The OPM canceled the 2025 FEVS, resulting in no governmentwide reports or data published since the cancellation. The OPM, however, announced in July 2026, starting with the 2026 annual employee survey cycle, agencies are responsible for administering their own employee surveys to assess engagement and organizational climate. The Job Satisfaction Index metric will be reported when the Agency administers its own employee survey and results become available.

Goal 4 – Resource Management

GOAL 4 (SUPPORT):

MANAGE AGENCY RESOURCES EFFICIENTLY AND IN A MANNER THAT INSTILLS PUBLIC TRUST

Objectives:

1. Make effective use of Agency's resources by proactively planning how best to deploy those resources and continually monitoring and reevaluating the execution of such plans to ensure that the NLRB has strong processes and internal controls in place to identify and prevent any misuse or inefficiencies in the allocation of Agency resources.
2. Develop appropriate Enterprise Risk Management (ERM) and Internal Controls to support the Agency's decision-making process.
3. Serve and honor the public trust by demonstrating ethical leadership and providing employees with ethics support and resources to resolve conflicts of interest.

Performance Measures for Goal 4, Objective 1

Objective 1: Make effective use of the Agency's resources by proactively planning how best to deploy those resources and continually monitoring and reevaluating the execution of such plans to ensure that the NLRB has strong processes and internal controls in place to identify and prevent any misuse or inefficiencies in the allocation of the Agency resources.

Goal 4, Objective 1, Measure 1

Measure 1: Achieving a clean audit opinion by ensuring that Agency operations are guided by appropriate processes and internal controls.

OCFO – Acquisition Management Branch

- Submitted the NLRB monthly Digital Accountability and Transparency Act information timely to OMB by its respective FY 2026 reporting dates.
- Continued supporting minority-owned business enterprises for contract awards.
- Issued an updated Purchase Card Management Plan that establishes policies and procedures for effective management of the government charge card program. This Plan ensures adherence to internal controls and aims to mitigate risks associated with fraud, misuse, abuse, and delinquency.
- Partnered with the Office of Special Counsel and Labor Relations to update the Policy for Contractual Legal Review, which provides guidance for obtaining legal review for acquisition-related matters.

Socio- economic Category	SBA Government -Wide Small Business Goals	NLRB Statistics Q1 FY 2026	NLRB Statistics Q2 FY 2026	NLRB Statistics Q3 FY 2026	NLRB Statistics Q4 FY 2026	NLRB Statistics Overall FY 2026
Small Business	23.0%	64.4%	58.3%	75.8%	74.0%	74.0%
SBA Certified Small Disadvantaged Business	15.0%	28.4%	36.7%	49.1%	70.9%	67.8%
Service Disabled Veteran Owned Small Business	5.0%	0.0%	0.0%	18.5%	7.7%	8.3%
Women Owned Small Business	5.0%	5.3%	13.7%	648.4%	3.6%	7.5%
HUBZone*	3.0%	0.0%	0.0%	1.6%	0.5%	0.6%
8 (a)**	0.0%	0.0%	35.9%	40.9%	60.8%	57.5%

*In FY 2026, the NLRB did not meet one of the five government-wide goals due to de-obligations and the allocation of spending to requirements that were either covered by existing contracts or exceeded the capabilities of small businesses.

**8(a) is not designated as separate category by the Small Business Administration (SBA) when establishing goals. The NLRB defines our small business goals by further separating this category.

OCFO – Budget Branch

- Partnered with the Division of Administration to provide staffing and spending data for the Congressional Committee on Appropriations.
- Managed the Agency's FY 2026 Continuing Resolutions.
- Formulated the Agency's FY 2026 Operating Plan and received Board Approval.
- Submitted the FY 2027 Congressional Budget Justification on time.
- Developed Status of Funds Reports and provided budget briefings to Agency's Leadership.
- Maintained an Agency Unfunded Requirements List.
- Calculated and worked with IBC to upload the FY 2026 Apportionments in Oracle.
- Distributed OCFO Year-End Closing Guidelines to staff and uploaded the documentation to the SharePoint platform.
- Conducted Mid-Year Budget Review meetings with the program offices.
- Submitted the FY 2028 Budget Request to OMB on time.

OCFO – Finance Branch

- Submitted timely monthly Governmentwide Treasury Account Symbol Adjusted Trial Balance System reports to Treasury's Bureau of the Fiscal Service (BFS), by the FY 2026 reporting window deadlines: December 30, January 21, February 19, March 18, April 17, May 19, June 17, July 20, August 19, September 18 and October 20.
- Submitted timely quarterly Intragovernmental Material Difference Reports to the BFS by the FY 2026 reporting window closing deadlines: February 2, April 29, July 30 and November 23.
- Submitted timely quarterly U.S. Department of the Treasury Report on Receivables to BFS by the FY 2026 deadlines: February 16, April 30, July 31 and November 16.

OCFO – Internal Control, Risk, and Performance Branch

- Executed quantitative and qualitative risk assessments, including a fraud risk assessment, and revised related standard operating procedures for OCFO operations.
- Reviewed and updated FY 2026 OCFO process narratives and flowcharts to ensure key financial internal control documentation was current and accurate.
- Completed the assessment of internal controls and ELCs required by OMB Circular No. A-123 and delivered a Gap Analysis Summary Report.
- Conducted the FMFIA Survey and briefed results and recommendations to the Internal Control Committee.
- Drafted an agency-level Fraud Policy to strengthen the NLRB's fraud risk assessment process and support the implementation of effective internal controls to prevent and mitigate fraud risks.

Performance Measure for Goal 4, Objective 2

Objective 2: Develop appropriate Enterprise Risk Management and Internal Controls to support the Agency's decision-making process.

Goal 4, Objective 2, Measure 1

Measure 1: Reach an ERM maturity level 4 by FY 2030.

- Facilitated the Agency's quarterly Risk Management Council meetings and prepared meeting minutes to keep members informed of ERM accomplishments and actions requiring their attention.
- Updated the Enterprise Risk Management System with risk root causes for all 13 enterprise risks.
- Completed the semi-annual ERM Maturity Level Assessment and refined action plan for advancing the program to level 3 maturity.
- Secured approval of the ERM Risk Profile from the Agency's Chairman and General Counsel.

- Expanded the annual ERM training requirement to include executive leadership (i.e., Senior Executive Service and above).
- Supported OIG ERM Audit requests.

Performance Measure for Goal 4, Objective 3

Objective 3: Serve and honor the public trust by demonstrating ethical leadership and providing employees with ethics support and resources to resolve conflicts of interest.

Goal 4, Objective 3, Measure 1

Measure 1: Meet or exceed 85.0 percent compliance for ethics training, financial disclosure, and advice.

Ethics Office

- Responded to the Office of Government Ethics annual questionnaire.
- Delivered customized ethics briefing to new political appointees and their staff.
- Partnered with OHR to advise new hires and newly appointed supervisors on government ethics responsibilities.
- Developed and distributed Initial Ethics Training and Annual Ethics Training which included reminders about the ethical use of official time and government furnished resources.
- Responded to OCFO requests for information related to ERM tasks.
- Partnered with OCFO to develop a web-based form for tracking travel reimbursement from non-federal sources involving activities such as meetings, training, conferences, and other events where the NLRB employees participate in their official capacity.
- Provided guidance addressing topics such as conflicts of interest, outside employment, seeking employment, gifts, post-employment limitations, and other ethics topics (misuse of position regulations and Hatch Act restrictions, including ethics issues for employees who accepted the Deferred Resignation Program) from all categories of Agency employees.
- Finalized nominee package for submission to the Senate HELP Committee.
- Briefed summer interns on the Agency ethics and how to ensure attorney compliance with the American Bar Association Model Rules.
- Provided one-on-one support to ensure technically accurate financial disclosure reports.
- Issued tailored memoranda explaining recusal obligations to all financial disclosure filers.

- Developed a new series of resources titled "News You Can Use" which provided timely information covering the outside practice of law, unauthorized disclosure, personal networking and social media, and reminders covering the Hatch Act limitation placed on federal employees.
- Provided Annual Ethics Training at the conferences for Regional Directors and Administrative Law Judges.
- Developed online version of the Annual Ethics Training to be assigned to financial disclosure filers and supervisors and managers (who are not filers) in October.

COMPLIANCE ITEM	ACTUAL	GOAL
Initial Ethics Training (Employees completed within 90 days of employment)	100.0%	85.0%
Annual Ethics Training (Employees completed by 12/31/2025)	99.0%	85.0%
Financial Disclosure Reports Office of Government Ethics (OGE) Form 278e and OGE Form 450 (Certified within 60 days)	99.4%	85.0%
Ethics Advice (Closed within 30 days)	95.9%	85.0%

SECTION 3: FINANCIAL SECTION

Protecting Democracy in the Workplace Since 1935

MESSAGE FROM THE CHIEF FINANCIAL OFFICER



November 16, 2026

On behalf of the National Labor Relations Board, I am pleased to present the NLRB's FY 2026 Performance and Accountability Report. This report provides an integrated overview of the Agency's programmatic, administrative, and financial accomplishments during the past year.

The OCFO is responsible for promoting efficiency and effectiveness in the Agency's financial operations. The OCFO ensures the reliability of financial reporting, the transparency of financial data, and compliance with applicable laws and regulations. The principal financial statements and accompanying notes present the NLRB's financial position as of September 30, 2026, and describe how Agency resources were used to achieve performance results.

For FY 2026, I am happy to inform that the NLRB received another unmodified, or "clean," audit opinion. This result reflects the Agency's continued commitment to evaluating and strengthening internal controls in accordance with requirements established by the U.S. Government Accountability Office. It also provides confidence that the Agency's financial and performance data are complete, accurate, and reliable. No significant issues affected the Agency's financial operations or systems during FY 2026.

The NLRB successfully completed its FY 2026 year-end closing process, with approximately $958,451 in unobligated funds, representing 0.3 percent of the total annual appropriation of $294.2 million. In addition to managing the Agency's annual appropriation, the OCFO continued to collaborate with the GSA and the OCIO to support the implementation of the new case management system and provide effective financial management of TMF financing. During the fourth quarter, the OCFO assisted in securing the GSA's final transfer of $7.6 million, bringing the total project investment to $23.2 million. Through strategic planning, the Agency also completed its required TMF repayments, totaling approximately $11.6 million. These accomplishments resulted from coordinated efforts across the Agency, particularly between the OCIO and the OCFO branches of Budget, Finance, Acquisitions Management, and Internal Control, Risk Management, and Performance.

During FY 2026, the OCFO focused on implementing the President's Executive Orders, including reviewing the FAR overhaul. The OCFO also collaborated with and provided timely responses to the OMB and GSA regarding contract-review mandates and various executive orders led by the OMB and the U.S. Department of the Treasury.

