

**STATEMENT OF HILDA L. SOLIS
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BEFORE THE
SUBCOMMITTEE ON LABOR,
HEALTH AND HUMAN SERVICES, EDUCATION AND RELATED AGENCIES
COMMITTEE ON APPROPRIATIONS
UNITED STATES HOUSE OF REPRESENTATIVES**

May 12, 2009

Chairman Obey, Ranking Member Tiahrt, and members of the Subcommittee, thank you for the invitation to testify today. I appreciate the opportunity to discuss the President's Fiscal Year (FY) 2010 budget request for the Department of Labor.

The total request for the Department in FY 2010 is \$104.5 billion and 17,477 Full-Time Equivalent employees (FTE), of which \$15.9 billion is before the Committee. Of that amount, \$13.3 billion is requested for discretionary budget authority. Our Budget request will build on the \$4.8 billion in discretionary and \$33.5 billion in mandatory resources included for the Department in the American Recovery and Reinvestment Act (Recovery Act).

It is no secret that the economy is struggling. Investing in our nation's workforce and creating a positive environment for new jobs is a critical component of the President's efforts to restart our economy. For its part, the Department of Labor is deploying its Recovery Act resources to help ease the burden of unemployment and put people back to work by:

- Providing more training and employment opportunities for seniors, unemployed adults, and dislocated workers;
- Providing Summer Jobs and full year opportunities for youth;
- Spurring new Green Jobs training investments, to prepare workers to succeed in the new green economy;
- Enhancing and expanding the Unemployment Compensation and Trade Adjustment Assistance programs;
- Launching a new program that informs workers and their families of their rights under the Recovery Act to COBRA premium assistance;
- Initiating additional worker protections to ensure that economic activity spurred by the Recovery Act occurs in workplaces that are safe, healthful, and respect workers' rights.

The resources requested in our FY 2010 budget will build on and leverage the efforts begun this year with the Recovery Act. The Department's FY 2010 Budget will promote continued economic recovery and strengthen the health, safety, and competitiveness of our nation's diverse workforce.

FY 2010 PRIORITIES

While building on the efforts begun under the Recovery Act, the Department's FY 2010 Budget features three overall priorities: beginning to restore the capacity of our programs that

protect workers' safety and health, pay, and benefits; launching new and innovative ways to promote economic recovery and the competitiveness of our nation's workers; and ensuring that our programs are carried out in a way that is accountable and transparent to the public and our stakeholders.

RESTORING WORKER PROTECTION PROGRAMS

The 2010 Budget includes \$1.7 billion in discretionary funds and 10,182 FTE for DOL's worker protection activities. This funding level is \$150 million (10 percent) and 878 FTE above the FY 2009 enacted level, and returns the worker protection programs to their FY 2001 staffing levels. The request will restore capacity in our worker protection programs, which have languished for years. The Department has developed an aggressive, comprehensive hiring plan for its worker protection agencies, which it will deploy as soon as the FY 2010 appropriation is available. Our plan places a special emphasis on hiring multilingual inspectors and investigators to allow the worker protection personnel to match the languages used in the workplace.

Employment Standards Administration

The Department's Employment Standards Administration (ESA) administers and enforces laws that protect the rights and welfare of American workers. The FY 2010 budget request for administrative expenses for ESA is \$503 million and 4,538 FTE. This represents an increase of \$63 million (14 percent) and 493 FTE above the FY 2009 enacted level.

Wage and Hour Division

The Wage and Hour Division is responsible for the administration and enforcement of a wide range of worker protection laws, including the Fair Labor Standards Act, Family and Medical Leave Act, Migrant and Seasonal Agricultural Worker Protection Act, worker protections provided in several temporary non-immigrant visa programs, and prevailing wage requirements of the Davis-Bacon Act and the Service Contract Act. The Wage and Hour Division protects over 135 million workers in more than 7.3 million establishments.

The FY 2010 Budget requests \$227.7 million and 1,571 FTE for the Wage and Hour Division, an increase of \$35 million and 288 FTE from the FY 2009 enacted level. It includes resources to help revive its customer service focus by supporting improved complaint intake and more in-depth complaint investigation processes. In FY 2010, the Wage and Hour Division will hire additional investigators to:

- Strengthen enforcement resources on behalf of vulnerable workers;
- Verify future compliance of prior violators; and
- Conduct high quality, responsive complaint investigations strategically, to increase protections for the greatest number of workers.

