

COMMITTEE ON EDUCATION AND THE WORKFORCE

VIEWS AND ESTIMATES

Members of the Committee on Education and the Workforce are committed to ensuring that every child in America is afforded the highest quality education possible and that every worker in America is treated fairly in the workplace. The Committee will pursue an ambitious education agenda that focuses on achieving equality and closing the achievement gap for the most disadvantaged students through flexibility, accountability, high standards, and choices for parents. In addition, the Committee will work toward providing a safe and secure workplace for all Americans by supporting an agenda of common sense reform rather than new Federal programs and regulations.

EDUCATION PRIORITIES

During the 107th Congress, the Committee will work with President Bush to advance a series of education initiatives aimed at creating a culture of achievement that leaves no child behind. These proposals are designed to reform the Nation's public schools by:

- Encouraging States to raise standards;
- Holding schools accountable for improving student achievement;
- Restoring local control; and
- Empowering parents with choices before schooling begins through college and beyond.

The Committee agrees with President Bush that while the Federal government properly plays a partnership role in the education of our children, education remains primarily a State and local government responsibility. The Federal government should use the comparatively small amount of its investment in elementary and secondary education – approximately seven percent – to encourage systemic education reform in the States that focuses on narrowing the achievement gap between disadvantaged students and non-disadvantaged students.

K-12 EDUCATION

The Elementary and Secondary Education Act

The Committee's highest priority during the first session of the 107th Congress will be to authorize the Elementary and Secondary Education Act (ESEA). In doing so, we will build upon the efforts that we made during the 106th Congress including the passage of the Education Flexibility Partnership Act (P.L. 106-25), the Teacher Empowerment Act

(H.R. 1995), the Student Results Act (H.R. 2), the Straight A's Act (H.R. 2300), and the Education OPTIONS Act (H.R. 4141), by working with President Bush to implement his "No Child Left Behind" education reform proposal.

The key elements of this year's effort will focus on increasing flexibility and accountability, promoting informed parental choice, improving teacher quality, preparing young children to read, providing safe schools, encouraging English fluency, and integrating technology into the classroom.

Increasing Flexibility and Accountability

During this Congress, the Committee will build upon last Congress' enactment of the Education Flexibility Partnership Act. This law expands the demonstration project enacted by the Goals 2000 Educate America Act of 1994 by removing the twelve state cap with respect to State participation. It also improves accountability requirements that must be met by local school districts. In exchange for increased accountability for results, Ed-Flex provides greater State and local flexibility in using Federal education programs to support local school improvement efforts. It accomplishes this by allowing States to approve local applications to receive waivers from certain Federal requirements that interfere with a schools' ability to educate children instead of requiring schools to submit applications to the U.S. Department of Education. Ed-Flex is a way of reducing the burden of Federal "one-size-fits-all" programs and removing bureaucratic roadblocks that divert resources from schools and students.

Even though some States have experienced success with Ed-Flex, the Committee believes that in order for States and local school districts to be as effective as possible, they should not be hamstrung by relatively small Federal funding streams that generate disproportionate amounts of paperwork and requirements. The Federal Government should reward performance, not mere compliance. States should ultimately be given the freedom to determine how to spend Federal funds to raise student achievement according to the needs of their students in exchange for increased accountability for producing results. Expanding Ed-Flex was an important first step in this direction. However, it only grants limited flexibility because it only applies to a portion of K-12 programs. In addition, States do not have the flexibility to consolidate funds and that flexibility would lead to better coordination with State efforts to improve achievement.

During the 107th Congress, the Committee will work with the President to consolidate Federal categorical programs and to enact specific provisions that grant States and school districts additional flexibility in how they may use their federal education dollars, such as the "charter states" option. The "charter states" option parallels the Straight A's bill by building upon the "Ed-Flex" option in current law. Interested States or school districts will be able to enter into a "charter" agreement with the Secretary of Education. The agreement would offer freedom from the current requirements placed on categorical grant programs in return for submitting a five-year performance agreement to the Secretary establishing specific goals for increased student performance.