In addition, the OCFO continued to lead the Agency's efforts to advance its enterprise risk management program and conduct internal control reviews in accordance with OMB Circular No. A-123. The results of these reviews were summarized in a Gap Analysis report supporting the NLRB's annual SOA. For FY 2026, the internal control reviews identified no significant deficiencies or material weaknesses in the NLRB's internal controls.

I would like to recognize and thank the OCFO staff for their dedication to the NLRB's mission and their diligent efforts to implement new mandates, maintain an unmodified opinion on the Agency's financial statements, and complete the reviews required under OMB Circular No. A-123. Their extensive knowledge of the NLRB programs and processes, along with their continued commitment to providing excellent customer service, has been outstanding.



Isabel Luengo McConnell
Chief Financial Officer

INDEPENDENT AUDITOR'S REPORT

Castro & Company
Auditors ✓ Advisors

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Independent Auditor's Report

To the Inspector General of the National Labor Relations Board

In our audits of the fiscal years 2026 and 2025 financial statements of the National Labor Relations Board (NLRB), we found:

- NLRB's financial statements as of and for the fiscal years ended September 30, 2026, and 2025, are presented fairly, in all material respects, in accordance with U.S. generally accepted accounting principles;
- no material weaknesses in internal control over financial reporting based on the limited procedures we performed; and
- no reportable noncompliance for fiscal year 2026 with provisions of applicable laws, regulations, contracts, and grant agreements we tested.

The following sections discuss in more detail (1) our report on the financial statements, which includes a section on required supplementary information (RSI)[1] and a section on other information included with in the financial statements;[2] (2) our report on internal control over financial reporting; and (3) our report on compliance with laws, regulations, contracts, and grant agreements.

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of the National Labor Relations Board (NLRB), which comprise the balance sheets as of September 30, 2026 and 2025; the related statements of net cost, changes in net position, and budgetary resources for the fiscal years then ended; and the related notes to the financial statements. In our opinion, NLRB's financial statements present fairly, in all material respects, NLRB's financial position as of September 30, 2026, and 2025, and its net cost of operations, changes in net position, and budgetary resources for the fiscal years then ended in accordance with U.S. generally accepted accounting principles.

Basis for Opinion

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

[1] The RSI consists of the Management's Discussion and Analysis.
[2] Other information consists of information included with the financial statements, other than RSI.

Responsibilities of Management for the Financial Statements
Management is responsible for:

- the preparation and fair presentation of the financial statements in accordance with U.S. generally accepted accounting principles;
- preparing, measuring, and presenting the RSI in accordance with U.S. generally accepted accounting principles;
- preparing and presenting of other information included in NLRB's Performance Accountability Report (PAR), and ensuring the consistency of that information with the audited financial statements and RSI; and
- designing, implementing, and maintaining effective internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about NLRB's ability to continue as a going concern for a reasonable period of time.

Auditor's Responsibilities for the Audit of the Financial Statements
Our objectives are to (1) obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and (2) issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit of the financial statements conducted in accordance with GAAS, *Government Auditing Standards*, and OMB Bulletin 24-02 will always detect a material misstatement or a material weakness when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements, including omissions, are considered to be material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to our audit 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 NLRB's internal control over financial reporting. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.

- Perform other procedures we consider necessary in the circumstances.
- Conclude whether, in our judgement, there are conditions, or events, considered in the aggregate, that raise substantial doubt about NLRB's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

U.S. generally accepted accounting principles issued by the Federal Accounting Standards Advisory Board (FASAB) require that the RSI be presented to supplement the financial statements. Such information is the responsibility of management and, although not part of the financial statements, is required under standards issued by FASAB, which considers it to be an essential part of financial reporting for placing the financial statements in an appropriate operational, economic, or historical context.

We have applied certain limited procedures to the RSI in accordance with GAAS. These procedures consisted of (1) inquiring of management about the methods used to prepare the RSI and (2) comparing the RSI for consistency with management's responses to our inquiries, the financial statements, and other knowledge we obtained during the audit of the financial statements, in order to report omissions or material departures from FASAB guidelines, if any, identified by these limited procedures. We did not audit and we do not express an opinion or provide any assurance on the RSI because the limited procedures we applied do not provide sufficient evidence to express an opinion or provide any assurance.

Other Information

NLRB's other information contains a wide range of information, some of which is not directly related to the financial statements. This information is presented for purposes of additional analysis and is not a required part of the financial statements or the RSI. Management is responsible for the other information included in the NLRB's PAR. The other information comprises the following sections: Summary of FY 2026 Financial Statement Audit and Management Assurances, Payment Integrity Information Act of 2019, and Fraud Reduction Act. Other information does not include the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information, and we do not express an opinion or any form of assurance thereon.

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

Other Reporting Required by *Government Auditing Standards*

In connection with our audits of NLRB's financial statements, we considered NLRB's internal control over financial reporting, consistent with our auditor's responsibilities discussed below.

Results of Our Consideration of Internal Control Over Financial Reporting
Our consideration of internal control was for the limited purpose described below and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies or to express an opinion on the effectiveness of NLRB's internal control over financial reporting. Given these limitations, during our fiscal year 2026 audit, we did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses. However, material weakness or significant deficiencies may exist that have not been identified.

Basis for Results of Our Consideration of Internal Control over Financial Reporting
We performed our procedures related to NLRB's internal control over financial reporting in accordance with *Government Auditing Standards* and OMB Bulletin No. 24-02.

Responsibilities of Management for Internal Control over Financial Reporting
NLRB management is responsible for designing, implementing, and maintaining effective internal control over financial reporting relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibilities for the Consideration of Internal Control over Financial Reporting
In planning and performing our audit of NLRB's financial statements as of and for the fiscal year ended September 30, 2026, in accordance with *Government Auditing Standards*, we considered NLRB's internal control relevant to the financial statement audit in order to design audit procedures that are appropriate under the circumstances, but not for the purpose of expressing an opinion on the effectiveness of NLRB's internal control over financial reporting. Accordingly, we do not express an opinion on NLRB's internal control over financial reporting. We are required to report all deficiencies that are considered to be significant deficiencies or material weaknesses. We did not consider all internal controls relevant to operating objectives, such as those controls relevant to preparing performance information and ensuring efficient operations.

Definition and Inherent Limitations of Internal Control over Financial Reporting
An entity's internal control over financial reporting is a process affected by those charged with governance, management, and other personnel. The objectives of internal control over financial reporting are to provide reasonable assurance that

- transactions are properly recorded, processed, and summarized to permit the preparation of financial statements in accordance with U.S. generally accepted accounting principles, and assets are safeguarded against loss from unauthorized acquisition, use, or disposition, and

- transactions are executed in accordance with provisions of applicable laws, including those governing the use of budget authority, regulations, and contracts, noncompliance with which could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent, or detect and correct, misstatements due to fraud or error.

Intended Purpose of Report on Internal Control over Financial Reporting
The purpose of this report is solely to describe the scope of our consideration of NLRB's internal control over financial reporting and the results of our procedures, and not to provide an opinion on the effectiveness of NLRB's internal control over financial reporting. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering internal control over financial reporting. Accordingly, this report on internal control over financial reporting is not suitable for any other purpose.

Report on Compliance and Other Matters

In connection with our audits of NLRB's financial statements, we tested compliance with selected provisions of applicable laws, regulations, contracts, and grant agreements consistent with our auditor's responsibilities discussed below.

Results of Our Tests for Compliance with Laws, Regulations, Contracts, and Grant Agreements
Our tests for compliance with selected provisions of applicable laws, regulations, contracts, and grant agreements disclosed no instances of noncompliance for fiscal year 2026 that would be reportable under *Government Auditing Standards* and OMB Bulletin No. 24-02. However, the objective of our tests was not to provide an opinion on compliance with laws, regulations, contracts, and grant agreements applicable to NLRB. Accordingly, we do not express such an opinion.

Basis for Results of Our Tests for Compliance with Laws, Regulations, Contracts, and Grant Agreements
We performed our tests of compliance in accordance with *Government Auditing Standards* and OMB Bulletin No. 24-02.

Responsibilities of Management for Compliance with Laws, Regulations, Contracts, and Grant Agreements
NLRB management is responsible for complying with laws, regulations, contracts, and grant agreements applicable to the NLRB.

Auditor's Responsibilities for Tests of Compliance with Laws, Regulations, Contracts, and Grant Agreements
Our responsibility is to test compliance with selected provisions of laws, regulations, contracts, and grant agreements applicable to NLRB that have a direct effect on the determination of material amounts and disclosures in NLRB's financial statements, and to perform certain other limited procedures. Accordingly, we did not test compliance with all laws, regulations, contracts, and grant

agreements applicable to NLRB. We caution that noncompliance may occur and not be detected by these tests.

Intended Purpose of Report on Compliance with Laws, Regulations, Contracts, and Grant Agreements

The purpose of this report is solely to describe the scope of our testing of compliance with selected provisions of applicable laws, regulations, contracts, and grant agreements, and the results of that testing, and not to provide an opinion on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards*. Accordingly, this report on compliance with laws, regulations, contracts, and grant agreements is not suitable for any other purpose.

Castro & Company, LLC

Alexandria, VA
November 12, 2026

NLRB RESPONSE TO THE AUDIT REPORT

United States Government

NATIONAL LABOR RELATIONS BOARD
1015 Half Street, SE
WASHINGTON DC 20570
www.nlrb.gov

To: Ruth Blevins, Inspector General

From: Isabel Luengo McConnell, Chief Financial Officer

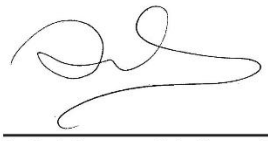
Date: November 13, 2026

Subject: Response to the Audit of the National Labor Relations Board Fiscal Year (FY) 2026 Financial Statements

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During the FY 2026 Financial Statements audit, the National Labor Relations Board (NLRB) received an unmodified audit opinion on its financial statements. This opinion indicates that the auditors concluded that the NLRB's Financial Statements present fairly, in all material respects, the Financial Position of the NLRB as of September 30, 2026. The Office of the Chief Financial Officer (OCFO) remains focused on further strengthening the Agency's internal controls processes.

The OCFO will continue to provide support and guidance for the NLRB's programs and initiatives, helping ensure that the Agency fulfills its mission effectively and efficiently while delivering the best possible value to the American people.



