

U.S. DEPARTMENT OF LABOR
FISCAL YEAR 2005 BUDGET

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- - GENERAL NOTE - -

The numbers in the dollar tables in this document may not add due to rounding.

Department of Labor Budget Overview Fiscal Year 2005

Total Budget Authority <i>(Dollars in Billions)</i>			
	<u>FY 2004</u>	<u>FY 2005</u>	<u>Change</u>
Discretionary Programs:	\$11.7	\$11.9	\$0.1
Mandatory Programs:	\$48.3	\$45.4	(\$2.9)
Total, Department of Labor	\$60.0	\$57.3	(\$2.7)
<i>Full Time Equivalents (FTE)</i>	<i>17,347</i>	<i>17,419</i>	<i>+72</i>

Introduction

The 21st century workplace demands a competitive workforce. And in Fiscal Year (FY) 2005, the Department of Labor (DOL) is poised to deliver. With enhanced Employment and Training initiatives and strengthened worker protection efforts, DOL will continue to play a lead role in accomplishing the President's domestic agenda.

FY 2005 Budget

As referenced in the above chart, the total request for the Department in FY 2005 is \$57.3 billion in budget authority and 17,419 full-time equivalents (FTE). The request for the Department's discretionary programs is \$11.9 billion.

As demonstrated in these highlights and in the agency sections to follow, the Department's FY 2005 budget builds

upon the Department's three strategic goals of *A Prepared Workforce*; *A Secure Workforce*; and *Quality Workplaces*. In this FY 2005 budget, DOL addresses a newly-developed fourth Departmental strategic goal: *A Competitive Workforce*. This fourth goal focuses on equipping workers to adapt to rapidly-evolving challenges while promoting job flexibility and minimizing regulatory burden.

- *Innovative programs to help workers find jobs*
- *Protecting workers with stronger enforcement and accountability*
- *Protecting America's immigrant workforce*
- *21st Century Department of Labor*

The Department's FY 2005 budget was developed around four major themes designed to

make a difference in the lives of America's working families: *Innovative Programs to Help Workers Find Jobs*; *Protecting Workers with Stronger Enforcement and Accountability*; *Protecting America's Immigrant Workforce*; and *Building a 21st Century Department of Labor*.

Innovative Programs to Help Workers Find Jobs

Community Colleges Initiative

The FY 2005 request for the Department's Employment and Training Administration (ETA) is \$9.4 billion and 1,253 FTE. A cornerstone of the Department's goal of *A Competitive Workforce* is the President's new Community College initiative. Every American worker who wants a job should be able to find one – and this budget provides \$250 million for a new, employer-focused competitive grant program that will leverage the expertise of the Nation's many community and technical colleges so workers can be trained for new jobs in high-growth industries. This will help workers to retool, refine, and broaden their skills.

Workforce Training Reform

The Department will also strive to enact workforce training reforms which would combine training programs into a single stream – and better serve both workers and job seekers. In doing so, we will focus on unused and untapped training resources and apply them to areas of greatest need, with a priority on funding those programs and projects that can show real, measurable results for workers.

Personal Reemployment Accounts

The President's FY 2005 budget for ETA includes \$50 million for Personal Reemployment Accounts. This pilot effort will provide job seekers more choice and control over their return-to-work efforts and will reward them when they succeed. Under the plan, States would offer up to \$3,000 to eligible unemployed workers – resources that can be applied to whatever training and

services best benefit each individual. This program would allow the recipients to keep the balance of the account as a cash bonus if they find a job within 13 weeks.

Prisoner Reentry Initiative

Beginning in FY 2005, the Department of Labor teams with the Departments of Justice and Housing and Urban Development and faith-based and community organizations on a four-year, \$300 million program to help individuals leaving prison make a successful transition to community life and long-term employment. In FY 2005, DOL requests \$35 million for its new Prisoner Reentry initiative, supplemented by existing resources in DOL's budget for prisoner reentry activities. This initiative will tap the unique contributions and capacities of America's faith-based and community organizations.

Protecting Workers with Stronger Enforcement and Accountability

With its FY 2005 budget, the Department is proposing a \$23 million increase in worker protection and retirement security. These increases will better protect workers' retirement savings; ensure worker safety and health; protect union member rights; and reform existing civil monetary penalties.

The budget includes \$132.3 million and 960 FTE for the Employee Benefits Security Administration (EBSA) – an \$8.3 million, 30 FTE increase. EBSA protects the integrity of pensions, health plans, and other employee benefits for more than 150 million people. To complement this increase, the Administration will continue to press for

enactment of the President's retirement security plan, which would give workers more and better information on their retirement savings; increase access to investment advice; and strengthen workers' abilities to manage their future by providing more freedom to diversify investments.