Over the course of the charter, States or school districts will be subject to strict accountability for improving student achievement, review during the course of the charter, and sanctions for failing to meet the terms of the agreement. A State or school district would lose “charter” status if student achievement and other performance indicators did not improve as agreed to in the charter.

As Americans are demanding more and more accountability from their schools, the Committee also recognizes that a quality State standards and testing system can give States and communities important, objective information about how our students are doing. The Committee believes the best standards and tests are those that are developed at the State and local levels. Therefore, we are committed to working with the President to ensure that States are held accountable for improving student achievement demonstrated through annual State assessments in reading and math for students in grades 3-8. Annual assessments will enable schools to give parents needed information about how their children are doing. This data will also enable schools to detect and correct problems on a timely basis. However, if schools fail to correct the problems or to show improvement after three years, parents will be given the option to send their children elsewhere.

Promoting Informed Parental Choice

During the first session of the 107th Congress, the Committee will continue to explore ways to promote informed parental choice. Specifically, we will ensure that parents of disadvantaged children are given an opportunity to escape failing or persistently dangerous schools. For example, we will examine the President’s proposal which puts in place consequences for failure and provides parents with options.

Under the Bush plan, States that fail to make adequate yearly progress for their disadvantaged students will be subject to losing a portion of their administrative funds. If the school fails to make adequate yearly progress after three years, disadvantaged students within the school may use title I funds to transfer to a higher performing public or private school, or receive supplemental educational services from a provider of choice.

The Committee will also support additional funding to assist charter schools with start-up costs and other needs associated with creating high-quality schools.

Improving Teacher Quality

To help pave the way for school districts to improve the quality of their teachers and to help schools hire additional, qualified teachers, the House considered H.R. 1995, the Teacher Empowerment Act. During the 106th Congress, H.R. 1995 passed the House with a bipartisan vote on July 20, 1999. The Teacher Empowerment Act was built upon the principles of teacher excellence, smaller classes, and local choices. In particular, the Committee crafted a plan to consolidate and streamline multiple Federal teacher preparation programs; provide States and local schools additional flexibility in how to use these funds in exchange for increased accountability; encourage innovation and

experimentation with initiatives aimed at increasing teacher quality; and empower teachers with more choice in selecting high quality professional development programs.

To continue driving toward the goal of improved teacher quality, the Committee will work with President Bush to ensure that all of our students are taught by capable and qualified teachers. Under the Bush plan, States and localities will be given flexibility in the use of their Federal funds so that they may focus on improving teacher quality. In return for increased flexibility, States and local school districts will be expected to ensure that all children are taught by effective teachers. To accomplish this goal, the Committee will work with the Administration to implement a plan to help raise the quality of public elementary and secondary school teachers, principals, and administrators.

Specifically, the Committee will work on legislation to promote innovative teacher reforms such as certification reform, tenure reform, merit-based teacher performance systems, and programs to assist new teachers. This legislation will hold States accountable for improving the effectiveness of their teachers by requiring them to develop annual performance objectives. Under this plan, States will be required to demonstrate that local educational agencies will spend their money on effective professional development programs. The legislation will ensure that these professional development programs are tied to State or local standards; are of sufficient intensity and duration to successfully affect teaching performance; are directly related to the subjects taught by a teacher; and are based on reliable and replicable scientifically-based research. The Committee will also help empower parents and require that States report to the public on the quality of their teaching force. Locally, parents would be able to request information from schools that detail the qualifications of particular teachers.

As we attempt to ensure that all of our students receive a quality education, we must remember that the teacher quality issue is not one of funding, but rather a question that must focus on flexibility, accountability, and results. The Committee will encourage innovation and experimentation with initiatives aimed at increasing teacher quality and giving teachers more choices in selecting high quality professional development programs that meet their needs. Our goal for the 107th Congress will be to provide States and local schools additional flexibility in how they use their Federal education funds in exchange for increased accountability to parents and taxpayers evidenced by increased student achievement.