Isabel Luengo McConnell

FINANCIAL STATEMENTS

Balance Sheets

National Labor Relations Board

As of September 30, 2026 and 2025

(In Dollars)	2026	2025
Assets		
Intragovernmental Assets		
Fund Balance with Treasury (Note 3)	$ 71,703,890	$ 53,442,527
Advances and Prepayments	68,511	420,326
Total Intragovernmental Assets	71,772,401	53,862,853
Other than Intragovernmental Assets		
Accounts Receivable, Net (Note 4)	491,018	490,394
Property, Plant, and Equipment, Net (Note 5)	24,454,228	16,057,316
Advances and Prepayments	41,012	44,211
Total Other than Intragovernmental Assets	24,986,258	16,591,921
Total Assets (Note 2)	$ 96,758,659	$ 70,454,774
Liabilities		
Intragovernmental Liabilities		
Accounts Payable	$ 3,420,011	$ 3,161,407
Liability to the General Fund of the U.S. Government for Custodial and Other Non-Entity Assets	417,764	420,514
Benefit Contributions Payable	1,630,053	1,454,806
FECA Unfunded Liability (Note 6)	-	11,187
Other Liabilities - Technology Modernization Fund (Note 7)	-	6,264,070
Total Intragovernmental Liabilities	$ 5,467,828	$ 11,311,984
Other than Intragovernmental Liabilities		
Accounts Payable	$ 5,139,519	$ 3,830,090
Accrued Funded Payroll & Leave and Payroll Taxes Payable	5,483,765	5,274,085
Federal Employee Salary, Leave and Benefits Payable	256,414	209,631
Unfunded Annual Leave (Note 6)	14,929,805	15,429,304
FECA Actuarial Liability (Note 6)	30,834	155,127
Total Other than Intragovernmental Liabilities	25,840,337	24,898,237
Total Liabilities	$ 31,308,165	$ 36,210,221

Commitments and Contingencies (Note 15)

Net Position		
Unexpended Appropriations		
Funds from Other than Dedicated Collections	$ 44,284,752	$ 32,065,466
Total Unexpended Appropriations (Consolidated)	44,284,752	32,065,466
Cumulative Results of Operations		
Funds from Other than Dedicated Collections	21,165,742	2,179,087
Total Cumulative Results of Operations (Consolidated)	21,165,742	2,179,087
Total Net Position	$ 65,450,494	$ 34,244,553
Total Liabilities and Net Position	$ 96,758,659	$ 70,454,774

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

Statements of Net Cost

National Labor Relations Board

For the Fiscal Years Ended September 30, 2026 and 2025

(In Dollars)

	2026	2025
Gross Program Cost (Note 8)		
Resolve Unfair Labor Practice Cases		
Net Program Cost	$ 252,795,753	$ 287,421,905
Resolve Representation Cases		
Net Program Cost	33,204,647	40,049,788
Net Program Costs	$ 286,000,400	$ 327,471,693
Less: Earned Revenue	(101,730)	-
Net Cost of Operations	$ 285,898,670	$ 327,471,693

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

Statements of Changes in Net Position

National Labor Relations Board

For the Fiscal Years Ended September 30, 2026 and 2025
(In Dollars)

	2026	2025
Unexpended Appropriations		
Beginning Balance	$ 32,082,820	$ 39,052,991
Appropriations Received	$ 294,224,000	$ 299,224,000
Appropriations Transferred In/Out	3,783,250	4,202,500
Other Adjustments	(1,095,359)	(401,094)
Appropriations Used	(284,709,959)	(310,012,931)
Net Change in Unexpended Appropriations	$ 12,201,932	$ (6,987,525)
Total Unexpended Appropriations	$ 44,284,752	$ 32,065,466
Cumulative Results of Operations		
Beginning Balance	$ 2,161,734	$ (4,184,328)
Appropriations Used	$ 284,709,959	$ 310,012,931
Imputed Financing (Note 10)	20,192,719	23,822,177
Net Cost of Operations	(285,898,670)	(327,471,693)
Net Change in Cumulative Results of Operations	$ 19,004,008	$ 6,363,415
Total Cumulative Results of Operations	$ 21,165,742	$ 2,179,087
Net Position	$ 65,450,494	$ 34,244,553

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

Statements of Budgetary Resources

National Labor Relations Board

For the Fiscal Years Ended September 30, 2026 and 2025
(In Dollars)

	2026	2025
Budgetary Resources		
Unobligated Balance from Prior Year Budget Authority, Net (Discretionary and Mandatory)	$ 17,568,309	$ 16,200,867
Appropriations (Discretionary and Mandatory)	294,224,000	299,224,000
Spending Authority from Offsetting Collections (Discretionary and Mandatory)	101,730	-
Total Budgetary Resources (Note 11)	$ 311,894,039	$ 315,424,867
Status of Budgetary Resources		
New Obligations and Upward Adjustments (Total)	$ 300,868,918	$ 306,857,241
Unobligated Balance, End of Year		
Apportioned, Unexpired Accounts	8,673,143	6,883,949
Unexpired Unobligated Balance, End of Year	8,673,143	6,883,949
Expired Unobligated Balance, End of Year	2,351,978	1,683,677
Unobligated Balance, End of Year (Total)	11,025,121	8,567,626
Total Budgetary Resources	$ 311,894,039	$ 315,424,867
Outlays, Net		
Outlays, Net (Total) (Discretionary and Mandatory)	$ 282,433,778	$ 309,091,722
Distributed Offsetting Receipts (-)	(640,484)	-
Agency Outlays, Net (Discretionary and Mandatory)	$ 281,793,294	$ 309,091,722

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

NOTES TO THE FINANCIAL STATEMENTS

Note 1. Reporting Entity and Summary of Significant Accounting Policies

A. Reporting Entity

The NLRB is an independent federal agency established in 1935 to administer the Act. The Act 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; but 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 by either an employer, a union, or both. The NLRB's authority is divided both by law and delegation. The five-member Board primarily acts as a quasi-judicial body in deciding cases on formal records. The General Counsel investigates and prosecutes ULPs before ALJs, 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.

The NLRB is a component of the U.S Government. For this reason, some of the assets and liabilities reported by the NLRB may be eliminated for Government-wide reporting because they are offset by assets and liabilities of another U.S. Government entity. These financial statements should be read with the realization that they are for a component of the U.S. Government.

B. Accounting Policies

The accompanying financial statements have been prepared to report on 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 the GAAP and the accounting standards issued by the FASAB in the format prescribed by the OMB Circular A-136, *Financial Reporting Requirements*. The U.S. GAAP for federal entities are the standards prescribed by the FASAB, which is the official standard-setting body for the federal government.

The NLRB is in compliance with the applicable accounting principles and standards established, issued, and implemented by the FASAB, which is recognized by the American Institute of Certified Public Accountants as the entity to establish the U.S. GAAP for the federal government. The NLRB's financial statements reflect both the accrual and budgetary basis of accounting. Under the accrual method of accounting, revenues are recognized when earned and expenses are recognized as incurred, without

regard to receipt or payment of cash. Budgetary accounting is essential for compliance with legal constraints and controls over the use of federal funds. Budgetary accounting principles are designed to recognize the obligation of funds according to legal requirements.

The Balance Sheet presents the Agency's assets and liabilities, and the difference between the two is the Agency's net position. The Agency's assets include both entity assets, those which are available for use by the Agency, and non-entity assets, which are managed by the Agency but not available for use in its operations. The Agency's liabilities include both those covered by budgetary resources (funded) and those not covered by budgetary resources (unfunded). A note disclosure provides information about the Agency's fiduciary activities. Fiduciary cash and other assets are not assets of the federal government.

The Statement of Net Cost (SNC) shows the net cost of operations, as well as program level gross and net costs. The SNC reflects costs for the following:

ULP Cases (C Cases) – initiated by charges alleging violations of the NLRA by either organizations or individuals. If the NLRB Regional Office finds merit in a charge and no settlement is reached, it issues and prosecutes a complaint. Unresolved complaints are tried before an ALJ, whose decision can be appealed to the Board, which decides cases based on formal trial records and established law.

Representation Cases (R Cases) – initiated when a petition is filed for a union representation election. The NLRB investigates these petitions and may hold a hearing to determine if an appropriate bargaining unit exists under the NLRA.

All cases are assigned unique tracking numbers, with the letter "C" designating ULP cases, and the letter "R" designating Representation cases and their percentage drives financial reporting. See the chart below for case filing percentages for FY 2026 and FY 2025 through September 30.

Case Type	2026	2025
C Cases (Unfair Labor Practice Cases)	88.0%	88.0%
R Cases (Representation Cases)	12.0%	12.0%
Total	100.0%	100.0%

The Statement of Changes in Net Position (SCNP) reports the change in net position, which results from changes in Unexpended Appropriations and Cumulative Results of Operations. The SCNP includes beginning balances, budgetary and other financing sources, and net cost of operations, to arrive at ending balances.

The Statement of Budgetary Resources (SBR) provides information on budgetary resources, their availability, and status of budgetary resources, in accordance with OMB Circular A-11, Preparation, Submission, and Execution of the Budget.

C. Fund Balance with the Treasury

The FBWT is an asset for the NLRB and a liability for the General Fund. While these amounts reflect the Government's commitment to fund specific programs, they are not assets to the Government overall. When the NLRB uses the FBWT to pay obligations, the U.S. Treasury finances the payments through receipts, other inflows, or public borrowing if there is a deficit.

The NLRB does not hold cash in commercial banks; the U.S. Treasury manages all cash receipts and payments. Funds at the Treasury include appropriated and deposited amounts for current liabilities and authorized purchases. Escrow funds held at the Treasury are fiduciary, not federal assets, and are not shown on the Balance Sheet.

D. Revenue and Other Financing Sources

As a component of the Government-wide reporting entity, the NLRB is subject to the Federal budget process, which involves appropriations that are provided annually and appropriations that are provided on a permanent basis. The financial transactions that are supported by budgetary resources, which include appropriations, are generally the same transactions reflected in the NLRB and the Government-wide financial reports.

The NLRB's budgetary resources reflect past congressional action and enable the NLRB to incur budgetary obligations, but they do not reflect assets to the Government as a whole. Budgetary obligations are legal obligations for goods, services, or amounts to be paid based on statutory provisions such as Social Security benefits.

E. Budgetary Terms

The purpose of Federal budgetary accounting is to control, monitor, and report on funds made available to Federal agencies by law and help ensure compliance with the law.

The NLRB receives funding each year through congressional appropriations, allowing it to use U.S. Treasury funds for its operating expenses. For salaries and expenses, the NLRB's budget authority covers only a single year, and any unused funds expire at year-end. At the end of the fifth year following the year of execution, all amounts not expended are canceled and returned to the U.S. Treasury. The NLRB also has no-year budget authority for the TMF, which is available until expended and does not expire at the end of the fiscal year. Additionally, all revenue received from other sources must be returned to the U.S. Treasury.

The following budget terms are commonly used from OMB Circular A-11, *Preparation, Submission and Execution of the Budget* (Section 20.3): https://www.whitehouse.gov/omb/information-resources/

- *Appropriation* - a provision of law (not necessarily in an appropriations act) authorizing the expenditure of funds for a given purpose. Usually, but not always, an appropriation provides budget authority.