In the 2005 budget, the Department is also building upon a solid record of achievement in labor law enforcement. This includes a \$10.8 million increase in the Department's Occupational and Mine Safety and Health efforts. Detailed information is included in the OSHA and MSHA sections that follow.

An additional worker protection aspect of the Department's 2005 budget is a \$5.8 million increase in funding to expand the Wage and Hour Divisions targeted enforcement initiatives to other low-wage industries that typically employ the most vulnerable workers. A \$4.9 million increase is provided for the Department's Office of Labor-Management Standards (OLMS). This increase will restore OLMS staffing to better protect union members' rights and financial interests. It will also incorporate electronic filing to reduce administrative burdens on unions. An additional \$4.3 million increase for the Office of Inspector General will better prevent organized crime in union matters, safeguard union members' funds, and fight labor racketeering.

The President's Budget also provides DOL with \$5 million to help working families by promoting innovative,

flexible work arrangements to help families balance the needs of work and home through telework and new technologies.

In FY 2005, DOL will also seek to increase civil monetary penalties. While the vast majority of employers want to provide safe and fair workplaces, the

- *Retirement Security*
- *Worker safety and health*
- *Protecting workers' pay*
- *Union members' rights*
- *Increased civil monetary penalties*

DOL will target those who put workers at risk with tougher sanctions. Reforming the Department's civil monetary penalties will strengthen our ongoing enforcement and

compliance assistance efforts.

Protecting America's Immigrant Workforce

In FY 2005, the Department will continue to work to better serve America's immigrant workers. We will accomplish this through better and faster labor certification – and we will work to create a better way of linking willing employers with willing workers.

We will also intensify the Department's Compliance Assistance and Enforcement efforts directed at protecting immigrant workers. And in OSHA and MSHA, we will further expand our outreach to immigrant workers to better ensure their safety and protection in the Nation's workplaces and mines.

Building a 21st Century Department of Labor

And the President's FY 2005 budget will allow us to continue to modernize the management systems of the U.S. Department of Labor.

The budget provides \$25 million for acquiring a new core Financial Management System to better serve our internal and external clients. We will also build upon our proven successes of the Department's Information Technology cross-cut – for which we will apply \$33.6 million. We are also requesting \$10.1 million for the Department's Management cross-cut initiatives. Both of these initiatives strengthen the Department's ability to serve its customers and allow the Department to operate more efficiently by reducing duplicative agency requests and implementing Department-wide management strategies.

President's Management Agenda and Department-wide Management Initiatives

As of December 31, 2003, the Department of Labor continues to make significant progress in its ongoing implementation of the President's Management Agenda. The President's Management Agenda, announced in the summer of 2001, is an aggressive strategy for improving the management of the Federal government by focusing on five areas of management across the government where the most progress can be made. The five government-wide areas are: *Strategic Management of Human Capital; Competitive Sourcing; Improved*

Financial Performance; Expanded Electronic Government; and Budget and Performance Integration. In addition, the Department is one of a few agencies responsible for implementing a sixth Agenda component: *Faith-Based and Community Initiatives.*

Program Assessment Rating Tool

At the core of the *Budget and Performance Integration* component of the President's Management Agenda is the need to improve government programs by focusing on results. As such, the Program Assessment Rating Tool (PART) has been used to assess approximately 40 percent of Federal programs. As part of this process, DOL programs that were first reviewed in calendar year 2003 included the Mine Safety and Health Administration; the Employment and Training Administration's Unemployment Insurance and Migrant and Seasonal Farmworkers programs; and the Employment Standards Administration's Wage Determination and Black Lung programs. Each program was rated on overall effectiveness. Highlights and results of the PART reviews can be found in the agency-specific sections of this document.