Preparing Young Children to Read

The Committee recognizes the fact that nearly 70 percent of fourth graders in the highest-poverty schools cannot read and that reading is the gateway to learning. Without the ability to read, the opportunities for academic and occupational success are limited. Unfortunately, reading failure is disproportionately prevalent among children living in poverty. According to the National Assessment of Education Progress (NAEP), 64 percent of African-American and 60 percent of Hispanic students in the U.S. read below the basic level, meaning that they cannot read and understand a short paragraph in a simple children's book. In many urban school districts the percentage of students in the

fourth grade who cannot read at a basic level approaches 70 percent. Valid scientific evidence is now available that describes the essential ingredients of an optimal reading program. Children who enter kindergarten and elementary school at-risk for reading failure can learn to read at average or above levels if they are identified early and are provided with systematic, explicit, and intensive instruction in phonemic awareness, phonics, reading fluency, vocabulary development, and reading comprehension strategies.

For example, there are approximately two million students who are identified in the Specific Learning Disabilities category of the Individuals with Disabilities Education Act who have not been taught to read. It is estimated that at least seventy percent of these students can be taught to read if they are provided with valid research based reading instruction. The per student cost for Special Education students over and above the regular per student cost is nearly \$6,000. The estimated total Special Education expenditure, State and Federal, in the 1995-96 school year was \$32 billion. Introducing scientifically valid reading instruction for these students and keeping them in the regular classroom would save approximately \$9 billion each year.

The President has proposed a major reading initiative to provide assistance to states and local educational agencies in supporting local efforts to enhance the school readiness of children ages three through five, particularly those from low-income families. The initiative is based on the best scientific evidence and knowledge relevant to reading development, reading difficulties, and reading instruction currently available. It will assist States and local school districts in high poverty areas with the application of scientifically research-based strategies and professional development to enhance the development of verbal skills, phonemic awareness, pre-reading and basic reading skills, and early language development necessary for optimal reading development in kindergarten and beyond.

Therefore, we support the President's Reading First Initiative, which provides \$900 million in Federal grants for States to assist States and local school districts in designing research-based reading programs in the early elementary grades, and \$75 million for low-income preschoolers in the Early Reading First Initiative.

The Committee also supports strengthening the educational component of the Head Start program by ensuring that preschoolers receive educational services to ensure that they are ready to learn by the time they enter first grade.

Providing Safe Schools

In reviewing the Safe and Drug-Free Schools and Communities Act and the 21st Century Community Learning Centers Act, the Committee will place a priority on the implementation of quality and effective drug and violence prevention programs and educational before- and after-school programs for youth. By revising and consolidating these acts, we will offer local schools and communities an improved framework under which to implement programs focused on youth drug and violence prevention and after-

school activities which have an academic component that serves youth. This will provide schools and after-school activity providers with the additional support needed to serve youth.

Encouraging English Fluency

During the 106th Congress, the Committee on Education and the Workforce took steps to improve the education of limited English proficient (LEP) children through changes to the current Bilingual Education Act. These proposed changes passed the House as part of H.R. 2, the Student Results Act, but were not enacted into law. This year we once again have the opportunity to ensure that limited English proficient children are provided with the same opportunities for success as all other children. President Bush recommended a series of changes to ensure that Federally funded programs for limited English proficient students achieve the goal of teaching LEP students to read and comprehend in English as soon as possible.

In addition, the President's proposal ensures equitable distribution of funds by basing State allocations on the number of LEP pupils in the State in comparison to the number in all States. This is more effective than the current competitive grant program as it ensures that dollars will be sent to those States with the greatest need for assistance. The President also merges the Bilingual Education Act with the Emergency Immigrant Education Act in order to prevent the duplication of efforts among Federal programs serving similar populations. With these and other improvements, it is our hope that the Bilingual Education Act will provide quality academic assistance to LEP students and reduce their current, unacceptably high dropout rates.