- *Budgetary resources* - amounts available to incur obligations in a given year. Budgetary resources consist of new budget authority and unobligated balances of budget authority provided in previous years.
- *Offsetting collections* - payments to the Government that, by law, are credited directly to expenditure accounts and deducted from gross budget authority and outlays of the expenditure account, rather than added to receipts. Usually, offsetting collections are authorized to be spent for the purposes of the account without further action by Congress. They usually result from business-like transactions with the public, including payments from the public in exchange for goods and services, reimbursements for damages, and gifts or donations of money to the Government and from intragovernmental transactions with other Government accounts. The authority to spend offsetting collections is a form of budget authority.
- *Offsetting receipts* - payments to the Government that are credited to offsetting receipt accounts and deducted from gross budget authority and outlays, rather than added to receipts. Usually, they are deducted at the level of the agency and subfunction, but in some cases they are deducted at the level of the Government as a whole. They are not authorized to be credited to expenditure accounts. The legislation that authorizes the offsetting receipts may earmark them for a specific purpose and either appropriate them for expenditure for that purpose or require them to be appropriated in annual appropriations acts before they can be spent. Like offsetting collections, they usually result from business-like transactions with the public, including payments from the public in exchange for goods and services, reimbursements for damages, and gifts or donations of money to the Government, and from intragovernmental transactions with other Government accounts.
- *Obligation* - a binding agreement that will result in outlays, immediately or in the future. Budgetary resources must be available before obligations can be incurred legally.
- *Outlay* - a payment to liquidate an obligation (other than the repayment of debt principal or other disbursements that are "means of financing" transactions). Outlays generally are equal to cash disbursements but also are recorded for cash-equivalent transactions, such as the issuance of debentures to pay insurance claims, and in a few cases are recorded on an accrual basis such as interest on public issues of the public debt. Outlays are the measure of Government spending.

For further information about the budget terms and concepts, see the "Budget Concepts" chapter of the *Analytical Perspectives* volume of the President's Budget: https://www.whitehouse.gov/omb/information-resources/budget/analytical-perspectives/

F. Classified Activities

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

G. Property, Plant and Equipment, Net

Property, plant and equipment consist of bulk purchases, computer hardware and software, and leasehold improvements.

Personal Property

Personal property costing $15,000 or more per unit is capitalized at cost and depreciated using the straight-line method over the useful life. Bulk purchases of large quantities of property that would otherwise fall under the individual capitalization threshold are capitalized if the total purchase is $100,000 or more. 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. There are no restrictions on the use or convertibility of PP&E.

Real Property

Real property consists of leasehold improvements on the GSA leased space which cost $100,000 or more. Leasehold improvements are recorded as construction in progress until the Agency has beneficial occupancy of the space, and then the costs are moved to the Leasehold Improvements account for amortization over the remaining life of the lease.

Internal Use Software

Internal use software includes purchased COTS, contractor-developed software, and software that was internally developed by Agency employees. IUS is capitalized at cost if the development 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. The standard useful life for IUS has been established as three years, to accurately match expenses with the period in which the benefits are received from the software. The NLRB uses the straight-line method of amortization.

Internal Use Software in Development

Internal Use Software in Development is software that is being developed but has not yet been put into production. At the time the software is moved into production, the costs will be moved into the IUS account and amortized accordingly.

H. Liabilities

Liabilities represent amounts that are likely to be paid by the NLRB as the result of transactions or events that have already occurred; however, no liabilities are paid by the NLRB without an appropriation. Liabilities must be recognized when they are incurred regardless of whether they are covered by available budgetary resources, including liabilities related to canceled appropriations. Liabilities of the NLRB arising from other

than contracts can be abrogated by the government, acting in its sovereign capacity. Intragovernmental liabilities arise from transactions with other federal entities.

Accounts Payable

Accounts payable represent amounts due to federal and non-federal entities for goods and services received by the NLRB that have not been paid at the end of the accounting period.

Accrued Payroll

Accrued payroll represents employee compensation earned but unpaid at quarter-end. The liability is estimated for reporting purposes based on historical pay information.

I. Liabilities Not Covered by Budgetary Resources

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. These liabilities require future budgetary resources and include unfunded annual leave, Federal Employees' Compensation Act (FECA), reimbursable and actuarial liabilities; unfunded unemployment compensation; and other liabilities.

Unfunded Leave

Annual and other vested compensatory leave is accrued as it is earned and reduced when taken. Unused annual leave at quarter-end is recorded as a liability and adjusted to reflect current pay rates and balances. If current or prior-year funds are unavailable to pay for earned but unused annual leave, future funding sources will be used. Sick leave and other non-vested leave are expensed as used, with no accrual for unused sick leave, per federal requirements.

Unfunded Federal Employees' Compensation Act

FECA provides income and medical cost protection to federal employees injured or affected by job-related health issues; and to beneficiaries of employees whose deaths are attributable to job-related injuries or occupational diseases. The Department of Labor (DOL) administers the program, pays valid claims, and seeks reimbursement from the NLRB.

FECA liabilities include: (1) actual claims paid by DOL but not yet reimbursed by NLRB, usually with a two to three-year delay; and (2) estimated future benefit payments for past events, calculated annually by the NLRB using historical patterns.

The NLRB estimates FECA liability using DOL's methodology, which extrapolates from actual benefit payments over the last 12 quarters. Average annual payments for compensation and medical benefits are multiplied by program-wide ratios from the past three years to determine the estimated liability.

Unfunded Unemployment

The NLRB's unemployment programs offer benefits to eligible workers who lose their jobs through no fault of their own and meet specific requirements. The Unemployment Compensation for Federal Employees program supports former civilian federal employees who qualify. The NLRB records a liability for unemployment costs that have been incurred but not yet billed at the end of the quarter, as determined by the Department of Labor, and which are not covered by current funding.

J. Commitments and Contingencies

Commitments are binding agreements that may result in future spending but are not reported on the Balance Sheet. Loss contingencies involve uncertainty regarding potential losses and are resolved by future events. Contingent liabilities are recorded when a past event has occurred and a future outflow of resources is probable and measurable. If the future payment is reasonably possible but not probable, the contingency is disclosed but not recorded.

The NLRB records material contingent liabilities for claims and legal actions reviewed by legal counsel. Some payments may come from the U.S. Treasury's Judgment Fund. Management and legal counsel believe resolving these matters will not significantly affect the NLRB's financial position or operations.

K. Life Insurance and Retirement Plans

Federal Employees' Group Life Insurance (FEGLI) Program

The NLRB employees can participate in the FEGLI program, which offers basic term life insurance. Employees pay two-thirds of the cost, and the NLRB pays one-third. Optional additional coverage is available and is fully paid by the employee. Basic coverage may continue into retirement if certain requirements are met. The OPM runs the program and handles liability reporting. OPM calculates the government's cost for the post-retirement portion of basic coverage each year. Since the NLRB's contributions cover only the pre-retirement portion, the NLRB records the post-retirement cost as an imputed cost and financing source.

Retirement Programs

Civil Service Retirement System and Federal Employees' Retirement System

The NLRB employees participate in either the CSRS, which is a defined benefit plan, or FERS, which combines defined benefit and defined contribution elements. Congress established FERS in 1986, making it effective on January 1, 1987, under Public Law 99-335. Since then, newly hired federal civilian employees with retirement coverage have been enrolled in FERS. Employees hired before January 1, 1984, had the option to join FERS and Social Security or remain in CSRS. Employees covered under CSRS do not pay Social Security taxes and are not eligible to accrue Social Security benefits for wages covered by CSRS. The NLRB makes a matching contribution equal to 7.0 percent of pay for employees in CSRS.

FERS Benefits Structure

FERS provides retirement benefits from three distinct sources: the Basic Benefit Plan, Social Security, and the TSP. Of these benefits, Social Security and the TSP can be retained by employees if they leave federal service prior to retirement. Both the Basic Benefit and Social Security portions require employees to contribute their share every pay period, with the NLRB withholding these costs as payroll deductions. After retirement, the federal government pays monthly annuitant payments for the remainder of the retiree's life.

Reporting Responsibilities and Imputed Costs

OPM handles government-wide reporting of assets, plan benefits, and unfunded liabilities for CSRS and FERS employees, including those at the NLRB. The NLRB records imputed costs and financing to account for differences between estimated service costs and actual contributions.

The NLRB does not report CSRS and FERS assets, benefits, or liabilities for its employees in its financial statements; OPM is responsible for this. Any CSRS costs not paid by the NLRB are recorded as imputed financing, following SFFAS 4, *Managerial Cost Accounting Standards and Concepts* for the federal government.

Liabilities for Retired Employees

Liabilities for future pension payments and other payments for retired employees participating in the Federal Employees Health Benefits and FEGLI programs are reported by OPM, not by the NLRB.

Cost Recognition and Actuarial Calculations

SFFAS 4, *Managerial Cost Accounting Standards and Concepts,* requires employing agencies to recognize the cost of pensions and other retirement benefits during the employees' active service years. OPM actuaries calculate pension cost factors based on the value of benefits expected to be paid in the future and provide these factors to the Agency for current period expense reporting. OPM also provides information regarding the full cost of health and life insurance benefits.

L. Leases

SFFAS 54, *Leases*, updated the federal reporting standards for lease accounting. The NLRB's leases include intragovernmental and short-term leases where the NLRB is the lessee. Lease payments are recognized as expenses according to contract terms and standards for accounts payable. The NLRB leases cover both real property (such as Headquarters and Regional Offices, leased through GSA) and personal property (such as copiers, mailing systems, vehicles, and security machines). The NLRB is not a legal party to building leases, does not record GSA-owned properties as assets, and pays GSA rates similar to commercial rents. For more details, see Note 9.

M. Net Position

Net position is composed of unexpended appropriations and cumulative results of operations.

Unexpended Appropriations includes the portion of the NLRB's appropriations represented by undelivered orders and unobligated balances. Unexpended appropriations on the Balance Sheet should equal unexpended appropriations on the SCNP. The NLRB does not have unexpended appropriations attributable to funds from dedicated collections.

Cumulative Results of Operations represent the net results of operations since inception plus the cumulative amount of prior-period adjustments. The cumulative results of operations on the Balance Sheet should equal the cumulative results of operations on the SCNP. The NLRB does not have cumulative results of operations attributable to funds from dedicated collections.

Reconciliation of Beginning and Ending Balances

The beginning balances for FY 2026 did not align with the ending balances for FY 2025: unexpended appropriations were $32,082,820 at the start of FY 2026 compared to $32,065,466 at the end of FY 2025, and cumulative results of operations were $2,161,734 at the start of FY 2026 versus $2,179,087 at the end of FY 2025. This $17,354 difference was caused by a mass allocation related to post-closing of the FY 2020 canceled fund. The NLRB determined the difference was immaterial and did not adjust the FY 2026 beginning balances.

N. Use of Management Estimates

The preparation of financial statements in accordance with U.S. GAAP requires management to use reasonable estimates and make certain assumptions, as well as exercise judgment. These estimates and judgments directly affect the amounts reported for assets, liabilities, net position, and disclosures in the financial statements. They also influence the reported amounts of financing sources, expenses, and obligations. Since these estimates are based on the information available at the time the financial statements are prepared, actual results may differ from previously estimated. If there are changes in estimates, they are recorded when they become known. The notes to the financial statements provide explanations about how changes in assumptions can impact on the reported information.