The FY 2010 Budget request for the Wage and Hour Division excludes \$45 million in estimated fee revenue from DOL's portion of the H-1B and L visa fraud prevention fee authorized by the 2004 H-1B Visa Reform Act. Because of the statutory limits on the use of these funds, DOL has been unable to spend all of the fees, and each year carries unspent balances. The FY 2010 budget proposes to cancel \$30 million of these balances as an offset to new discretionary spending. The Administration is also proposing legislation, through the Department of Homeland Security, to amend the Immigration and Nationality Act to expand the permissible uses for the Department of Labor to use the H-1B and L fraud fees to carry out expanded enforcement activities under the H1B and L, as well as provide a stable source of funding for enforcement of the H-2B program.

Office of Federal Contract Compliance Programs

The FY 2010 budget request for the Office of Federal Contract Compliance Programs (OFCCP) totals \$109.5 million and 798 FTE, an increase of \$27 million (33 percent) and 213 FTE from the FY 2009 level. OFCCP is responsible for ensuring equal employment opportunity and non-discrimination in employment for businesses contracting with the Federal government. In FY 2010, OFCCP will carry out this mandate by conducting compliance evaluations to identify instances of systemic discrimination in the workplace, with a special focus on construction reviews and on-site evaluations related to veterans and individuals with disabilities. The FY 2010 request includes \$2 million for a new case management system to replace the agency's existing case management system (the OFCCP Information System), which was developed over 20 years ago and is inadequate to meet today's enforcement needs. The new system will improve the monitoring of non-compliant contractors and improve the effectiveness of OFCCP's enforcement activities.

Office of Workers' Compensation Programs

The FY 2010 discretionary budget request for administration of the Office of Workers' Compensation Programs (OWCP) totals \$108.5 million and 890 FTE to support the Federal Employees' Compensation Act (FECA) (\$95.3 million) and the Longshore and Harbor Workers' Compensation program (\$13.2 million).

The OWCP budget also includes mandatory funding totaling \$51.2 million and 305 FTE to administer Part B of the Energy Employees Occupational Illness Compensation Program Act (EEOICPA), and \$60 million and 293 FTE for Part E of the Act. EEOICPA provides compensation and medical benefits to employees or survivors of employees of the Department of Energy (DOE) and certain of its contractors and subcontractors, who suffer from a radiation-related cancer, beryllium-related disease, chronic silicosis or other covered illness as a result of work at covered DOE or DOE contractor facilities.

Lastly, OWCP's FY 2010 budget includes \$37.5 million in mandatory funding and 195 FTE for its administration of Parts B and C of the Black Lung Benefits Act, and \$58.1 million and 127 FTE in FECA Fair Share administrative funding. The request for FECA Fair Share

includes an increase of \$4.95 million to upgrade technology, improve customer service, and increase productivity.

Office of Labor-Management Standards

The FY 2010 budget request for the Office of Labor-Management Standards (OLMS) totals \$40.6 million and 266 FTE. This is a net reduction of \$4.38 million and 31 FTE from the FY 2009 level. OLMS administers the Labor-Management Reporting and Disclosure Act (LMRDA), which establishes safeguards for union democracy and union financial integrity and requires public disclosure reporting by unions, union officers, employees of unions, labor relations consultants, employers, and surety companies. OLMS also administers the Department's responsibilities under Federal transit law by ensuring that fair and equitable arrangements protecting mass transit employees are in place before the release of Federal transit grant funds.

The resources requested in FY 2010 will allow OLMS to continue to accomplish its core mission. The reduction in FTE will occur through the transfer of staff to other ESA programs and attrition. The Budget would shift those resources to other worker protection agencies that have faced increased workload in the face of diminished resources.