Integrating Technology into the Classroom

Federal funding in education technology has grown substantially over the past several years. In 1995, the major technology programs under title III of ESEA were funded at a combined level of just over \$50 million. Today, these programs account for \$872 million. In addition, the "E-rate" program provides up to \$2.25 billion to schools through the form of discounts for the costs of telecommunications services and assistance. According to the GAO, there are 35 federal programs in 8 agencies that could be used as a source of support for telecommunications and information technology by libraries or elementary and secondary schools. Federal assistance ranges from grants to States and local school districts for education technology authorized under ESEA, to tax incentives for corporate donations of computer technology for elementary and secondary education.

In this area, the Committee will focus on bringing together several of the current technology programs under ESEA and providing these funds directly to States and local schools. With these funds, schools will have the ability to focus on the areas under the technology umbrella where they see the greatest need. These areas may include, expanding accessibility of technology to all students, establishing high quality teacher training programs to ensure that teachers know how to best utilize technology in the

classroom, or implementing innovative initiatives to better integrate technology into the classroom in order to improve student academic achievement.

The Individuals with Disabilities Education Act (IDEA)

The Committee supports the promises the Federal government made to States and school districts 25 years ago. When Congress passed IDEA in 1975, we committed to pay 40 percent of the average per pupil expenditure to offset the excess cost of educating a disabled child. Yet, even with historic increases provided to this program by Republican Congresses over the past five years, the Federal government only contributed funds equal to approximately 15 percent of the average expenditure in FY 2001. Since taking control of Congress, Republicans have consistently appropriated over \$500 million each year for Part B, which funds direct services to students.

President Bush's budget proposal includes an increase in funding for IDEA and provides states with the flexibility to reallocate \$1.2 billion in FY 2001 funds for school renovation among three authorized activities: special education, school renovation, and technology. By devoting a significant amount of Federal funds to IDEA, local schools will have greater discretion over how to spend local education funds, including how to fund school construction, teacher hiring, professional development and the many other needs facing most local schools districts.

School Construction

The Committee does not support the creation of a new school construction grant program. However, we are willing to work with the Committee on Ways and Means by exploring other options. For example, President Bush's FY 2002 budget proposal includes a provision which would create new tax-exempt bonds to be used to fund public-private partnerships for the construction of public school facilities. These new bonds would be used for "qualified public educational facilities," which are school facilities that (1) are part of a public elementary or secondary school, and (2) are owned by a private, for-profit corporation pursuant to a public-private partnership agreement with a state educational agency or local educational agency.

These provisions extend to public school facilities the authority that State and local governments already have regarding issuing tax-exempt bonds to finance privately owned transportation facilities (airports, ports); privately owned and/or operated public works facilities (sewage, solid waste disposal); and certain private facilities for the local furnishing of electricity or gas, all generally known as "private activity bonds."

The President's proposal also includes the relaxation of the arbitrage rebate rules and the small issuer exception. Instead of creating a large, new top-down program for school construction, with all the inherent problems any such start-up suffers, the President proposes building upon existing tax rules that help all public school districts – rural, suburban and urban. This proposal would allow all schools to increase the funds they have available for school construction. By working within the current State bonding

regulations, school districts would have less paperwork to complete in complying with arbitrage rules. In addition, the proposal would provide school districts with greater flexibility in the use of funds remaining after all construction costs have been paid.

HIGHER EDUCATION

The Education and the Workforce Committee is committed to finding sensible solutions to keep the price of attending college reasonable. We addressed this issue during the reauthorization of the Higher Education Act (HEA) by authorizing a record high for Pell Grant maximums, while drastically reducing interest rates charged on student loans and keeping loan fees at a minimum. We also required colleges to provide detailed consumer information with respect to their income, expenses and tuition increases in order to enable families to make informed choices when selecting a college.

