

FEDERAL MEDIATION AND CONCILIATION SERVICE

FISCAL YEAR 2027

Congressional Budget Submission

**Submitted to the
Congress
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Table of Contents

I. Executive Summary1

II. Appropriation Language2

III. Agency Authority and Structure3

 Statutory and Other Legal Authority.....3

IV. Program Area Descriptions6

 Collective Bargaining Mediation6

 Arbitration Services.....6

 Headquarters and Operational Support6

 Budget Tables and Detailed Financial Requirements7

Conclusion.....13

Appendix A. Workload Outputs and Projections.....14

Appendix B. Budget and Staffing by Activity16

Fiscal Year 2027

I. Executive Summary

Congress created the Federal Mediation and Conciliation Service (FMCS) through the Labor-Management Relations Act of 1947 (Taft-Hartley) amendments to the National Labor Relations Act (NLRA) as an independent agency of the federal government and charged it with preventing and minimizing labor-management disputes affecting interstate commerce by providing mediation, conciliation, and voluntary arbitration services. In 1978, and again in 1990, Congress expanded FMCS's mission to include: resolving federal sector labor disputes; encouraging labor-management cooperative activities; resolving disputes arising out of grants, contracts, licenses, or other agency administrative actions; and assisting in the negotiated rulemaking process.

The President's 2027 request to Congress proposes closing FMCS, and requests \$7,400,000 for expenses necessary to carry out the closure of the agency. This level will allow FMCS to discharge its financial obligations, ensure appropriate disposal of the governments' assets, and protect government information and records.

II. Appropriation Language

FEDERAL MEDIATION AND CONCILIATION SERVICE

SALARIES AND EXPENSES

For expenses necessary to carry out the closure of the Federal Mediation and Conciliation Service, \$7,400,000, to remain available until expended.

III. Agency Authority and Structure

Congress established FMCS as an independent agency whose mission is “to assist parties to labor disputes in industries affecting commerce to settle such disputes through conciliation and mediation.” Subsequent acts of Congress and presidential orders have expanded the FMCS role to provide mediation services to the federal sector and alternative dispute resolution (ADR) programs to federal government agencies, as well as promote and establish labor-management partnerships.

FMCS also maintains and provides a roster of private, non-federal arbitrators available for parties seeking arbitration of grievance disputes concerning the meaning, interpretation, and enforcement of provisions in existing collective bargaining agreements.

Statutory and Other Legal Authority

In 1947, Congress transferred to FMCS all mediation and conciliation functions of the Secretary of Labor and the United States Conciliation Service. Congress set FMCS’s mission to include both the private and public sectors, except for the railroad and airline industries, which are covered by the Railway Labor Act administered by the National Mediation Board.

The Civil Service Reform Act of 1978 authorized FMCS to assist with dispute resolution in Federal sector labor disputes. The Labor-Management Cooperation Act amended the Taft-Hartley Act in 1978 and directed FMCS to encourage labor-management cooperative activities. It also authorized the issuance of grants to support joint labor-management activities conducted by plant, area, public sector, and industry-wide committees.

Over the years, Congress and the Executive Branch have authorized FMCS to perform a variety of conflict management functions as well as to assist in the improvement of labor-management relationships. Specific statutory and other authorizations of FMCS programs are described below.

- I. The Labor-Management Relations Act of 1947 (Public Law 80-101, as amended, 29 U.S.C. 158(d), 173 et seq.) directs FMCS to prevent or minimize interruptions to the free flow of commerce growing out of labor disputes by helping the parties settle such disputes through mediation. Parties are required to notify the FMCS 30 days prior to a contract termination or modification date so that mediation services may be proffered.

The Act establishes a special procedure for threatened or actual strikes which, in the opinion of the President, imperil the national health or safety. In such situations, the President may appoint a board of inquiry to ascertain the facts with respect to the dispute. After receipt of a report, the President may seek to

enjoin the strike, and a court may do so if it finds that the threatened or actual strike or lockout affects a substantial part or all of an industry and would imperil the national health or safety. 29 U.S.C. 176-178.