Employee Benefits Security Administration

The Employee Benefits Security Administration (EBSA) protects the integrity of pensions, health plans, and other employee benefits for more than 150 million workers. The FY 2010 budget request for EBSA is \$156.1 million and 910 FTE, an increase of \$13 million (9 percent) and 75 FTE compared to the FY 2009 level. The requested resources will help rebuild the foundation of EBSA's enforcement efforts, allowing an additional 600 civil and criminal investigations and increasing indictments by an estimated 6 percent.

Occupational Safety and Health Administration

The FY 2010 Budget request for the Occupational Safety and Health Administration (OSHA) is \$563.6 million and 2,360 FTE. The budget requests an additional \$50.6 million and 213 FTE, and proposes program increases to restore OSHA's capacity to enforce statutory protections, provide technical support, promulgate safety and health standards; and strengthen safety and health statistics. The FY 2010 request supports *an additional*:

- 130 safety and health inspectors (a 10 percent increase from FY 2009);
- 25 whistleblower investigators (a 33 percent increase);
- \$13.84 million for State Program grants (a 15 percent increase);
- 13 FTE to strengthen OSHA's capacity to quickly respond to the sudden emergence of safety and health hazards, such as a pandemic influenza; and
- 20 FTE to restore OSHA's rulemaking capabilities, allowing the Agency to simultaneously address multiple complex longstanding and emerging regulatory issues.

These additional resources will restore OSHA's enforcement presence in the nation's workplace, support National and Local Emphasis Programs, and allow the agency to hire multilingual investigators to address language barriers in enforcement.

Mine Safety and Health Administration

The FY 2010 Budget request for the Mine Safety and Health Administration (MSHA) is \$353.7 million and 2,376 FTE. The request will allow MSHA to continue implementing the historic Mine Improvement and New Emergency Response (MINER) Act, the most sweeping mine safety legislation in 30 years.

The FY 2010 Budget includes an increase of \$1.3 million specifically targeted for 15 additional Metal and Nonmetal FTE to address the projected 12 percent increase in workload in the aggregates mining sector. The Budget will ensure a 100 percent completion rate for all mandatory safety and health inspections; support MSHA's enhanced enforcement initiatives, which target patterns of violation, flagrant violators, and scofflaws; and continue infrastructure improvements at the National Mine Health and Safety Academy. The request also allows MSHA to continue its work to enhance mine rescue and emergency operations.

Office of the Solicitor

The FY 2010 Budget includes \$125.2 million and 679 FTE for the Office of the Solicitor (SOL). This amount includes \$117.4 million in discretionary resources and \$7.8 million in mandatory funding. The Solicitor's Office provides the legal services that support the Department, particularly the Department's enforcement programs. The FY 2010 budget includes an increase of \$14.8 million that will support an additional 82 FTE to provide expanded legal support for DOL client agencies, and provide \$5.3 million for information technology and legal support infrastructure. The additional staff will better enable SOL to provide increased enforcement litigation, more timely legal opinions, and legal support for rulemaking. The \$5.3 million request for infrastructure will increase SOL's litigation efficiency and improve its case management and reporting system.

Pension Benefit Guaranty Corporation

For administrative expenses of the Pension Benefit Guaranty Corporation (PBGC), the FY 2010 budget requests \$464.1 million and 931 FTE, an increase of \$19.3 million over the FY 2009 level. In FY 2010, PBGC will strive to prevent unnecessary and avoidable terminations of under-funded pension plans, to mitigate the risk of losses to the insurance program, and to enhance recoveries in bankruptcy for the benefit of plan participants and the insurance funds. The request includes an additional \$15 million to help PBGC respond to the threat posed by the struggling economy to defined benefit pension plans. These funds will support actuarial and financial advisory services to better understand the exposure and risk faced by the pension insurance program. In addition, \$500,000 and 3 FTE are requested to increase the capacity of the Office of Inspector General to investigate PBGC's benefit payment, asset management, and contracting operations.

The Budget also includes a change to the appropriations language that “triggers” the availability of additional administrative funds if there are unanticipated pension plan termination-related expenses. Because of concerns that a large plan failure late in the fiscal year would trigger additional funds that could not be fully obligated within the fiscal year, the Budget proposes to make these triggered funds available for two years.