In addition, Congress approved education tax cut initiatives that were created in order to increase educational opportunities for students from middle and lower income families. We will continue to monitor the effects of these tax cuts in order to assess their effectiveness, as well as to examine the regulatory impact of reporting and paperwork requirements on those institutions that participate in our financial aid programs. There are still unanswered questions about the effect these tax credits have on the price of college. If colleges continue to increase tuition at more than twice the rate of inflation, tax credits will not go very far in making college more affordable.

Pell grants will remain a top priority for the Committee for the 107th Congress. The Pell Grant Program is considered the foundation program for all federal student aid. That fact is especially true for students from low-income families. Students from families with incomes under \$30,000 account for approximately 90 percent of all Pell Grant recipients. We are pleased that the FY 2001 appropriations included another record high for the maximum Pell grant of \$3,750. We also note that President Bush has proposed further increases for the Pell Grant Program, and look forward to working with this Administration and the higher education community to increase the number of at-risk students enrolling and completing college.

While the Higher Education Act does not require reauthorization this Congress, we will continue to look for ways to improve our student financial aid programs. In particular, the student loan interest rate compromise that was reached during the 1998 reauthorization will expire in 2003, and it will be important to find a long-term solution prior to the next reauthorization cycle. The Federal Family Education Loan program has served students for 30 years and continues to provide 70 percent of the student loans made each year. We are committed to working with the higher education community and the Administration to ensure that there are no disruptions to this vital source of funds for students and their families.

In addition, the Committee will work with the Bush Administration to identify Federal regulations that are overly burdensome, duplicative, or serve little or no purpose. In 1998 we worked in a bipartisan fashion to simplify our student financial aid programs to make

them work better for students, parents, and institutions of higher education. With the new Administration, we have a golden opportunity to undertake real regulatory reform, and ensure that the integrity of our student financial aid programs is maintained, while removing unnecessary hurdles and red-tape which detract from the abilities of our partners to help students, and which contribute to increased costs in postsecondary education.

Finally, the Committee will build on the successes of the last Congress in addressing the needs of minority serving institutions. Historically Black Colleges and Universities (HBCUs), Hispanic Serving Institutions (HSIs), Tribally Controlled Colleges and Universities, and other minority serving institutions play a vital role in recruiting and educating some of our nation's most disadvantaged students. However, these institutions often lack necessary resources and infrastructure.

Between 1995 and 2000, we have increased support for strengthening HBCUs by 36.5 percent, and for Historically Black Professional and Graduate Institutions by 58 percent. In FY 2001, we did even more, increasing funding for Strengthening Historically Black Colleges and Universities from \$169 million to \$185 million, and increasing spending for Historically Black Graduate Institutions from \$40 million to \$45 million. We made nearly identical improvements in 1998 to programs serving HSIs, and gave these schools their own title under the Higher Education Act to ensure that the funding needs of HSIs and HBCUs were not in competition with each other. Since FY 1998, we have increased funding for HSIs by 571 percent.

The Committee supports the President's proposal to increase funding for Historically Black Colleges and Universities, Historically Black Graduate Institutions, and Hispanic-Serving Institutions by 6.4 percent over 2001 as the first installment toward the goal of increasing these programs 30 percent by 2005. FY 2001 funding appropriations for Historically Black Universities, Historically Black Graduate Institutions, and Hispanic-Serving Institutions equaled \$298.5 million. A 6.4 percent increase equals approximately \$18 million in additional support.

Further, the Committee will convene a series of hearings and forums across the country to visit these institutions, highlight their successes, and discuss their particular needs with college presidents, faculty, and other interested parties. The information we gather will allow us, in partnership with the institutions, to forge a bold "action agenda" to help provide the resources they need to educate the students they serve.