O. Tax Status

As an independent agency within the Executive Branch, the NLRB is a federal government entity. Therefore, it does not pay federal, state, or local income taxes, and no income tax expense or liability is reported in its financial statements.

P. Subsequent Events

Subsequent events and transactions occurring after fiscal year-end through the date of the auditor's opinion have been evaluated for potential recognition of disclosure in the financial statements. The date of the auditor's opinion also represents the date that the financial statements were available to be issued.

Note 2. Non-entity Assets

Non-entity assets are assets held by an entity that are not available to the entity for obligation. The NLRB's non-entity assets consist primarily of miscellaneous receipts such as court fines and fees collected for the Freedom of Information Act requests, collection of receivables from canceled accounts, and all other recoveries and refunds that must be transferred to the U.S. Treasury at the end of each fiscal year.

Entity Assets are assets that the reporting entity has the authority to use in its operations. Management may have the authority to decide how funds are used, or it may be legally obligated to use the funds in a certain way.

The composition of non-entity assets as of September 30, 2026, and 2025, is as follows:

(In Dollars)		
Intragovernmental Assets:		
Fund Balance with Treasury	$ -	$ -
Total Intragovernmental Assets	-	-
Other than Intragovernmental Assets:		
Accounts Receivable, Net	417,764	420,514
Total Other than Intragovernmental Assets	417,764	420,514
Total Non-Entity Assets	417,764	420,514
Total Entity Assets	96,340,895	70,034,260
Total Assets	$ 96,758,659	$ 70,454,774

Note 3. Fund Balance with Treasury

The U.S. Treasury performs cash management activities for all federal agencies. The NLRB's FBWT represents the right of the NLRB to draw down funds from the U.S. Treasury for authorized expenses and liability payments. The status of FBWT as of September 30, 2026, and 2025 consists of the following:

(In Dollars)	2026	2025
Status of Fund Balance with Treasury		
Unobligated Balance	$ 11,025,121	$ 8,567,626
Obligated Balance not yet Disbursed	60,678,769	44,874,901
Non-Budgetary Fund Balance with Treasury	-	-
Total Fund Balance with Treasury	$ 71,703,890	$ 53,442,527

The status of FBWT may be classified as unobligated or obligated. Unobligated funds, depending on budget authority, are generally available for new obligations in the current year of operations. Unavailable unobligated balances are not available to fund new obligations because they are expired. 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 FBWT do not agree with obligated and unobligated balances reported on the Statement of Budgetary Resources because the FBWT includes items for which budgetary resources are not recorded, such as deposit funds and miscellaneous receipts (non-entity).

In FY 2026, the NLRB received a $7.6 million transfer from the GSA TMF, compared with an $8.4 million transfer in FY 2025.

Note 4. Accounts Receivable, Net

The NLRB's accounts receivable includes employee payroll-related debts and amounts due from third-party (non-federal sources), including invitational travel receivables. The allowance for doubtful accounts is determined based on age of the receivables, historical collection experience, and an analysis of outstanding accounts. As of September 30, 2026, and 2025, the NLRB reported accounts receivable, net totaling $491,018 and $490,394, respectively.

(In Dollars)	2026	2025
Intragovernmental		
Accounts Receivable	$ -	$ -
Other than Intragovernmental		
Accounts Receivable	499,157	498,158
Total Accounts Receivable	499,157	498,158
Allowance for Doubtful Accounts	(8,139)	(7,764)
Accounts Receivable, Net	$ 491,018	$ 490,394

Note 5. Property, Plant, and Equipment, Net

Property, plant, and equipment consist of property that is used in operations and consumed over time. The table below summarizes the cost and accumulated depreciation for general property, plant, and equipment as of September 30, 2026, and 2025.

2026 (In Dollars)	Asset Cost	Accumulated Depreciation / Amortization	Net Asset Value
Construction In Progress	$ 5,840,409	$ -	$ 5,840,409
Equipment	3,712,339	3,683,297	29,042
Leasehold Improvements	21,754,914	8,906,352	12,848,562
Internal Use Software	45,060,728	45,060,728	-
Internal Use Software in Development	5,736,215	-	5,736,215
Total Property, Plant and Equipment	$ 82,104,605	$ 57,650,377	$ 24,454,228

2025 (In Dollars)	Asset Cost	Accumulated Depreciation / Amortization	Net Asset Value
Construction In Progress	$ 5,837,764	$ -	$ 5,837,764
Equipment	3,712,339	3,658,246	54,093
Leasehold Improvements	17,643,749	7,478,290	10,165,459
Internal Use Software	45,060,728	45,060,728	-
Total Property, Plant and Equipment	$ 72,254,580	$ 56,197,264	$ 16,057,316

Note 6. Liabilities Not Covered by Budgetary Resources

Liabilities are classified as liabilities covered by budgetary resources, liabilities not covered by budgetary resources, and liabilities not requiring budgetary resources. Liabilities not covered by budgetary resources require future congressional action whereas liabilities covered by budgetary resources reflect prior congressional action. The NLRB's liabilities not covered by budgetary resources represent amounts owed in excess of available appropriated funds or other amounts.

The composition of liabilities not covered by budgetary resources as of September 30, 2026, and 2025, is as follows:

(In Dollars)	2026	2025
Intragovernmental Liabilities		
FECA Unfunded Liability	$ -	$ 11,187
Other Liabilities - Technology Modernization Fund	-	6,264,070
Total Intragovernmental Liabilities	-	6,275,257
Other than Intragovernmental Liabilities		
FECA Actuarial Liability	30,834	155,127
Unfunded Annual Leave	14,929,805	15,429,304
Total Other than Intragovernmental Liabilities	14,960,639	15,584,431
Total Liabilities Not Covered by Budgetary Resources	14,960,639	21,859,688
Total Liabilities Covered by Budgetary Resources	15,929,762	14,350,533
Total Liabilities Not Requiring Budgetary Resources	417,764	-
Total Liabilities	$ 31,308,165	$ 36,210,221

Note 7. Other Liabilities - Technology Modernization Fund

The TMF was established to improve information technology and to enhance cybersecurity across the Federal Government. The GSA transferred funds from the TMF to the NLRB's no-year fund. As legislation requires, the NLRB recorded a portion of the transferred funds as a liability payable to GSA's TMF. As of September 30, 2026, the NLRB had repaid GSA the full amount of $11,598,900 and had no remaining TMF-related liabilities.

Note 8. Intragovernmental Costs and Exchange Revenue

Intragovernmental costs refer to transactions where both the buyer and seller are federal agencies. Earned revenue represents reimbursements received from other federal entities. The NLRB is authorized to provide ALJ services to other federal agencies. The NLRB does not generate exchange revenue from transactions with the public.

(In Dollars)	2026	2025
Resolve Unfair Labor Practice Cases		
Intragovernmental Costs	$ 82,330,821	$ 102,167,867
Costs with the Public	170,464,932	185,254,038
Total Net Cost – Resolve Unfair Labor Practice Cases	252,795,753	287,421,905
Resolve Representation Cases		
Intragovernmental Costs	10,814,129	14,236,220
Costs with the Public	22,390,518	25,813,568
Total Net Cost – Resolve Representation Cases	33,204,647	40,049,788
Less: Earned Revenue	(101,730)	-
Net Cost of Operations	$ 285,898,670	$ 327,471,693

Note 9. Leases

GSA Real Property - The NLRB facilities are rented from GSA, which establishes rental charges designed to approximate commercial rates. The terms of the NLRB's occupancy agreements with GSA vary depending on whether GSA owns the property or leases it from a private company. These agreements specify the conditions under which the NLRB will occupy the space for an extended period and include notification requirements. Specifically, the NLRB must give GSA between 120 and 180 days' notice if it intends to release any space.

For the period ending September 30, 2026, the NLRB paid $7,502,425 for agency-leased space and $3,327,219 for agency building security. For FY 2025, lease costs were $20,979,055 and building security costs were $2,746,404. The table below represents the estimated future payments for operating leases, including federally owned leases, for FY 2027 through FY 2031.

Future Space Lease Payments

Fiscal Year		GSA Real Property Cost (In Dollars)
2027	$	16,036,488
2028		19,774,488
2029		20,763,212
2030		21,801,373
2031		22,891,442
After 5 Years		24,036,014
Total	$	125,303,017

GSA Fleet - The NLRB operates 10 vehicles used for official business throughout the United States. For the period ending September 30, 2026, the fleet vehicle expenses totaled $57,427. For FY 2025, the cost was $44,484. The table below represents the estimated future lease payments associated with these vehicles.

Future Fleet Lease Payments

Fiscal Year		GSA Fleet Cost (In Dollars)
2027	$	47,250
2028		49,612
2029		52,093
2030		54,698
2031		57,433
After 5 Years		60,304
Total	$	321,390

Commercial Copiers - The commercial copier rental expense represents lease contracts for copy machines used at both the NLRB Headquarters and Field Offices. For the period ending September 30, 2026, the commercial copier cost was $128,059. For FY 2025, the commercial copier expense was $125,629. The table below represents the estimated future lease payments associated with these copiers.

Future Copier Lease Payments

Fiscal Year		Copier Lease Cost (In Dollars)
2027	$	132,960
2028		132,960
2029		132,960
2030		132,960
2031		-
After 5 Years		-
Total	$	531,840

Digital Mailing System - The digital mailing system expense covers lease contracts for mailing systems and postage meters at the NLRB Headquarters and Field Offices. For the period ending September 30, 2026, the cost of the digital mailing system was $196,633. During FY 2025, the expense totaled $280,245. The table below represents the estimated future lease payments associated with the Agency's digital mailing system.

Future Digital Mailing Lease Payments

Fiscal Year		Digital Mailing Lease Cost (In Dollars)
2027	$	115,317
2028		121,083
2029		127,137
2030		133,493
2031		140,168
After 5 Years		147,176
Total	$	784,374

Security Screening Machines - The security screening machines expense represents payments on lease contracts for x-ray machines placed at the NLRB Headquarters and Field Offices. For the period ending September 30, 2026, the cost for these machines was $25,262. During FY 2025, the expense totaled $14,051. The table below represents the estimated future lease payments associated with these security screening machines.

Future Security Screening Machine Payments

Fiscal Year		Security Screening Machine Lease Cost (In Dollars)
2027	$	21,244
2028		21,244
2029		21,243
2030		21,243
2031		-
After 5 Years		-
Total	$	84,974

Note 10. Inter-Entity Costs

Federal agencies sometimes receive goods and services from other federal entities either at no cost or at a reduced cost. When the providing agency is not fully reimbursed, accounting standards require the unreimbursed portion to be recorded as an "imputed cost" on the Statement of Net Cost. At the same time, an equal amount is added as "imputed revenue" on the Statement of Changes in Net Position to keep the accounts balanced. Most of these imputed costs and revenues relate to employee benefits, such as pensions and health insurance. If the unreimbursed goods and services are not related to employee benefits, they are excluded from the financial statements.