- II. The Health Care Amendments of 1974 (Public Law 93-360, 29 U.S.C. 158(d)(4), (4)(A)-(4)(C)) (amending the National Labor Relations Act) include special provisions intended to prevent or minimize work stoppages in the health care industry. In the case of this industry, FMCS must be notified 60 days before the contract termination date. A 30-day notice is required in initial bargaining situations. If, in the opinion of the Director, a strike is threatened which would interrupt the delivery of health care in a locality, the Director may appoint a board of inquiry. 29 U.S.C. 183. The board has 15 days within which to investigate and file its report and recommendations; parties must maintain the status quo for 15 days thereafter while further negotiations and mediation take place. The parties are required to cooperate in any mediation efforts by FMCS.
- III. The Civil Service Reform Act of 1978 (Public Law 95-454, 5 U.S.C. 7119(a)) directs the FMCS to provide mediation assistance in disputes arising from negotiations between Federal agencies and the representatives of their employees.
- IV. The Postal Accountability and Enhancement Act of 2006 (Public Law 109-435, as amended, 39 U.S.C. 1207) requires FMCS to provide mediation services and assist in establishing arbitration boards in collective bargaining disputes between the Postal Service and the exclusive representatives of its employees.
- V. An Act to Establish Dispute Resolution Procedures to Settle Disputes Between Supervisors and the United States Postal Service, 1980 (Public Law 96-326, as amended, 39 U.S.C. 1004) directs FMCS, upon the request of either the Postal Service or an organization representing its supervisors, to convene fact finding panels to recommend supervisory pay and fringe benefit policies and to create panels to review the effectiveness of these procedures and other employment policies.
- VI. The Federal Insecticide, Fungicide and Rodenticide Act of 1978, (Public Law 95-396, as amended, 7 U.S.C. 136a(c)(1)(F)(iii)) requires FMCS to provide for the appointment of arbitrators to decide disputes concerning compensation for the use or development of pesticide registration data.
- VII. The Labor Management Cooperation Act of 1978 (Public Law 101-552, as amended by Public Law 95-524, 29 U.S.C. 175a, 186(c)(9)) added Sections 205A and 302(c)(9) to the Labor-Management Relations Act and authorizes and directs FMCS to encourage and support joint labor-management activities conducted by plant, area, and industry-wide committees designed to improve labor-management relationships, employment security, and organizational

effectiveness. The Act authorizes the Service to provide grant funds to assist in the establishment and operation of these labor-management committees.

IV. Program Area Descriptions

Collective Bargaining Mediation

FMCS mediates collective bargaining negotiations when a possible work stoppage would have a significant impact on interstate commerce. Starting in April 2025, FMCS limited its involvement to facilities that provide health care services with bargaining units of 250 or more members, and to bargaining units of 1,000 members or more for all other industries in which it has jurisdiction.

Throughout the mediation process, the mediator helps the parties identify alternative solutions and potential compromises, encourages settlement where appropriate, controls the timing of offers, and persuades the parties to honestly discuss their differences.

Arbitration Services

National labor policy favors arbitration as a means of settling contract-based disputes. The FMCS arbitration service maintains a roster of about 1,000 independent non-federal arbitrators who are qualified to hear and decide disputes over the interpretation or application of collective bargaining agreements. Upon request from the parties and the payment of a nominal fee, FMCS provides a list of qualified names from which the parties may choose an arbitrator to hear their case and render a decision.

Headquarters and Operational Support

The FMCS headquarters carries out the numerous administrative duties that support agency operations and its employees. These include legal compliance, management, facilities, equipment, payments, human resources, security, and travel.

Budget Tables and Detailed Financial Requirements

FEDERAL MEDIATION AND CONCILIATION SERVICE

Detail of Total Employment—End of Year

	2025 Actual	2026 Enacted	2027 Requested
Executive Level III	0	0	0
ES.....	1	2	0
Subtotal	1	2	0
GS-15	20	15	7
GS-14	72	45	8
GS-13	16	13	1
GS-12	12	12	1
GS-11	5	5	1
GS-10	0	0	0
GS-9	9	2	0
GS-8	1	0	0
GS-7	2	1	0
GS-6	0	0	0
GS-5	0	0	0
GS-4	0	0	0
GS-3	0	0	0
GS-2	0	0	0
Subtotal	137	95	18
Total employment, end of year	138	95	18
Full-time equivalent (FTE) usage	138	95 *	18 +
<hr/>			
Average ES Salary	\$196,000	\$196,000	\$0
Average GS Level.....	14 06	14 09	14 10
Average GS Salary.....	\$148,685	\$182,295	\$187,093
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* 5 FTE funded by reimbursable revenue