**NATIONAL CENTER FOR EDUCATION STATISTICS
AND THE OFFICE OF EDUCATIONAL RESEARCH AND IMPROVEMENT**

As the Committee stresses the need for increased accountability, we recognize the need for both quality research and quality evaluations with respect to these important education programs. During the 106th Congress, the Committee conducted a thorough review of the operations of the National Center for Education Statistics (NCES), the Office of Educational Research and Improvement (OERI), and the Department's

evaluation functions in an effort to determine whether these offices and activities might be more appropriately housed in an independent entity.

With respect to OERI, the Committee will consider establishing a framework for OERI that will insure the highest quality education research without reproach on a level not unlike that of the National Institutes of Health. The Committee will also work toward restructuring Federal research and program evaluation to ensure that high-quality research is available on effective educational practices and that program evaluations are objective, and made available to Congress in a timely fashion.

WORKFORCE PRIORITIES

During the 107th Congress, the Committee will work to ensure the future of American workers and their families. We will aggressively endeavor to create security for families, build flexibility in the workplace, bring fairness to all workers, and implement common sense solutions to everyday problems in the workplace. The Committee fundamentally believes American workers and entrepreneurs are entitled to modern workplace laws that reflect the challenges and opportunities of the New Economy. We support making health insurance more accessible and affordable for all working Americans and provide patient protections to ensure patients receive the care they are entitled to without creating new bureaucracy or litigation. We will work to improve retirement security of American workers by expanding small business retirement plans, allowing workers to save more, making pensions more secure, and cutting red tape prohibiting employers from establishing pension plans. We will pursue policies that improve worker health and safety by encouraging cooperation, not confrontation, in the workplace.

SECURITY FOR WORKERS AND THEIR FAMILIES

During this Congress, the Committee will address the need for patient protections and increased access to health care coverage. The Committee intends to continue the work of the Subcommittee on Employer-Employee Relations, which favorably reported the only health care reform legislation by a House Committee. Provisions of the bills which were ultimately incorporated into the House-passed H.R. 2990 include: expanded access to emergency room care; the ability to designate a pediatrician as a child's primary care physician; direct access for women to ob-gyn services; an independent external review system for resolving disputed health claims; strong health plan accountability and the creation of association health plans which allow pooling by small businesses to purchase quality health plans.

Patients' rights legislation includes two distinct areas of focus and Committee jurisdiction – providing uninsured Americans access to affordable health insurance policies, and expansive reforms of employer-sponsored health plans, including exposure to expanded state-based liability for health plans. The Committee will continue to focus on the following: (1) expanded access to affordable health insurance – particularly for employees of small business; (2) the ERISA review requirements for a speedy external review process to solve disputed medical claims and strong enforcement of independent

review decisions to provide needed medical treatment; and (3) patient protections relating to access to ob-gyn services, pediatricians and emergency care and to provide greater communication to participants about the terms and conditions of their health plan.

Responsible managed healthcare reform will need to ensure reasonable limits on any new health care liability and the impact for employer health plan sponsors should be carefully considered. Standards for external review decisions (including “medical necessity”), scope of applicability (which Acts are appropriate to amend), and access to affordable health insurance coverage (creating Association Health Plans) are also critical components of any legislation.

The Committee may consider the impact of a variety of public policy ideas and how they affect employer-sponsored health benefit plans. Issues to be considered include: (1) how exemptions from antitrust rules for providers will affect health care costs and quality; (2) prescription drug cost increases and proposals for Medicare reform and the effect on the continued viability and affordability of employer-sponsored retiree health benefit plans; and (3) reports by the Institute of Medicine that nearly 100,000 Americans die each year due to preventable medical errors and how these unacceptable statistics affect the quality of employer-sponsored health plans. Potential Committee review will focus on the effect of enhanced genetic science and its impact on employer health plans and employment policies in general. Medical records privacy is also an area of great interest for employer plan sponsors and plan participants.

The Committee will also look at ways to promote retirement security, building on last Congress’ Committee passage of H.R. 1102, the “Comprehensive Retirement Security and Pension Reform Act.” The House passed H.R. 1102 on July 19, 2000 by a vote of 401-25. Twenty-two ERISA provisions from H.R. 1102 were also included in the “Retirement Savings and Pension Coverage Act of 2000,” part of H.R. 2614, the “Taxpayer Relief Act of 2000” passed by the House on October 26, 2000.

