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Trump Administration Proposes Closing OFCCP

Government Contractor Compliance & Regulatory Update on **June 13, 2025**

The Trump Administration has announced plans to "eliminate" the U.S. Department of Labor's Office of Federal Contract Compliance Programs ("OFCCP"), the agency currently responsible for enforcing affirmative action and anti-discrimination protections for veterans and workers with disabilities among federal contractors. Under the Trump Administration's fiscal year 2026 budget proposal, the OFCCP's responsibilities would be reassigned to other federal agencies, including the Equal Employment Opportunity Commission ("EEOC").

According to the Department of Labor's recently released budget justification, the OFCCP's enforcement of Section 503 of the Rehabilitation Act ("Section 503")—which prohibits discrimination against individuals with disabilities—would be transferred to the EEOC. Meanwhile, enforcement of the Vietnam Era Veterans' Readjustment Assistance Act ("VEVRAA") would move to the Department of Labor's Veterans' Employment and Training Service. The budget justification states that "[t]his realignment of responsibilities will ensure consistent oversight while shrinking the Federal bureaucracy," noting that in the wake of Executive Order 14173, which rescinded Executive Order 11246 and ended government contractors' obligations to engage in affirmative action on the basis of race and sex, OFCCP's main oversight activity has been eliminated.

Transferring Section 503 enforcement to the EEOC would likely require Congress to amend the Rehabilitation Act, which references the Labor Secretary as the official responsible for ensuring compliance. Lawmakers might also need to pass a reorganization law to facilitate the transfer. A similar process occurred in 1978, when President Jimmy Carter used the Reorganization Act of 1977 to transfer enforcement of the Age Discrimination in Employment Act ("ADEA") and the Equal Pay Act ("EPA") from the Department of Labor's Wage and Hour Division to the EEOC.

We will continue to monitor developments on this issue and other topics of interest to federal government contractors.

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