+ Represents the maximum FTE necessary to conduct an orderly cessation of operations

FEDERAL MEDIATION AND CONCILIATION SERVICE

Budget Estimates, Fiscal Year 2027

**Financial Requirements
(in thousands of dollars)**

	FY 2025 Actual	FY 2026 Enacted	FY 2027 Request	2026 to 2027 Change (+/-)
<u>Personnel Compensation</u>	<u>\$26,508</u>	<u>\$13,850</u>	<u>\$3,123</u>	<u>-\$10,727</u>
Full-Time Permanent	26,278	13,723	3,038	-10,685
Other Than Full-Time Permanent	-	-	-	-
Other Personnel Compensation	-	-	-	-
Other Premium and Differential Pay	10	7	5	-2
Overtime	20	10	10	-
Other Personnel Compensation-Awards	200	110	70	-40
Special Personal Services Payments	-	-	-	-
<u>Personnel Benefits</u>	<u>\$9,441</u>	<u>\$4,200</u>	<u>\$1,130</u>	<u>-\$3,070</u>
Benefits/Retirement	9,219	3,765	1,107	-2,658
Incentives	65	35	23	-12
Allowances	21	-	-	-
Special Payments of Other Funds	14	-	-	-
Relocation/Permanent Change of Station (PCS)	122	-	-	-
<u>Benefits for Former Personnel</u>	<u>\$20</u>	<u>\$400</u>	<u>\$250</u>	<u>-\$150</u>

<u>Travel and Transportation of Persons</u>	<u>\$826</u>	<u>\$1,127</u>	<u>\$60</u>	<u>-\$1,067</u>
Domestic TDY	800	1,127	60	-1,067
Foreign Travel	-	-	-	-
Training Travel	16	-	-	-
Relocation/Permanent Change of Station (PCS)	5	-	-	-
Conference Travel	5	-	-	-
<u>Transportation of Things</u>	<u>\$54</u>	<u>\$25</u>	<u>\$6</u>	<u>-\$19</u>
Transportation of Things	42	25	6	-19
Relocation	12	-	-	-
<u>Rent, Communications, and Utilities</u>	<u>\$2,776</u>	<u>\$ 3,629</u>	<u>\$600</u>	<u>-\$3,029</u>
Rental Payments to GSA	2,400	3,387	509	-2,878
Rental Payments to Others	60	4	4	-
Communications, Utilities, and Misc. Charges	-	-	-	-
Utilities	100	100	10	-90
IT Rental	12	-	-	-
Telecommunications	200	135	76	-59
Other Rentals	-	-	-	-
Postage	4	3	1	-2
<u>Printing and Reproduction</u>	<u>\$40</u>	<u>\$36</u>	<u>\$12</u>	<u>-\$24</u>
Government Printing	20	20	10	-10
Commercial Printing and Duplication	20	16	2	-14
Advertising/Radio/TV	-	-	-	-
<u>Other Contractual Services</u>	<u>\$3,334</u>	<u>\$24,604</u>	<u>\$2,100</u>	<u>-\$22,504</u>
Advisory and Assistance Services	214	250	250	-
Other Services from Non-Federal Sources	30	27	22	-5