This legislation makes retirement security more available to millions of workers by expanding small business retirement plans, allowing workers to save more, addressing the needs of an increasingly mobile workforce through greater portability, and cutting the red tape that has hamstrung employers who want to establish pension plans for their employees. Since many workers employed by small business are not covered by an employer-sponsored retirement plan, the Committee will also explore new ways to expand coverage in the workplace.

In addition, the Committee will continue its efforts to modernize ERISA pension investment rules, building on last June's Subcommittee passage of the "Retirement Security Advice Act of 2000," H.R. 4747. The bill helps address the dilemma many workers face in deciding how to invest their vital retirement savings, by allowing employers to provide their workers with access to professional investment advice, as long as the advisers are held to tough fiduciary standards requiring that they act at all times in the interest of beneficiaries, and as long as they fully disclose to plan beneficiaries their fees and any potential conflicts.

The Committee will also continue to develop proposals to streamline outdated rules of investing pension fund assets, such as the so-called prohibited transaction rules, so as to make investment more efficient while still protecting plan assets. Also, the Committee will explore new ideas for pension fund design which would expand retirement security opportunities for American workers in the New Economy.

Finally, any fundamental review of Social Security must also encompass a serious review of the related private pension system issues.

FAIRNESS IN THE WORKPLACE

The Committee will promote legislation to modernize and strengthen the protections provided to union members by the Labor-Management Reporting and Disclosure Act of 1959 (LMRDA). The legislation will focus on implementing the recommendations of witnesses who testified during the Committee's series of seven hearings addressing "union democracy" begun during the 105th Congress and on problems highlighted by recent court decisions. The hearings looked at problems union members are having in retaining a full, equal, and democratic voice in their union affairs and ways Congress can address those problems. The LMRDA, often referred to as the Landrum-Griffin Act, is the only law that governs the relationship between labor leaders and rank-and-file union members. Evidence and hearings thus far demonstrate a significant erosion of the principles of union democracy in certain unions around the country. The Committee's LMRDA reform effort will seek to ensure that union officials are accountable to their members, thus protecting the membership from corrupt leadership.

The Committee will also increase oversight over the Department of Labor's Office of Federal Contract Compliance Programs (OFCCP) and the executive order it enforces (which mandates that all federal contractors undertake written affirmative action plans that include numerical goals and timetables). We will be focusing on new burdens the OFCCP has placed on federal contractors in recently promulgated affirmative action regulations. The Committee will also continue its oversight of the Equal Employment Opportunity Commission (EEOC).

In addition, the Committee continues to believe that it is morally wrong for workers to have money taken from their paychecks without being given adequate notice by a union on how these monies will be used, and having an educated opportunity to prevent monies that will not be used for legitimate union purposes from being taken at all. These basic

principles led President Bush, on February 17, 2001, to issue Executive Order 13,201 (EO), that provides mandatory notice, reduction in payment, and refund requirements concerning payment of certain union dues. The EO will be implemented, in large part, through the adoption of rules and regulations by the U.S. Department of Labor. The Committee supports the President's efforts to implement these protections in federal contracting, and believes that similar, or more effective protections should be specified and mandatory in the private sector. The Committee will continue efforts to ensure that paycheck protection rights are fully extended to workers and will use its oversight authority, as a first order of business, to investigate complaints concerning a serious lack of effectiveness of these protections under current law.

FAIRNESS FOR SMALL BUSINESS AND EMPLOYEES

The Committee will promote legislation to end the abusive tactic of union "salting." Organized labor – in an effort to stem the dramatic decline in private-sector organizing – often hires "salts" (typically union employees) who apply for work at non-union employers with the intent of disrupting the workplace and harassing employers with baseless litigation. The "salting" tactic is intended to force employers to recognize a union, or to force the employer out of business.