INNOVATIVE WORKFORCE TRAINING STRATEGIES

The FY 2010 budget request for the Department’s Employment and Training Administration (ETA) is \$8.7 billion in discretionary funds and 812 FTE, not including the 131 FTE associated with the foreign labor certification application fees.

We are grateful to the Congress for providing funding for the employment and training programs in the Recovery Act. This funding provides the basis of an aggressive plan to put Americans back to work. Our FY 2010 budget request will supplement Recovery Act funding with the targeted investments highlighted in this section. I am particularly excited about the use of innovative strategies and programs designed to increase the skills and competitiveness of the American workforce, including segments of the population that have been underserved in the past.

Dislocated Workers

The budget requests an increase of \$71.1 million in the Dislocated Worker National Reserve to fund National Emergency Grants (NEGs). This will enable ETA to provide additional, targeted resources to aid in the reemployment of dislocated workers, as current projections indicate that there will continue to be high levels of unemployment into FY 2010.

The economy, along with a major expansion of eligibility and benefits enacted as part of the Recovery Act, is also the primary factor in the request for an increase of \$860 million for the Trade Adjustment Assistance (TAA) program, which will support training and income support for trade-impacted workers. States that assist workers who lose jobs will also receive \$3.2 billion for the administration of unemployment insurance based on estimates of claims workload for the fiscal year.

Career Pathways Innovation Fund

The FY 2010 budget requests \$135 million for the Career Pathways Innovation Fund, which is a \$10 million increase over the amount awarded in FY 2009 through Community-Based Job Training Grants. Competitive grants provided by the new fund will continue the support for community colleges provided by Community-Based Job Training Grants, but will focus on career pathway programs at community colleges. These programs help individuals of varying skill levels enter and pursue rewarding careers in high-demand and emerging industries.

Career pathway programs are clear sequences of coursework and credentials, each leading to a better job in a particular field, such as health care, law enforcement, and clean energy. These

programs have multiple entry and exit points and often include links to services, such as basic adult education and English-as-a-Second Language classes, which make them accessible to individuals who are not yet prepared to enroll in college courses. Career pathways are a relatively new strategy for community colleges, but several existing programs have shown promising outcomes.

The Department will work with the Department of Education as it develops and implements this new initiative, especially to gain insight into curriculum development, the importance of credit transferability, and linkages between community colleges and K-12 education.

Green Jobs

The budget requests \$50 million for a Green Jobs Innovation Fund, which will complement the competitive grant awards made through the \$500 million appropriation included for high growth and emerging industry sectors under the Recovery Act. The Department is considering several targeted strategies for these funds, including: (1) enhanced apprenticeship opportunities in green industry sectors and occupations; (2) competitive grants for green career pathways, focusing on developing educational opportunities in green industries; and (3) incentives for innovative partnerships that connect community-based organizations in underserved communities with the workforce investment system to promote career advancement in green industry sectors.

YouthBuild

The FY 2010 Budget includes \$114 million, an increase of \$44 million, or 64 percent, over the FY 2009 enacted level for YouthBuild to provide competitive grants to local organizations for the education and training of approximately 7,100 disadvantaged youth ages 16-24. Under these grants, youth will participate in classroom training and learn construction skills by helping to build affordable housing. In FY 2010, the Department will continue the “green” transition of YouthBuild by encouraging connections with other Federal agencies involved in creating green jobs, such as the Department of Housing and Urban Development (HUD) and the Department of Energy in order to leverage resources and new “green” opportunities for YouthBuild participants.

Transitional Jobs

The FY 2010 budget proposes \$50 million to demonstrate and evaluate transitional job program models, which combine short-term subsidized or supported employment with case management services to help individuals with significant employment barriers obtain the skills needed to secure unsubsidized jobs. The initiative will target non-custodial parents to strengthen their workforce skills and experience, and help the children who rely on them for support. The Department will carry out this demonstration collaboratively with other Federal agencies, such as the Departments of Health and Human Services and Justice. We will work with partner agencies to develop and implement a rigorous evaluation strategy for this demonstration.