Employment and Training Administration

Budgetary Resources (Dollars in Millions)

	FY 2004 <u>Enacted</u>	FY 2004 <u>Comparable</u>	FY 2005	Change <u>05-04 Comp.</u>
Employment and Training:				
Training and Employment Services ^{1/}	\$5,131.0	\$5,917.8	\$5,922.3	\$4.5
Comm. Servc Emplmnt for Older Amer.	438.6	438.6	440.2	1.6
Employment Service	870.5	83.7	81.4	(2.3)
One Stop Career Centers	98.8	98.8	99.4	0.6
Gifts and Bequests	0.3	0.3	0.3	-
Subtotal, Employment & Training	6,539.2	6,539.2	6,543.6	4.4
Income Maintenance				
Unemployment Insurance Program (Admin)	2,687.2	2,687.2	2,711.2	24.0
Federal Unemployment Benefits (FUBA)	1,338.2	1,338.2	1,057.3	(280.9)
Advances to UTF and Other Funds (BLDTF) ^{2/}	467.0	467.0	517.0	50.0
Payments to the UTF ^{3/}	-	-	-	-
Temporary Extended Unemployment Comp (Admin)	89.2	89.2	-	(89.2)
Unemployment Trust Fund Benefits	45,231.0	45,231.0	40,198.0	(5,033.0)
Subtotal, Income Maintenance	49,345.6	49,345.6	43,966.5	(5,379.1)
Program Administration	172.3	172.3	164.1	(8.2)
Total ETA Budget Authority	\$56,057.1	\$56,057.1	\$50,674.2	(\$5,382.9)

Full Time Equivalent (includes reimbursable staff) 1,253 1,253 -

1/ TES includes advance appropriations of \$2.448 billion in FY 2004 appropriated in FY 2003 for obligation in FY 2004, and \$2.463 billion in FY 2005 appropriated in FY 2004 for obligation in FY 2005. The FY 2005 amount reflects a rescission of \$100 million in unobligated balances of funding from fees for H-1B Technical Skill Training Grants. The fee authorization expired September 30, 2003. In addition, the FY 2004 level is made comparable to FY 2005 for Consolidated Adult and Dislocated Worker State Grants.

2/ Non-add item, see Black Lung Disability Trust Fund (BLDTF).

3/ Mandatory funding, non-add, included in Unemployment Trust Fund benefits.

The 2005 budget reflects the President's goal of assuring that every worker who is looking for a job can find one.

This budget provides \$50.7 billion for the Department of Labor (DOL) Employment and Training Administration,

The President's goal is that every worker who is looking for a job can find one.

which is \$5.4 below 2004 largely due to the expectation of a decreased need for unemployment benefits.

To accomplish the President's goal, the Administration proposes a five-pronged strategy:

**Promoting Full Potential:
Community Colleges Train Workers
for High-Growth Jobs**

\$250 million for a new, employer-focused State grant program for training in community and technical colleges.

Jobs, Not Red Tape

\$50 million in State grants to provide up to \$3,000 for Personal Reemployment Accounts for unemployment insurance recipients to choose their own training.

**Focusing on Success: Reform Of
Federal Job Training
And Employment Programs**

Using the Workforce Investment Act reauthorization as a vehicle, the Administration will continue to propose training reforms including eliminating redundancies, strengthening resource allocation, improving accountability, enhancing the role of employers, and increasing State flexibility.

Better, Faster Labor Certification

This budget addresses employers' urgent and specialized needs for employees when domestic workers are not available, through improvements to the Foreign Labor Certification program. The proposal will reduce the existing backlog of petitions, prevent future backlogs, and strengthen anti-fraud protections.

**Strengthening The Unemployment
Insurance Safety Net**

Building on reforms in this area proposed by the Administration in the past to fortify the Unemployment Insurance System and reduce erroneous UI payments, the budget proposes a \$20 million increase in beneficiary eligibility reviews, which is projected to save up to \$400 million; and legislation to reduce income tax refunds to individuals receiving wasteful and fraudulent unemployment benefit overpayments, saving an estimated \$281 million in the first year.

EMPLOYMENT AND TRAINING PROGRAMS

Budgetary Resources (Dollars in Millions)