Additionally, the Committee will consider legislation to provide small businesses with the resources to challenge unfair litigation brought by the government. The Fair Access to Indemnity and Reimbursement (FAIR) Act, requires the NLRB and OSHA to pay the attorney's fees and expenses of small employers of modest means – including businesses and labor organizations – that win their cases against the Board or OSHA. The bill would make sure that these agencies consider carefully the merits of an action before bringing it against a small entity with few resources, and would ensure that these smaller employers have an incentive to fight a case of questionable merit. The Committee passed similar legislation in July 1999.

The Committee may also review the extent to which Federal workers represented by unions use official time for union activities, including collective bargaining and other Federal Labor Relations Authority -authorized activities, and thereby have their union activities subsidized by federal taxpayers

WORKPLACE SAFETY AND HEALTH

The Committee will continue to work for reform of the Occupational Safety and Health Administration (OSHA). We are hopeful that the new Administration will agree with the Committee's view that OSHA can be more effective in improving health and safety by working with, rather than against, employers. To that end, we would like to see policies which encourage innovation in the safety and health field and help OSHA play a role in this regard, rather than remaining stuck in its traditional methods of regulation and enforcement. The Committee will be looking at how to encourage regulatory reform at OSHA, not simply on a regulation-specific basis, but in a larger sense. The Committee hopes to encourage policies that bring about responsible rulemaking at the agency. It is

imperative that the agency remains true to its mission of providing a safe and healthful workplace for all working Americans, but at the same time recognizes the innovations in the workplace that can improve safety and health beyond the means OSHA can accomplish through its current regulatory procedures.

The Committee also plans to continue its consideration of proposed changes to OSHA's authorizing legislation to ensure that non-regulatory efforts are properly recognized, as well as to continue its vigorous oversight of OSHA and proposed regulations to ensure that they are in the best interests of employees, employers, and our economy.

The Committee also plans to continue its review of the Mine Safety and Health Administration (MSHA). Following procedures essentially unchanged since the 1970's, MSHA conducts pre-set inspections of underground and surface mines (including mineral, stone, and sand quarries), regardless of the relative safety or compliance record of the particular mine site. Following up on hearings held in the last two Congresses, the Committee will consider whether worker safety and health might be better served if some modifications are made to the Federal MSH Act which are more in line with the reality of today's mining industry.

REFORM OF OUTDATED LAWS TO MEET THE NEEDS OF THE 21ST CENTURY WORKFORCE

The Committee will continue to explore proposals that would update the Fair Labor Standards Act of 1938, in order to accommodate the realities of today's workplace to benefit both workers and employers. For example, in many situations the law bars employers from working out flexible arrangements regarding scheduling and compensation with their employees. The Committee will review ways to allow employers and employees to work out mutually flexible arrangements, such as the use of compensatory time off in lieu of overtime pay, and review provisions in the law that are a disincentive to employers who want to provide performance-based bonuses to hourly-paid employees.

In addition, many of the provisions under the Fair Labor Standards Act impose confusing and differing regulatory standards. For example, the law does not reflect advances in technology (computers, communications, faxes, etc.) or changes in business practices that have dramatically changed the way in which workers perform the duties of their jobs. The Committee will again pursue legislation, similar to that passed by the House during the last Congress, which would take into account the technological changes in the workplace and which would provide increased flexibility and earning potential for certain types of sales employees.

CLARIFICATION OF CONFUSING REGULATIONS ON FAMILY LEAVE

The Committee will examine the inconsistent and vague regulations implementing the Family and Medical Leave Act (FMLA). The prior administration issued conflicting and confusing opinion letters, particularly with respect to the definition of "serious health

condition,” leaving employers and employees unclear as to what the Department of Labor (DOL) and the Courts would deem to be a serious health condition. The Committee may review the FMLA in this and other areas where the DOL may better administer the Act consistent with Congress’ intent.