Other Goods and Services from Federal Sources	2,200	19,597	1,300	-18,297
Operation and Maintenance of Facilities	20	25	5	-20
Research and Development Contracts	-	-	-	-
Medical Care	-	-	-	-
Operation and Maintenance of Equipment	-	2,200	-	-2,200
<u>Other Contractual Services (continued)</u>				
Operation and Maint. of Equipment (Non-Travel)	870	2,505	523	-1,982
Relocation/PCS	-	-	-	-
Subsistence and Support of Persons	-	-	-	-
<u>Supplies and Materials</u>	<u>\$151</u>	<u>\$161</u>	<u>\$50</u>	<u>-\$111</u>
Office Supplies and Publications	130	71	39	-32
IT Supplies and Materials	16	85	6	-79
Fuel	-	-	-	-
Materials/Parts	-	-	-	-
Other Supplies	5	5	5	-
<u>Equipment</u>	<u>\$502</u>	<u>\$468</u>	<u>\$69</u>	<u>-\$399</u>
Manufacturing/Production Equipment	-	-	-	-
IT Software	422	229	25	-204
IT Equipment/Hardware	56	200	20	-180
Telecommunications Equipment	10	11	10	-1
Other Equipment and Property	14	28	14	-14
<u>Grants, Subsidies, and Contributions</u>	<u>\$-</u>	<u>\$-</u>	<u>\$-</u>	<u>-</u>
Labor-Management Grants (29 U.S.C. 175a)	-	-	--	-
<u>Unobligated</u>	<u>\$10,053*</u>	<u>\$200*</u>	<u>\$-</u>	<u>-</u>
<u>Total - Appropriations</u>	<u>\$53,705</u>	<u>\$48,700</u>	<u>\$7,400</u>	<u>-\$41,300</u>

* Reserved in FY due to pending litigation

	FY 2025 Actual	FY 2026 Enacted	FY 2027 Request	2026 to 2027 Change (+/-)
<u>Direct Funds</u>				
Personnel Compensation	-	-	-	-
Personnel Benefits	-	-	-	-
Travel and Transportation of Persons	1,149	240	-	-240
Transportation of Things	-	-	-	-
Rent, Communications, and Utilities	50	10	-	-10
Printing and Reproduction	-	-	-	-
Other Contractual Services	205	43	-	-43
Supplies and Materials	6	1	-	-
Equipment	-	-	-	-
<u>Total - Direct Funds</u>	<u>\$1,410</u>	<u>\$294</u>	<u>\$0</u>	<u>-\$294</u>
<u>Reimbursable Funds</u>				
Personnel Compensation	2,570	1,007	-	-1,007
Personnel Benefits	907	356	-	-356
Travel and Transportation of Persons	-	81	-	-81
Transportation of Things	206	-	-	-
Rent, Communications, Utilities	-	8	4	-4
Printing and Reproduction	5	3	2	-1
Other Contractual Services	2	337	167	-170
Supplies and Material	215	18	9	-9
Equipment	12	-	-	-
<u>Total - Reimbursable Funds</u>	<u>\$3,917</u>	<u>\$1,810</u>	<u>\$182</u>	<u>-\$1,628</u>
TOTAL – ALL SOURCES	<u>\$59,032</u>	<u>\$50,510</u>	<u>\$7,582</u>	<u>-\$42,928</u>

Conclusion

To provide the funding necessary for FMCS to discharge its financial obligations, ensure appropriate disposal of the governments' assets, and protect government information and records, we urge you to favorably consider this request for \$7,400,000.

Appendix A. Workload Outputs and Projections

FISCAL YEARS 2021-2027

PROGRAM SERVICES	FY2021 Actual	FY2022 Actual	FY2023 Actual	FY2024 Actual	FY2025 Actual	FY2026 Estimate
1. COLLECTIVE BARGAINING						
MEDIATION.....						
Assigned Cases ⁱ	10,510	11,004	13,131	9,693	6,122	6,633
Mediated Cases ⁱⁱ	2,788	2,938	2,467	2,318	684	2,072
Closed Cases	10,625	11,074	9,505	9,753	5,330	5,880
Closed Mediated Cases	2,242	2,267	1,974	1,789	605	2,421
Settled and Closed Mediated Cases	2,116	2,115	1,795	1,673	351	1,970
Percentage of mediated cases settled w/FMCS ⁱⁱⁱ	94.4%	99.3%	90.9%	93.5%	58.0%	95.0%
Activity rate in significant cases ^{iv}	26.9%	23.9%	25.8%	19.4%	7.5%	47.9%
2. GRIEVANCE MEDIATION.....						
Assigned Cases	1,967	1,174	1,265	1,460	383	120
Mediated Cases	1,869	1,127	1,249	1,362	879*	93
Settled GM Cases	1,125	608	637	643	554	69
Percentage of cases settled w/ FMCS ^v	60.2%	53.9%	51.0%	47.2%	63.0%	74.2%
3. PREVENTATIVE MEDIATION						
TRAINING.....						
Number of training programs provided	1,284	1,199	1,566	1,477	172	444
4. ADR Services						
Mediated Cases	1,169	1,041	1,100	1,165	463	0
Settled ADR Cases	435	356	433	535	210	0
Percent of ADR cases settled w/ FMCS ^{vi}	37.2%	34.2%	39.4%	45.9%	45.4%	
5. LABOR-MANAGEMENT COUNCILS						
Cases ^{vii}	1,508	1,383	1,251	873	181	355