The OPM handles pensions and other retirement benefits for federal employees, paying these on behalf of agencies. OPM provides rates so agencies can estimate and record the cost of these benefits. These amounts show up as imputed financing in government-wide consolidated financial statements. For the NLRB, the costs paid or expected to be paid by other agencies as of September 30, 2026, and 2025 are summarized in the following table:

(In Dollars)	2026	2025
Office of Personnel Management		
Pension Expenses	$ 7,684,531	$ 10,410,365
Federal Employees Health Benefits	12,481,666	13,385,235
Federal Employees Group Life Insurance Program	26,522	26,577
Total Imputed Financing Costs	$ 20,192,719	$ 23,822,177

Note 11. Statement of Budgetary Resources

The NLRB's total budgetary resources were $311,894,039 as of September 30, 2026, and $315,424,867 as of September 30, 2025. These amounts include both new budget authority (funds appropriated for the current year) and any unobligated balances carried forward from prior years. The NLRB received appropriations totaling $294,224,000 as of September 30, 2026, and $299,224,000 as of September 30, 2025. The unobligated balance funds not yet committed to specific obligation were $11,025,121 on September 30, 2026, and $8,567,626 on September 30, 2025.

Reconciliation of Prior-Year Unobligated Balance, End of Year to Current-Year Unobligated Balance from Prior-Year Budget Authority, Net

Description		Amount
Prior Year's Unobligated Balance, End of Year	$	8,567,626
Adjustments		
Recoveries of Prior Year Obligations		2,529,541
Cancelled Appropriations		(1,095,358)
Transfers In/Out		7,566,500
Other Material Adjustments		-
Total Adjustments		9,000,683
Unobligated Balance from Prior Year Budget Authority, Net	$	17,568,309

The reconciliation table above discloses the prior year's unobligated balance, end of year, and reconciles it to the current year's unobligated balance from prior year budget authority, net. Adjustments include recoveries, cancellations, transfers, and other material changes in accordance with SFFAS 7, *Accounting for Revenue and Other Financing Sources,* paragraph 79(d). All adjustments are separately disclosed as required.

Explanation of Differences Between the Statement of Budgetary Resources and the Budget of the U.S. Government

The President's Budget containing actual FY 2026 data is not available for comparison to the SBR at this time. Actual FY 2026 data will be available at https://www.whitehouse.gov/omb/budget/. For FY 2025, a reconciliation to compare the NLRB's SBR to the President's Budget of the United States was performed to identify any differences.

The table below displays the differences between the NLRB's Statement of Budgetary Resources to the Budget for the U.S. Government for FY 2025:

(In Millions)	Total Budgetary Resources	New Obligations and Upward Adjustments (Total)	Distributed Offsetting Receipts	Net Outlays
Combined Statement of Budgetary Resources	$ 315	$ 307	$ -	$ 309
Expired Accounts	4	-	-	-
Other	-	-	-	(1)
Budget of the U.S. Government	$ 311	$ 307	$ -	$ 310

Total Budgetary Resources: The Budget's Program & Financing shows $311 million available versus the SBR's $315 million; differences reflect expired funds that have carry-overs of unobligated balances and recoveries of obligations that are included in total resources on the Statement of Budgetary Resources until they are canceled but are not included in the President's Budget.

Net Outlays: The NLRB's SBR rounds to $309 million versus $310 million in the Budget of the U.S., a small variance driven by timing of disbursements and rounding between agency reporting and the Budget presentation. The "Other" line represents rounding, timing, and other immaterial differences between the NLRB's Combined SBR and the Budget of the U.S. Government.

Note 12. Undelivered Orders at the End of the Period

Undelivered orders are purchase orders that the NLRB issued during FY 2026 and the previous five fiscal years. As of September 30, 2026, and 2025, these orders have not resulted in the delivery of the required product or service. These undelivered orders are expected to be fulfilled in future periods, using resources that were obligated during the respective fiscal years.

Undelivered Orders
As of September 30, 2026, and 2025

(In Dollars)	2026	2025
Intragovernmental		
Paid	$ 168,329	$ -
Unpaid	21,243,500	13,137,335
Total Intragovernmental	21,411,829	13,137,335
Public		
Paid	(58,806)	464,538
Unpaid	23,505,508	17,807,549
Total Public	23,446,702	18,272,087
Total	$ 44,858,531	$ 31,409,422

Note 13. Fiduciary Activities

The fiduciary cash and other assets are not assets of the federal government, are not recognized on the Balance Sheet, and are assets of a non-federal party for which the Federal Government is responsible. The federal government holds and manages these assets on behalf of others. The NLRB Escrow Accounts are types of deposit funds managed as fiduciary accounts, following SFFAS 31, *Accounting for Fiduciary Activities*, and OMB Circular A-136, *Financial Reporting Requirements*. These include Temporary Restraining Order Cases (420X6152) and Backpay Cases (402X6154), authorized by relevant sections of U.S. Code (Title 31, Section 3513 and Title 29, Sections 151-169). Specifically, the Temporary Restraining Order Cases account (420X6152) was created to keep cases involving protective restraining orders separate from others.

The NLRB investigates and settles disputes between private sector employees, employers, and unions. Its role includes determining if employers or unions (called respondents) have committed ULPs that caused employees (discriminatees) to lose their jobs or wages. If the NLRB rules in favor of the employees, the respondent may be required to pay compensation. Payments can be made directly to the employees, or the respondent can send funds to the NLRB, which then distributes them to the affected employees. The NLRB has statutory authority to collect and handle these funds for the benefit of discriminatees. The NLRB holds collected funds in escrow as part of its routine remedies for violations of the National Labor Relations Act (NLRA) that have resulted in lost jobs or earnings. These funds are distributed to the employees, unions, pension funds, or other parties involved in settlements. Although the NLRB can invest escrowed funds in federal government securities if they are held for long periods, it currently does not invest these fiduciary funds.

The NLRB executed a memorandum of understanding with the U.S. Treasury to establish policies and procedures for investing and redeeming fiduciary fund investments in the U.S. Treasury. The NLRB acts as a fiduciary, managing these funds without ownership rights over the assets. Therefore, the assets and activities shown in the following schedule are not included in the NLRB's financial statements. The NLRB's fiduciary activities as of September 30, 2026, and 2025 are detailed in this note.

The NLRB holds a leasehold estate interest in one property located in Florida. The interest was acquired through a settlement agreement in an ULP case and is managed in a fiduciary capacity. The fair market value of the leasehold estate was approximately $171,754 and $192,508 as of September 30, 2026, and 2025, respectively, based on valuations obtained from the Marion County Property Appraiser.

Schedule of Fiduciary Activity

(In Dollars)	2026			2025		
	Fund 420X6152	Fund 420X6154	Total Fiduciary Funds	Fund 420X6152	Fund 420X6154	Total Fiduciary Funds
Fiduciary Net Assets, Beginning of Year	$ -	$ 3,834,795	$ 3,834,795	$ -	$ 4,623,724	$ 4,623,724
Fiduciary Revenues	-	-	-	-	-	-
Contributions	-	924,963	924,963	-	431,354	431,354
Administrative and Other Expenses	-	-	-	-	-	-
Disbursements to and on Behalf of Beneficiaries	-	(2,024,296)	(2,024,296)	-	(1,201,360)	(1,201,360)
Increase/(Decrease) in Fiduciary Net Assets	-	(1,099,333)	(1,099,333)	-	(770,005)	(770,005)
Fiduciary Net Assets, End of Year	$ -	$ 2,735,462	$ 2,735,462	$ -	$ 3,853,719	$ 3,853,719

Fiduciary Net Assets

(In Dollars)	2026			2025		
	Fund 420X6152	Fund 420X6154	Total Fiduciary Funds	Fund 420X6152	Fund 420X6154	Total Fiduciary Funds
Fund Balance with Treasury	$ -	$ 2,754,386	$ 2,754,386	$ -	$ 3,853,719	$ 3,853,719
Less: Liabilities		(18,924)	(18,924)		(18,924)	(18,924)
Total Fiduciary Net Assets	$ -	$ 2,735,462	$ 2,735,462	$ -	$ 3,834,795	$ 3,834,795

Note 14. Reconciliation of Net Cost to Net Outlays (Budget to Accrual Reconciliation)

SFFAS 53, *Budget and Accrual Reconciliation* (BAR), amends requirements for a reconciliation between budgetary and financial accounting information established by SFFAS 7, *Accounting for Revenue and Other Financing Sources*. The BAR explains the relationship between the NLRB's net outlays on a budgetary basis and the net cost of operations during the reporting period. The reconciliation starts with the net cost of

operations as reported on the Statement of Net Cost and will be adjusted by components of net cost that are not part of net outlays. Common components include depreciation and gains and losses on disposition of assets and changes in assets and liabilities (e.g., accounts receivable, accounts payable and salaries and benefits) not affecting budget outlays. The net cost of operations is also adjusted by budget outlays that are not part of net operating cost. Components of budget outlays that are not part of net operating cost include the acquisition of capital assets, inventory, and other assets. Other reconciling differences, when applicable, include timing differences.

Reconciliation of Net Cost to Net Outlays

As of September 30, 2026

(In Dollars)	Intra-governmental	With the Public	Total 2026
Net Cost of Operations	$ 93,043,220	$ 192,855,450	$ 285,898,670
Components of Net Cost that are not part of Net Outlays			
Gains/Losses on all other investments	-	129	129
Increase/(Decrease) in Assets not affecting Budgetary Outlays			
Accounts receivable, net	-	491,018	491,018
Other Assets	351,816	3,199	355,015
(Increase)/Decrease in Liabilities not affecting Budgetary Outlays			
Accounts Payable	3,420,010	5,139,519	8,559,529
Federal employee salary, leave, and benefits payable	-	(14,494,545)	(14,494,545)
Other liabilities	1,627,302	-	1,627,302
Total Components of Net Operating Cost not part of the Budgetary Outlays	5,399,128	(8,860,680)	(3,461,552)
Financing Sources			
Total Components of Net Outlays that are not part of Net Cost	**-**	**-**	**-**
Total Other Reconciling Items	**-**	**-**	**-**
Other Temporary Timing Differences	-	(3,340)	(3,340)
Net Outlays	**$ 98,442,348**	**$ 183,991,430**	**$ 282,433,778**

Reconciliation of Net Cost to Net Outlays
As of September 30, 2025

(In Dollars)	Intra-governmental	With the Public	Total 2025
Net Cost of Operations	$ 116,404,087	$ 211,067,606	$ 327,471,693
Components of Net Cost that are not part of Net Outlays			
Gains/Losses on all other investments	-	106	106
Increase/(Decrease) in Assets not affecting Budgetary Outlays			
Accounts receivable, net	-	69,880	69,880
Other Assets	420,326	44,212	464,538
(Increase)/Decrease in Liabilities not affecting Budgetary Outlays			
Accounts Payable	(68,831)	(161,559)	(230,390)
Federal employee salary, leave, and benefits payable	-	(16,793,067)	(16,793,067)
Other liabilities	(1,890,001)	-	(1,890,001)
Total Components of Net Operating Cost not part of the Budgetary Outlays	(1,538,506)	(16,840,428)	(18,378,934)
Financing Sources			
Total Components of Net Outlays that are not part of Net Cost	-	-	-
Total Other Reconciling Items	-	-	-
Other Temporary Timing Differences	-	(1,037)	(1,037)
Net Outlays	**$ 114,865,581**	**$ 194,226,141**	**$ 309,091,722**

Note 15. Commitments and Contingencies

In addition to future commitments discussed in Note 9 (Leases), the NLRB is committed under obligations at yearend for goods and services which have been received and not yet paid, or for goods and services which have been ordered but have not yet received. These are unpaid delivered orders and unpaid undelivered orders.

