

**STATEMENT OF
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BEFORE THE SUBCOMMITTEE ON LABOR, HEALTH, AND HUMAN SERVICES
COMMITTEE ON APPROPRIATIONS
UNITED STATES HOUSE OF REPRESENTATIVES
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Chairman Cole, Ranking Member DeLauro, and Members of the Subcommittee, thank you for the invitation to testify today. I appreciate the opportunity to appear before you to discuss the Agency's Fiscal Year 2016 budget request.

The National Labor Relations Board (NLRB/Agency) is responsible for administering the National Labor Relations Act (NLRA/Act), which ensures the right of private-sector workers to organize and bargain collectively with their employers and to participate in concerted activities to improve their pay and working conditions with or without union representation.

As General Counsel, my Office serves as the investigative and prosecutorial branch of the Agency. I also serve as the Agency's chief administrative officer. In that capacity, I have general supervisory authority over the Agency's 26 Regional and 24 satellite offices located throughout the country (Field offices). In addition, my Office directly oversees seven Headquarters divisions, which are responsible for various case handling, administrative, financial and personnel functions.

As General Counsel, I am privileged to work with and to rely upon a talented group of professional and administrative staff members, who help to ensure that the Agency is serving the

public in the most effective and efficient manner. They do this through ably investigating and prosecuting unfair labor practice cases, handling representation elections, and providing administrative, financial and personnel support of mission-critical functions.

The Agency continues to proactively analyze its workload, budgetary constraints, technology requirements and human capital, and to take appropriate steps to restructure, consolidate and otherwise streamline operations. For example, with regard to Field offices, within the past two and a half years, we consolidated six Regional offices and closed one Resident office, and continue to regularly assess these operations. Similarly, in Headquarters, within the same time frame, we developed a Compliance Unit to better assist Regions with obtaining remedies for statutory violations and created a Division of Legal Counsel, which enhanced our handling of legal and government ethics issues and of Freedom of Information Act (FOIA) matters. Specifically, as to the latter, we have begun centralizing the handling all FOIA requests and appeals through the FOIA Branch; this centralization is designed to enable over 1050 Field office staff members to focus primarily on case handling matters.

Our below-referenced Fiscal Year 2014 statistics illustrate our dedicated efforts to meet our statutory responsibilities.

The Agency's case intake was in excess of 23,000 cases. 20,415 cases were unfair labor practice cases, 72.3 percent of which were resolved within 120 days of filing, and the rest were representation cases.

Unfair labor practice charges are filed by individuals, businesses, and unions. After investigation by the Regions, 64.7 percent of unfair labor practice charges filed were found to be without merit. For those deemed meritorious, 93.4 percent were settled without litigation. When litigation had to be pursued, 85 percent of our unfair labor practice and compliance cases were won, in whole or in part, before the NLRB or an Administrative Law Judge, and 84.6 percent of our cases in the Court of Appeals were enforced or affirmed, in whole or in part.

As for remedies, last fiscal year the Agency recovered over \$44 million, predominantly in back pay, on behalf of employees, and secured offers of reinstatement for more than 3,000 workers. One such case involved a San Francisco facility where the Agency was able to secure an agreement with a successor employer to offer jobs and pay \$1 million to more than 100 current and former employees, who were not hired because of the successor employer's unwillingness to accept a duty to bargain with its employees' chosen bargaining representative.

The Agency must also ensure that appropriate remedies are expeditiously sought in cases where traditional NLRB remedies come too late to repair the damage done by unfair labor practices. In this regard, Section 10(j) of the Act authorizes the NLRB to seek temporary injunctions against employers and unions in federal district courts to stop unfair labor practices while the case is being litigated before administrative law judges and the NLRB. These temporary injunctions are needed to protect the process of collective bargaining and employee rights under the Act. In Fiscal Year 2014, the NLRB authorized my Office to seek injunctive relief in 38 cases and all such cases that were litigated in district court were won, in whole or in part.

The NLRB's ability to successfully help to resolve disputes between employers, unions, and employees in private sector workplaces directly correlates with our Congressional mandate to promote industrial peace. In this regard, the efficient resolution of workplace disputes saves employers, unions, and workers – American taxpayers – from expending significant time, resources, and funds in debilitating industrial conflict.

Of course, success in this area is completely dependent upon our ability to maintain adequate staffing levels, to sufficiently train our staff, to engage in appropriate succession planning in light of the expected loss of a significant number of our retirement-eligible employees, to invest in long-term Information Technology (IT) solutions, and to address all other operating costs, including case-related travel.

Most of our proposed budget – about 80 percent - is dedicated to personnel compensation. Further, about 10 percent is required for rent and security. As a result, only a small percentage, about 10 percent, of the Agency's overall budget is available to cover the rest of the Agency's necessary activities. More than half of that remaining amount is committed to support necessary technological improvements to the Agency's public website and case handling programs. These expenditures are particularly crucial now that the Agency has moved to a system where the electronic case file —maintained in an internal computer system called NxGen— is the official case file. Additional funds sustain educational and outreach efforts aimed at providing guidance to business owners and human resource professionals, as well as workers, about our statute. These outreach efforts include the issuance of public memoranda discussing appropriate

handbook rules and policies in response to the business community's desire for guidance in this area, including a comprehensive guidance memorandum that is in its final draft stages.

In addition, the Agency works to leverage resources. We have executed letters of agreement with foreign ministries designed to strengthen collaborative efforts to provide foreign business owners doing business in the United States, as well as workers from those countries, with education, guidance and access to information regarding their rights and responsibilities under our statute. I believe that the costs associated with this outreach will pay dividends as employers will be able to avoid unintentionally violating our statute and workers will be educated about their statutory rights to engage with one another to improve their conditions of employment, both of which benefits taxpayers, and the country as a whole, through increased economic growth.

The National Labor Relations Board plays a critical role in ensuring that workplace disputes are resolved efficiently and effectively. As there is no private right of action under the National Labor Relations Act, workers, employers, and labor unions depend on the Agency to resolve their issues effectively and efficiently. Without sufficient funding, both workers and employers stand to lose. I assure you that, in Fiscal Year 2016, the Agency will continue to ensure that our Congressional mandate is executed, and in a fair, timely and quality manner. The Agency's budget request will help us to carry out this important statutory mission.

Mr. Chairman, thank you again for inviting me today. I look forward to working with you and am happy to respond to any questions that you may have.