



**PRESIDENT'S BUDGET 2007:
UNDERMINING COMPETITIVENESS,
NEGLECTING WORKER RIGHTS
AND SAFETY**

**UNITED STATES HOUSE OF REPRESENTATIVES
THE HONORABLE GEORGE MILLER
SENIOR DEMOCRATIC MEMBER
COMMITTEE ON EDUCATION AND THE WORKFORCE**

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Summary

In his 2006 State of the Union address, President Bush announced with great fanfare his goal of improving American competitiveness in the global economy. Only days later, his Administration released the FY2007 budget that slashes and eviscerates landmark job training and vocational programs that help Americans learn the skills necessary to become more competitive. The President's budget turns several job training programs into privatized voucher programs—vouchers that have no accountability for results, and no track record of success.

On the worker safety front, the President's budget provides no funds for increased enforcement or safety inspectors at the country's 1,400 mines, despite the Sago mine tragedy and other mining deaths last month in West Virginia. Since the Bush Administration took office in 2001, the coal enforcement budget has been cut \$13.6 million in real dollar terms, and cut mine safety staff by more than 200 positions. Further, the President's budget cuts \$250 million to the NIOSH budget, the country's premier worker safety research

Job Training

At a time when millions of Americans are unemployed or looking to upgrade their workplace skills, the President is proposing to eliminate a number of landmark job training programs and convert them into a privatized voucher program. Specifically, the budget eliminates job training programs for adults and youth that have a successful track record, and a history of strong public/private partnerships to create unaccountable and un-tested "Career Advancement Accounts."¹

The hallmark of the Workforce Investment Act (WIA) is local flexibility, and strong ties to local employers with accountability for results. The Administration proposal cuts cities and counties out of decision making about how to put their residents to work. Despite repeated efforts by the Bush Administration to torpedo the WIA, Congress has repeatedly rejected its proposals. Today's business and labor leaders are calling for greater federal investment in the WIA – investments to build a skilled workforce in the vital areas of science, math, engineering, manufacturing, and information technology.

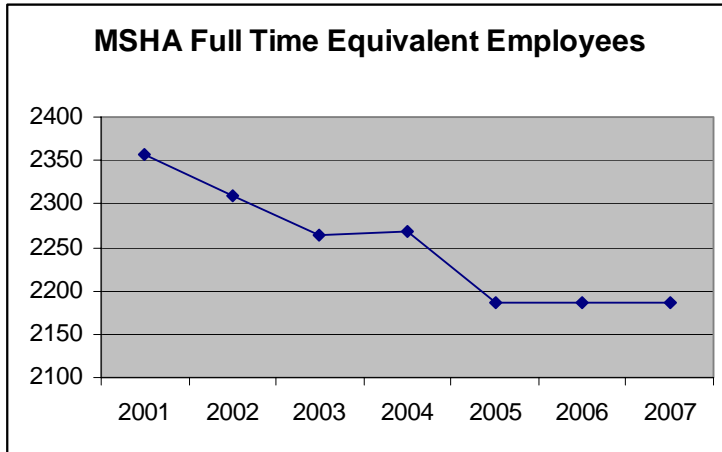
In addition, the President's budget again proposes to eliminate funding for job training for migrant and seasonal agricultural workers.

Worker Safety

MSHA: At a time when many are calling for more thorough inspections following six U.S. mine tragedies and 18 miners' deaths in 2006 alone, the President requested a scant 4% increase (even after the 1% rescission of Fiscal Year 2006 appropriated funds) in funding for the Mine Health and Safety Administration (MSHA), from \$277 million to \$288 million. The budget – after adjusting for inflation – provides no increased enforcement activities for mine safety. The budget shows that the number of full-time

¹ These include the Adult Employment and Training Activities, Dislocated Worker Employment and Training Activities, and Youth Activities of the Workforce Investment Act)

employees has fallen by 170 full time employees since 2001 – from 2,357 in 2001 to 2,187 today. Coal enforcement has fallen by 217 employees – from 1,233 full-time positions in 2001 to 1,016 in this year’s request. This year’s budget accounts for zero new full-time equivalent employees at MSHA and a decrease of 27 full-time equivalent positions for coal enforcement.