Reintegration of Ex-Offenders

The FY 2010 budget requests \$115 million, an increase of \$6.5 million over the FY 2009 enacted level, for a program that brings together projects for adult and youth offenders. A portion of the funding will be used to support ex-offender programs under the Second Chance Act, and provide job training, mentoring, and transitional services to ex-offenders. The funding will also support grants to target juvenile and young adult offenders, and youth highly at risk of involvement in crime and violence.

Strengthening Unemployment Insurance Integrity and Promoting Re-Employment

The economic downturn has placed great stress on the Unemployment Insurance (UI) system, which finances the unemployment compensation program. In addition to financing the administration of State workloads, the Administration is committed to protecting the financial integrity of the UI system, and to helping unemployed workers return to work as promptly as possible. Our approach includes:

- A total of \$50 million in discretionary funding , an increase of \$10 million over the FY 2009 enacted level, to expand Reemployment and Eligibility Assessments, which include in-person interviews at One-Stop Career Centers with UI beneficiaries to discuss their need for reemployment services and their continuing eligibility for benefits. This initiative has helped UI beneficiaries find jobs faster and reduced payments to ineligible individuals.
- A package of legislative changes that would prevent, identify, and collect UI overpayments and delinquent employer taxes. We estimate that these legislative proposals would reduce overpayments by \$3.9 billion and employer tax evasion by \$300 million over 10 years.

In addition, the Administration will seek reform of the UI program's permanent Extended Benefit (EB) feature to improve its efficiency as an automatic economic stabilizer and streamline administration. We urge the Congress to act on these important proposals to strengthen the financial integrity of the UI system and help unemployed workers return to work.

Senior Community Service Employment Program

The FY 2010 budget proposes \$575 million for the Senior Community Service Employment Program (SCSEP), which will enroll some 90,000 low-income seniors in part-time, minimum wage community service jobs. The request includes an additional \$3.5 million over the FY 2009 enacted level to finance the increase in the Federal minimum wage that will occur on July 24, 2009. ETA will focus its technical assistance efforts on transitioning seniors in programs funded by the Recovery Act into the regular 2010 program with minimal disruption.

Job Corps

The Budget includes \$1.7 billion to operate a nationwide network of 124 Job Corps centers in FY 2010. Job Corps provides training to address the individual needs of at-risk youth and ultimately equip them to become qualified candidates for the world of work. Job Corps received \$250 million from the Recovery Act, which it is using to fund shovel-ready construction projects that stimulate job growth in center communities. In addition, the Recovery Act funds are promoting environmental stewardship in Job Corps by supporting development of green-collar job training, technology enhancements, and fleet efficiency.

Veterans' Employment and Training Service

When it comes to training and employment, we will never forget our commitment to our veterans. For the Department's Veterans' Employment and Training Service (VETS), the FY 2010 Budget request is \$255 million and 234 FTE. The FY 2010 Budget includes \$35 million for the Homeless Veterans Reintegration Program (HVRP), an increase of \$9 million (34 percent) above FY 2009. The request will allow the program to provide employment and training assistance to an additional 7,200 homeless veterans, with an increased emphasis on aiding homeless women veterans. The budget also includes a \$2 million increase for Veterans Workforce Investment Programs to provide services to veterans that will result in new skills and employment in Green Jobs. In addition, the budget requests an increase of \$3.5 million to expand access to the Transition Assistance Program (TAP) for spouses and family members (including those with limited English proficiency). TAP Workshops play a key role in reducing jobless spells and helping service members transition successfully to civilian employment.

I place a strong priority on ensuring that the innovative programs I have described above are available to persons in all communities across our nation, including those living in rural communities. I am eager to partner with my colleagues in the Cabinet and you to ensure this happens.

ENSURING ACCOUNTABILITY AND TRANSPARENCY

Spending tax dollars wisely helps the Department achieve our mission on behalf of America's workers, and builds trust among our stakeholders. We are committed to ensuring a sense of responsibility, accountability, and transparency at the Department of Labor. Our FY 2010 budget supports those goals.

Workforce Data Quality Initiative

The FY 2010 budget requests \$15 million for a Workforce Data Quality Initiative of competitive grants to support the development of longitudinal data systems that integrate education and workforce data. Longitudinal data systems track individuals as they progress through the education system and into the workforce. Some states have developed comprehensive systems that link individuals' demographic information, high school

transcripts, college transcripts, and quarterly wage data. These data systems can provide valuable information to consumers, practitioners, policymakers, and researchers about the performance of education and workforce development programs.