***Grievance Mediation cases allow for multiple grievances to be mediated in one case.**

PROGRAM SERVICES	FY2021 Actual	FY2022 Actual	FY2023 Actual	FY2024 Actual	FY2025 Actual	FY2026 Estimate
6. ARBITRATION SERVICES.....						
Number of panels issued	10,544	9,693	9,707	10,004	9,882	11,005
Number of arbitrators appointed	4,417	4,114	4,296	4,350	4,045	7,272
7. GRANTS						
Number of grants funded	0	0	0	0	0	0
8. FMCS INSTITUTE.....						
Number of courses provided	19	23	13	15	1	0
Number of participants	746	598	372	433	35	0

Appendix B. Budget and Staffing by Activity

FEDERAL MEDIATION AND CONCILIATION SERVICE

	FY 2025		FY 2026		FY 2027		Total Program Increase or (Decrease) 2026 to 2027	
	FTE	Enacted Budget Authority (\$1,000s)	FTE	Enacted Budget Authority (\$1,000s)	FTE	Request Budget Request (\$1,000s)	FTE	Budget Authority (\$1,000s)
1. Collective Bargaining and Grievance Mediations (Dispute), Relationship Development Training (Preventive), and Outreach (Public Information) Workloads.....	147	42,800	63	30,725	7	2,064	(56)	(28,661)
2. Arbitration Services	2	880	0	294	0	0	(0)	(294)
3. Headquarters and Operational Support.....	27	10,025	27	17,975	11	5,336	(17)	(12,639)
4. Labor-Management Grants	0	0	0	0	0	0	0	0
Sub-Total Appropriated	176	\$53,705	90	\$48,994	18	\$7,400	(73)	\$(41,594)

	FY 2025 Enacted		FY 2026 Enacted		FY 2027 Request		Total Program Increase or (Decrease) 2026 to 2027	
	FTE	Budget Authority (\$1,000s)	FTE	Budget Authority (\$1,000s)	FTE	Budget Request (\$1,000s)	FTE	Budget Authority (\$1,000s)
5. Reimbursable programs: ADR Services, Employment Mediation, International Training, and Institute Courses	15	3,917	5	1,810	0	182	(5)	(1,628)
6. FMCS Internal Training and Education	0	1,410	0	0	0	0	0	(0)
Sub-Total Reimbursable	15	\$5,327	5	\$1,810	0	\$182	(5)	\$(1,628)
TOTAL RESOURCES	191	\$59,032	95	\$50,510	18	\$7,582	(77)	\$(42,928)

Endnotes

- ⁱ Section 8(d) of the National Labor Relations Act, as amended, 29 U.S.C. §158(d) requires that any employer or labor organization provide notice to the FMCS 30 days prior to contract expiration. Not all cases providing notices are assigned. Actual 2024 FMCS case intake was more than 15,000.
- ⁱⁱ Mediated cases represent the number of cases in the FY where mediators have become active in the negotiations.
- ⁱⁱⁱ Defined as the number of mediated cases settled divided by the total number of mediated cases.
- ^{iv} Significant cases are generally defined as situations where the bargaining unit exceeds 1,000.
- ^v Defined as the number of grievance mediation cases settled and closed within the fiscal year divided by the number of closed GM assignments.
- ^{vi} Defined as the number of ADR cases settled divided by the number of mediated cases closed.
- ^{vii} FMCS requires all mediators to engage in outreach efforts. These kinds of activities include non-bargaining meetings with labor and management representatives, attendance at conferences, meetings with local and state officials to offer FMCS services, and presentations designed to increase public knowledge.