Source: FY2001-2007 Budget

While the Administration is calling for an increase in maximum fines from \$60,000 to \$220,000, it should be noted that the maximum fine is rarely applied in this Administration. The maximum fine has only been imposed 37 times from 2001 to 2005, compared with 118 times from 1996-2000. Furthermore, it is within the Administration’s authority to adjust the fee schedule below the maximum at their discretion. At the Sago mine

during 2005, all of the fines issued for their 208 violations added together did not equal the maximum penalty allowed under current law.

OSHA: The President’s budget cuts \$250 million from the NIOSH budget, the country’s premier worker safety research agency. Cutting NIOSH undermines the country’s efforts to prevent workplace injuries, diseases, and deaths. The President has also again requested that funding be eliminated for the Susan Harwood Grant program at the Occupational Safety and Health Administration (OSHA), which provides funding for safety training by unions and community-based groups. It is especially critical for immigrants and other vulnerable workers. The U.S. Bureau of Labor Statistics found that worker deaths increased in 2004, for the first time in 10 years.

International Worker Rights

While the President stressed increasing international trade in his State of the Union address, his budget proposes taking away the tools we need to prevent worker abuses abroad such as forced sweatshop labor and the worst forms of child labor. Competitiveness is also an issue here, as it is difficult for better-paid U.S. workers to compete for jobs against severely underpaid foreign workers who enjoy no health care benefits. The President again requested that funding for the Bureau of International Labor Affairs (ILAB) be cut from \$73 million to \$12 million. This represents an 87 percent cut from fiscal year 2005 funding of \$93 million. ILAB is the main federal entity charged with building worker rights into trade and investment agreements.

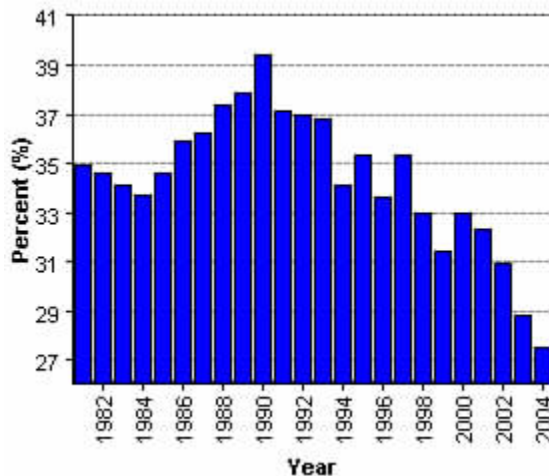
Retirement Security

President Bush's budget proposes a \$16.7 billion dollar premium tax on the nation's pension plans. A premium tax this large will encourage more companies to freeze or drop their pension plans, thus making Americans in defined pension plans less financially secure. The budget fails to include any measure to stop companies from dumping their unmet pension promises onto the federal government and employees, or to provide assistance to airline pension plans that are struggling to keep their pension plans going.

Employment for People with Disabilities

This budget dramatically slashes funding for the Office of Disability Employment Policy from \$28 million to \$20 million. This is a 57 percent cut from fiscal year 2005 funding of \$47 million. This Office is charged with breaking down barriers to employment that people with disabilities face so that they may live free and independent lives. This cut shows a serious disregard for creating a level playing field for people with disabilities, who are the most unemployed and underemployed people in our society. This office, established in the Fiscal Year 2001 Omnibus Appropriations Act, has "already had a significant impact on policies and programs to facilitate employment prospects for youth and adults with disabilities," according to the American Association of People with Disabilities.

The need for the office is clear. The following chart shows the percentage of men and women, aged 18-64 with a work limitation in the United States who worked more than 52 hours in the prior calendar year from 1981 - 2004



Source: Cornell University Disability Statistics