The Department will work to develop this grant program with input from the Department of Education. Grants will help states to incorporate workforce information into their longitudinal data systems, as well as undertake activities to improve the quality and accessibility of performance data reported by training providers. Improving information available from training providers is crucial to helping consumers make informed decisions when choosing among training programs.

A Renewed Commitment to Program Evaluation

In recent years, the Department's evaluation capacity has eroded, and it has funded too few high-quality evaluations of its programs. The Administration and the Department recognize the need to conduct a rigorous evaluation agenda to determine which programs and interventions work and inform its policy, management, and resource allocation decisions. The FY 2010 Budget provides \$5 million for a new Department-wide initiative to support rigorous evaluations across the Department of Labor. The new initiative will allow expansion of evaluation activities to other programs, with a priority on large, lightly examined, and/or high-priority programs. In addition, the budget requests an increase of \$5 million for ETA's evaluation budget for job training and employment programs. As part of this initiative, the Department of Labor would look to build partnerships with the academic community and other outside parties to leverage private-sector research activities; make public its research and evaluation agenda, and develop the agenda based on feedback from the public, Congress, and its stakeholders.

OTHER PROGRAMS

Bureau of Labor Statistics

In order to maintain the development of timely and accurate statistics on major labor market indicators, the FY 2010 Budget provides the Bureau of Labor Statistics (BLS) with \$611.6 million and 2,416 FTE. This funding level provides BLS with the necessary resources to continue producing sensitive and critical economic data, including the Consumer Price Index (CPI) and the monthly Employment Situation report. In addition, the FY 2010 Budget includes an increase of \$8.0 million and 10 FTE to produce new data on employment and wages for businesses whose primary activities can be defined as "green," and produce information on the occupations involved in green economic activities.

Office of Disability Employment Policy

The FY 2010 Budget provides the Office of Disability Employment Policy (ODEP) with a total of \$37 million and 49 FTE, an increase of \$10 million (39 percent) over FY 2009. With the increase, ODEP will support a new initiative that builds upon the lessons learned through

the Work Incentive Grant demonstration Disability Navigators, and focuses on working with employers, the One-Stop system, and other stakeholders to vigorously promote the hiring, job placement and retention of individuals with disabilities, particularly youth, in integrated employment, apprenticeship, and pre-apprenticeship programs, and community service activities. The FY 2010 Budget also proposes “Add Us In!” -- a new grant program for minority youth with disabilities who are transitioning from school (secondary or postsecondary) to employment and are interested in entrepreneurship. Financed within ODEP’s base budget, the initiative would feature collaboration with minority chambers of commerce.

Bureau of International Labor Affairs

The FY 2010 request for the Bureau of International Labor Affairs (ILAB) is \$91.4 million and 95 FTE. The request provides an increase of \$5.3 million and 12 FTE to allow ILAB to step up its monitoring and oversight of workers rights. This will involve closer monitoring and reporting on labor conditions worldwide, with a goal of reducing violations of worker rights and incidents of child labor, forced labor, and human trafficking. The FY 2010 budget will maintain ILAB’s child labor and worker rights activities at the FY 2009 level

Women’s Bureau

The FY 2010 Budget includes \$10.6 million and 52 FTE for the Women’s Bureau. This budget will allow the Women’s Bureau to continue its mission of designing innovative projects addressing issues of importance to working women and providing information about programs and polices that help women attain high paying, career ladder jobs in nontraditional fields, including opportunities in green industry sectors and occupations.

CONCLUSION

With the resources we have requested for FY 2010, the Department will step up its enforcement of worker protection laws; provide innovative training and employment programs that promote green investments while ensuring diversity and inclusion; increase employment opportunities for our nation’s veterans and their families; and ensure our programs are accountable and understandable to the public and our stakeholders.

Mr. Chairman, this is an overview of the programs proposed at the Department of Labor for FY 2010. I am happy to respond to any questions that you may have.

Thank you.