The NLRB is involved in various legal actions and claims arising in the ordinary course of business. Management evaluates pending matters to determine the likelihood of loss and whether recognition or disclosure is required in accordance with applicable federal accounting standards.

As of September 30, 2026, the NLRB identified one legal matter in which the loss contingency is considered probable. Management estimates the potential loss associated with this matter to range from $0 to $66 thousand. No amount within the estimated range is considered a better estimate than any other amount. Accordingly, because the lower end of the range is $0, no liability has been accrued for this matter.

In addition, the NLRB identified two legal matters for which a loss is considered reasonably possible. For one matter, management estimates the potential loss to range from approximately $8 thousand to $150 thousand. For the second matter, management determined that a loss is reasonably possible; however, the amount or range of potential loss cannot be reasonably estimated at this time. Accordingly, no liability has been accrued for these matters because the likelihood of loss does not meet the criteria for recognition as a probable and measurable loss.

As of September 30, 2025, the NLRB had no legal contingencies requiring disclosure under applicable federal accounting standards.

2026 (In Dollars)			
	Accrued Liabilities	Estimated Range of Loss Lower End	Estimated Range of Loss Upper End
Legal Contingencies			
Probable	$ -	$ -	$ 66,000
Reasonably Possible	$ -	$ 8,000	$ 150,000

2025 (In Dollars)			
	Accrued Liabilities	Estimated Range of Loss Lower End	Estimated Range of Loss Upper End
Legal Contingencies			
Probable	$ -	$ -	$ -
Reasonably Possible	$ -	$ -	$ -

SECTION 4: OTHER INFORMATION

Protecting Democracy in the Workplace Since 1935

SUMMARY OF FINANCIAL STATEMENT AUDIT AND MANAGEMENT ASSURANCES

Summary of Financial Statement Audit

Audit Opinion: ☒ Unmodified ☐ Modified ☐ No Assurance

Restatement: ☐ Yes ☒ No

Material Weaknesses	Beginning Balance	New	Resolved	Consolidated
N/A	0	0	0	0

Summary of Management Assurances

Effectiveness of Internal Control Over Operations (FMFIA §2)

Statement of Assurance: ☒ Unmodified ☐ Modified ☐ No Assurance

Material Weaknesses	Beginning Balance	New	Resolved	Consolidated	Ending Balance
N/A	0	0	0	0	0

Compliance with Financial Systems Requirements (FMFIA §4)

Statement of Assurance: ☒ Unmodified ☐ Modified ☐ No Assurance

Material Weaknesses	Beginning Balance	New	Resolved	Consolidated	Ending Balance
N/A	0	0	0	0	0

INSPECTOR GENERAL'S TOP MANAGEMENT AND PERFORMANCE CHALLENGES

UNITED STATES GOVERNMENT
National Labor Relations Board
Office of Inspector General

Memorandum

To: Board and General Counsel

From: Ruth Blevins *Ruth Blevins*
Inspector General

Date: November 9, 2026

Subject: Top Management and Performance Challenges

As part of the Performance and Accountability Report, the Office of Inspector General (OIG) is mandated by section 3516 of title 31 to outline what the Inspector General identifies as the most significant management and performance challenges facing the National Labor Relations Board (NLRB or Agency). Additionally, the OIG must provide a brief assessment of the Agency's progress in addressing these challenges. The information included in this report is derived from our reviews, investigations, and general observations of the NLRB's operations. For Fiscal Year (FY) 2026, we have five top management and performance challenges:

- Leadership
- Operational Management
- Human Capital Management and Maintaining the Agency's Institutional Knowledge
- Information Technology
- Outside Employment

For the purposes of this report, an issue may be classified as a management or performance challenge even if it is not a deficiency or beyond the Agency's control. The challenges outlined here do not necessarily indicate OIG findings or imply mismanagement or failures on the part of NLRB leadership. We view a challenge as a task or endeavor complicated by existing circumstances.

Leadership

During FY 2026, the Board continued to experience significant challenges, including operating without a quorum for more than three months. As noted in last year's memorandum, beginning in August 2025, David M. Prouty was the sole Board member. As a result, in FY 2025, the Board issued only 86 decisions in contested cases. Further, during FY 2025, pending cases grew from 288 to 552, a 92 percent increase from FY 2024. Additionally, the backlog of Unfair Labor Practices (ULP) and Representation (R) cases awaiting Board decision totaled 129 cases, with an average age of 689 days.

On July 17, 2025, President Donald J. Trump nominated James Murphy and Scott Mayer to the Board. Messrs. Murphy and Mayer were confirmed by the Senate on December 18, 2025, and were officially sworn in on January 7, 2026. On March 26, 2026, President Trump designated Member Murphy as Chairman. The confirmation of Messrs. Murphy and Mayer increased the number of Board Members from one to three and allowed for a quorum.

On April 13, 2026, President Trump nominated James Macy to the Board. On that same date, President Trump nominated Member Prouty for a second five-year term on the Board. Mr. Macy and Member Prouty were confirmed by the Senate on August 7, 2026. Mr. Macy was sworn in on August 17, 2026, while Member Prouty was sworn in to a second five-year term on August 25, 2026. The confirmations of Messrs. Macy and Prouty brought the total number of Board members to four.

Since achieving a quorum in January 2026, the Board issued 389 decisions in contested cases. For context, on January 7, 2026, there were 591 pending cases. Further, between January 7, 2026, and the end of FY 2026, 208 new cases were added to the Board's docket. At the end of FY 2026, however, only 292 cases were pending before the Board. The backlog of ULP and R cases decreased from an average of 689 days at the end of FY 2025, to 434 days at the conclusion of FY 2026.

Thus, while the Board has made significant progress in shrinking the backlog of cases, the repercussions of the lack of a quorum for an extended time are still being felt. As noted, the backlog of ULP and R cases decreased from 689 days to 434 days for the period ending FY 2026. However, the goal for the median age of cases pending before the Board, as stated in the Agency's Strategic Plan, is 180 days. Without a full Board consisting of five members, it will be difficult for the Board to eliminate the backlog and meet its 180-day goal for deciding contested cases.

Operational Management

During FY 2026, the NLRB continued to face significant operational challenges due to declining staffing levels, sustained case intake, and a growing case backlog. Regional Offices lost 69 professional and administrative staff members during the fiscal year, while case intake remained high at 21,580 cases. These pressures contributed to an increase in the average time required to reach a determination in unfair labor practice cases, from 258 days to 336 days.

To mitigate these challenges, the Agency implemented several measures to improve case processing and resource allocation. In May 2026, the NLRB conducted an unprecedented bulk transfer of 3,500 cases from Regional Offices with limited capacity to those with greater capacity to expedite investigations. The Agency also hired additional personnel; however, hiring levels were insufficient to address Regional Office staffing needs. Furthermore, promotions to supervisory positions offset much of the benefit of new hires by reducing the number of employees available to conduct investigations. Consequently, many new hires effectively replaced employees promoted

to supervisory roles rather than increasing overall investigative capacity. Although these actions helped address immediate case-processing demands, they did not resolve the Agency's underlying staffing and budgetary challenges.

Human Capital Management and Maintaining the Agency's Institutional Knowledge

Maintaining a stable and productive workforce is essential for the NLRB to maintain its institutional knowledge and effectively carry out its statutory mission. As noted in previous Management Challenge reports, our audits over time have revealed a loss of institutional knowledge in management practices as new personnel assume key roles. In some cases, even when historical practices are documented, the context behind their development is often lost due to staff turnover. Additionally, the Deferred Resignation and the Voluntary Early Retirement Programs impacted the retention of institutional knowledge as the Agency lost several senior and leadership level employees.

In FY 2026, the Division of Administration's Human Capital Management and Strategic Recruitment Office updated the Agency's Succession Planning and Management Program guidance, with a focus on knowledge management. This included the use of its Succession Planning and Management Program Toolkit to provide guidance to Agency offices that elect to pursue succession planning efforts. Implementation of succession planning efforts has helped the Agency address skill gaps by prioritizing employee retention, career development, and internal advancement opportunities. Through targeted workforce planning and the promotion of qualified staff into higher-level positions, the Agency has preserved mission-critical knowledge. In FY 2026, the Agency promoted 191 existing NLRB employees and temporarily promoted 38 employees to maintain institutional knowledge within the Agency.

Information Technology

Through the use of the Technology Modernization Fund, the Agency is implementing its Case Management System (CMS) Modernization initiative to replace NxGen, the Agency's primary case management platform for nearly two decades. Although NxGen consolidated legacy systems and supported core case-processing functions, its aging architecture created technical, operational, and cybersecurity challenges, including limited integration capabilities, maintenance complexity, scalability constraints, performance concerns, and workflow inefficiencies. The modernization initiative aims to preserve NxGen's established case-management capabilities while providing a secure, reliable, scalable, and sustainable technology platform that supports the Agency's current and future mission requirements.

Upon deployment, the CMS is expected to reduce administrative burdens, improve case-processing efficiency, strengthen operational resilience, enhance data quality, and provide greater visibility into workloads and performance. The Agency plans to evaluate these outcomes by comparing CMS performance against established NxGen baselines using indicators such as system availability, workflow efficiency, document processing, user adoption, customer satisfaction, and data quality. Because the system

remains in implementation and transition, these benefits have not yet been fully validated through post-deployment performance data. Overall, the CMS Modernization initiative represents a strategic investment in the NLRB's mission-support infrastructure, intended to improve service delivery, strengthen governance and security, and establish a sustainable foundation for future operational needs.

Although required by the Technology Modernization Fund contract to deploy the CMS within two years of receiving the funds, the Agency has delayed system deployment and may not meet the deadline. While the system is technically deployable, the Agency's collective bargaining agreement contractual requirements for system demonstrations, as well as functionality problems identified during user acceptance testing, have contributed to the delay. As a result, the General Counsel is requiring the Office of the Chief Information Officer (OCIO) to conduct a pilot of the new system in two Regional Offices. The pilot program will help identify technical issues and validate the functionality of the CMS and is critical to its overall successful agency-wide deployment and implementation.

Because NxGen is an antiquated, legacy system with limited available technical support, continued delay in implementing the CMS poses risks that the Agency will be unable to complete its statutorily mandated mission. Technological differences between the systems prohibit backward migration of data from CMS to NxGen, making it critical that the Agency completes deployment quickly after completion of the pilot program. Additionally, it costs the Agency approximately $1 million every six months to maintain the NxGen system. These financial resources can likely be put to better use than maintaining a case management system that is inefficient, outdated and in need of replacement.

Outside Employment

The Agency's supplemental regulation 5 C.F.R. § 7101.102 Prior Approval for Outside Employment governs the request and approval of outside employment (O/E) for its employees. The regulation requires employees obtain prior written approval from the Board or the General Counsel if the employee seeks O/E to engage in the private practice of law, or from the employee's Chief Counsel, Regional Director, Branch Chief, or the equivalent for O/E not involving the practice of law. Importantly, the regulation does not require the approving official to consult with the Ethics Office prior to approving the request. Equally important, the regulation does not limit the number of O/E activities for which an employee may seek or receive approval. Finally, approval should be granted "unless the [approving official] determines that the outside employment is expected to involve conduct prohibited by statute or Federal regulation... ." 5 C.F.R. § 7101.102(c)(1).

We identified several major management challenges regarding the Agency's O/E while conducting investigations. Specifically, our investigations revealed NLRB employees engaged in O/E without obtaining the required prior approval(s). Additionally, Agency employees were determined to have used government furnished equipment in support of their O/E activities in violation of the Standards of Conduct for Employees of the

Executive Branch and NLRB policy regarding the failure to protect and conserve Agency property. Further, NLRB employees engaged in O/E during the employee's scheduled work hours.

We initiated an audit of the NLRB's O/E process in October 2026. Our audit objectives are to determine the extent to which the NLRB (1) reviews, approves, and monitors outside employment as required by Federal law and regulations to prevent or reduce conflicts between employees' outside activities and their official duties and (2) applies advisory advice from Ethics Office concerning conflicts of interests. Our audit will focus on whether or not employees properly recuse themselves when apparent or potential conflicts of interest exist and how often advisory advice is followed. We anticipate issuing a report with recommendations for improving the process in 2027.

PAYMENT INTEGRITY INFORMATION ACT REPORTING

The NLRB is required by the PIIA to assess the disbursement process and estimate the approximate amount of improper payments every three years. The most recent NLRB PIIA assessment and review was performed by an independent consultant in FY 2025. The NLRB's independent review evaluated the procedures in the Agency's payment and disbursement processes and concluded that the NLRB's programs were at a low risk for improper payments. Thus, improper payments for the NLRB's programs did not exceed $10.0 million and 1.5 percent of the program total expenditures or $100.0 million of the total program expenditures. The Agency estimates the improper payments rate to be at most 1.5 percent and the improper payment amount to be no more than $4,236,507. In addition, the testing confirmed that Phase 2 testing for commercial vendor payments did not exceed the statutory thresholds, further supporting the low-risk designation for all the NLRB programs. Based on these results, the NLRB programs do not require additional Phase 2 testing for the purpose of producing an annual improper payment or unknown payment estimate, and no programs are subject to reporting as "susceptible to significant improper payments". Therefore, the NLRB has effective procedures and controls in place for its payment and disbursement processes.

The NLRB annually submits data to OMB that is collected and presented on https://www.paymentaccuracy.gov. This website contains current and historical information about improper payments made under Federal programs, as well as extensive information about how improper payments are defined and tracked.

Do Not Pay Initiative

The Do Not Pay program is authorized and governed by PIIA, codified at 31 U.S.C. § 3351 et seq., which helps ensure federal funds only go to eligible recipients. Under this law, federal agencies must use Do Not Pay to verify eligibility before issuing payments. The Treasury's DNP Portal includes multiple data sources across the Federal Government designed to help agencies verify a recipient's identity, eligibility, and bank account information before a payment is made.

The NLRB continues to make the prevention of improper payments one of the Agency's financial management priorities. The NLRB collaborates with its Shared Service Provider and the BFS for payment monitoring efforts to ensure that vendors and beneficiaries are qualified to receive federal payments.

The following oversight reports are available on https://paymentaccuracy.gov by navigating from the *Resources* page to the *Congressional Reports* page and then selecting the relevant report from the dropdown list for the NLRB and the fiscal year.

- The Annual Risk Assessment Report required under 31 U.S.C. § 3352(a)(3)(C)
- The Annual Report on Actions to Recover Improper Payments Identified in a Recovery Audit required as accompanying materials under 31 U.S.C. § 3352(e)

APPENDICES

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APPENDIX A – ACRONYMS

AB	Assembly Bill
AC	Amendment of Certification (petition)
ALJ	Administrative Law Judge
BAR	Budget and Accrual Reconciliation
BFS	Bureau of the Fiscal Service
CA	Compliance Assistance
CISA	Cybersecurity and Infrastructure Security Agency
CMS	Case Management System
CO	Compliance Officer
COTS	Commercial Off-the-Shelf
CSRS	Civil Service Retirement System
CY	Calendar Year
DNP	Do Not Pay
DOL	Department of Labor
ELC	Entity-Level Controls
E.O.	Executive Order
ERM	Enterprise Risk Management
FAR	Federal Acquisition Regulation
FASAB	Federal Accounting Standards Advisory Board
FBWT	Fund Balance with Treasury
FECA	Federal Employees' Compensation Act
FEGLI	Federal Employees' Group Life Insurance
FEVS	Federal Employee Viewpoint Survey
FERS	Federal Employees Retirement System
FFMIA	Federal Financial Management Improvement Act of 1996
FISMA	Federal Information Security Modernization Act of 2014
FMFIA	Federal Managers' Financial Integrity Act of 1982
FTE	Full-Time Employee
FY	Fiscal Year
GAAP	Generally Accepted Accounting Principles

GC	General Counsel
GSA	U.S. General Services Administration
HUBZone	Historically Underutilized Business Zone
IBC	Interior Business Center
IAM	International Association of Machinists and Aerospace Workers
ILA	International Longshoremen's Association
ILWU	International Longshore and Warehouse Union
IT	Information Technology
IUS	Internal Use Software
MD&A	Management's Discussion and Analysis
N/A	Not Applicable
NLRA	National Labor Relations Act
NLRB	National Labor Relations Board
NxGen	Next Generation Case Management System
OAS	Oracle Analytics Server
OCFO	Office of the Chief Financial Officer
OCIO	Office of the Chief Information Officer
OCPA	Office of Congressional and Public Affairs
OFF	Oracle Federal Financials
OGE	Office of Government Ethics
OHR	Office of Human Resources
OIG	Office of the Inspector General
OMB	Office of Management and Budget
OPM	Office of Personnel Management
PAR	Performance and Accountability Report
PERB	Public Employment Relations Board
PIIA	Payment Integrity Information Act of 2019
PP&E	Property, Plant, and Equipment
SBA	Small Business Administration
SBR	Statement of Budgetary Resources
SCNP	Statement of Changes in Net Position

SFFAS	Statement of Federal Financial Accounting Standards
SI	Super Intelligence
SNC	Statement of Net Cost
SOA	Statement of Assurance
SSAT	SSA Terminals
TMF	Technology Modernization Fund
TSP	Thrift Savings Plan
ULP	Unfair Labor Practice
UC	Unit Clarification (petition)
UD	Union Deauthorization (petition)
U.S.	United States
U.S.C.	United States Code

APPENDIX B – GLOSSARY

Adjudicate: Formal judgment or decision about a disputed matter.

Adversarial: Of a trial or legal procedure in which the parties in a dispute have the responsibility for finding and presenting evidence.

Backpay: Payment for work done in the past that was withheld at the time, or for work that could have been done had the worker not been prevented from doing so.

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 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 complete 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 ALJ 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.

Decisions: Decisions by the Board and the NLRB Administrative Law Judges.

E-Filing: The online electronic filing system used to submit charges, petitions, and other case-related documents.

Expungement: When a first-time offender of a prior criminal conviction seeks that the records of that earlier process be sealed, making the records unavailable through the state or federal repositories.

Injunctive Relief: A temporary remedy sought in case of egregious violations of the Act pending final action by the Board in which Counsel for the General Counsel asks a district court judge to issue an order requiring the charged party to cease and desist from engaging in violations of the Act and may also seek certain affirmative actions in order to return to status quo.

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."

Litigation: Litigation by Board attorneys in federal court, including petitions for temporary injunctions, defending Board decisions in court, and pursuing enforcement, contempt and compliance actions.

"Make-Whole" Remedy: A remedy that provides a victim of an unfair labor practice with full restoration of his or her status prior to the unfair labor practice, which includes backpay, consequential damages, and other remedial relief.

Meritorious Unfair Labor Practice Charge: Charge allegations evidencing statutory violations.

Microsoft Sentinel: A security monitoring system that collects and analyzes security records from across the Agency to detect and respond to threats.

NxGen: The Agency's current (legacy) case management system.

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.

The NLRB currently has the following types of petitions:

- Form NLRB-502 (RC) - RC Petition – Certification of Representative
- Form NLRB-502 (RD) - RD Petition – Decertification (Removal of Representative)
- Form NLRB-502 (RM) - RM Petition – Certification of Representative (To be filed by Employer/Petitioner)
- Form NLRB-502 (UD) - UD Petition – Deauthorization of Union Shop Authority (Removal of Obligation to Pay Dues)

Petitioner: The party who presents a petition to the court or a person or entity who files a representation case petition with the Agency.

Remedies: Remedies obtained to resolve unfair labor practices, including backpay and offers of reinstatement.

Reinstatement: To put a victim of an unfair labor practice back to his or her job.

Representation Cases: 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.

Secret-ballot Elections: A voting method in which voter's choices in an election or referendum are anonymous, forestalling attempts to influence the voter by intimidation and potential vote buying.

Settlements: A resolution between disputing parties about a legal case, reached either before or after litigation begins.

Sua Sponte: A Latin phrase describing an act of authority taken without formal prompting from another party.

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.

Status Quo: A Latin phrase meaning the existing state of affairs, particularly with regards to social or political issues.

Statutory: Required, permitted, or enacted by statute.

Technology Modernization Fund: A federal fund that pays up front for Agency modernization projects that the Agency repays over time.

Temporary Injunction: A court order prohibiting an action by a party to a lawsuit until there has been a trial or other court action, the purpose of which is to maintain the status quo and preserve the subject matter of the litigation until the trial is over.

Unfair Labor Practice: An unfair labor practice is unlawful conduct by either a labor organization or an employer that violates the Act.

Union: An organized association of workers formed to protect and further their rights and interests.

Withdrawals: Case resolution resulting from a charging party or petitioner deciding to withdraw the filing of an ULP charge or representation case petition.