	FY 2004 <u>Enacted</u>	FY 2004 <u>Comparable</u>	FY 2005 <u>FY 2005</u>	Change <u>05-04 Comp.</u>
Youth Programs	\$2,532.2	\$2,532.2	\$2,558.3	\$26.1
Youth Grants	-	995.1	1,001.0	5.9
Youth Activities	995.1	-	-	-
Job Corps	1537.1	1,537.1	1,557.3	20.2
Consolidated Adult Programs	2,342.9	3,129.7	3,279.0	149.3
Consolidated Adult and Dis. Worker State Grants	-	3,129.7	2,979.0	(150.7)
Dislocated Worker Employ. and Train. Activities	1448.2	-	-	-
Adult Employment and Training Activities	894.7	-	-	-
Community College Initiative	-	-	250.0	250.0
Personal Reemployment Accounts	-	-	50.0	50.0
Other Employment and Training	1,664.1	877.3	711.8	(165.5)
Grants to States for Reemployment Services	34.5	-	-	-
Employment Service State Grants	752.3	-	-	-
One Stop Career Centers	98.8	98.8	99.4	0.6
Prisoner Reentry Initiative	49.7	49.7	90.0	40.3
Foreign Labor Certification	40.5	40.5	46.0	5.5
Employment Service National Activities	23.4	23.4	21.0	(2.4)
Work Incentives Grants	19.8	19.8	19.9	0.1
WIA National Programs	206.2	206.2	95.0	(111.2)
Comm Svc Employment for Older Americans	438.6	438.6	440.2	1.6
Gifts and Bequests	0.3	0.3	0.3	-
H-1B Rescission 1/	-	-	(100.0)	(100.0)
Subtotal E/T Budget Authority	\$6,539.2	\$6,539.2	\$6,549.1	\$9.9
Legislative Proposal, PERM Fee			(5.5)	(5.5)
Total E/T Budget Authority	\$6,539.2	\$6,539.2	\$6,543.6	\$4.4

¹ The FY 2004 amount reflects a rescission of \$100 million in unobligated balances of funding from fees for H-1B Technical Skill Training Grants. The fee authorization expired September 30, 2003.

The 2005 budget request for Employment and Training Programs requests \$6.544 billion, slightly more than 2004.

Youth Programs

A total of \$2.558 billion is requested for employment and training programs for Youth. This investment, which will help young people make a successful transition to the world of work and family responsibility, is funded

at approximately the 2004 level. The proposal reflects a reformed youth program that will be authorized by an amendment to the Workforce Investment Act (WIA).

The reformed Youth Grants program will be funded at \$1.001 billion, slightly more than the level at which Youth Activities is funded in 2004. The new program, part of the WIA

reauthorization proposal, will include Targeted Formula Grants and National Challenge Grants. The proposal will minimize overlap between the Department of Labor (DOL) and the Department of Education by targeting all of DOL's formula resources to out-of-school youth programs and national grant resources to non-school and out-of-school youth programs that have proven effective. DOL's youth investments will focus on providing young people with a strong, core academic foundation in conjunction with appropriate post-secondary skills certifications or degrees.

The budget authority requested, together with unexpended carryover, is expected to support 337,000 participants in 2005. For 2005, it is expected that 65 percent of youth not in post-secondary education, employment, or the military at registration will enter employment or enroll in post-secondary education, the military, or advanced training/occupational skills training, in the first quarter after exit; 40 percent of youth enrolled in education will attain a diploma, GED, or certificate by the end of the third quarter after exit; 40 percent of youth deficient in basic skills will achieve a gain in either literacy or numeracy skills; and the cost per participant in the program will be \$2,966.

The effective Job Corps program will provide intensive skill training, academic and social education, and support to an estimated 68,400 participants at 122 centers in 2005. The budget request is \$1.557 billion. This is

a net increase of \$20.2 million above 2004. For 2005, 85 percent of Job Corps graduates will enter employment or enroll in post-secondary education, the military, or advanced training/occupational skills training in the first quarter after exit from the program; 61 percent of students will attain a GED, high school diploma, or certificate by the end of the third quarter after exit from the program; 40 percent of students will achieve literacy or numeracy gains of one Adult Basic Education level, equivalent to two grade levels; and the average cost per participant will be no higher than \$22,766.

The new Consolidated State Grant program will give States and the Secretary the ability to target resources where needed.

Consolidated Adult Programs

A total of \$3.279 billion is requested for employment and training programs for Adults, an increase of \$149.3 million above 2004. The net increase is largely the result of several new program proposals offered in conjunction with the new Consolidated Adult and Dislocated Worker State Grant, to be authorized by an amended Workforce Investment Act.

The new Consolidated Adult and Dislocated Worker State Grants program combines WIA Adult and Dislocated Worker programs with Employment Service grants. The new program includes Formula Grants and a National Reserve, and will give States and the Secretary of Labor the ability to target resources where needed, facilitate coordination, and eliminate duplication in the provision of services to adults. The budget authority requested, together with unexpended carryover, is expected to support 18,345,800 participants.

For 2005, it is expected that 70 percent of individuals unemployed at the time of registration in the program will be employed in the first quarter after program exit; that 80 percent of those employed in the first quarter after program exit will still be employed in both the second and third quarters after program exit; and the cost per participant will be \$184.

In 2005, the budget includes \$250 million for a new Community College Initiative. Because of their close connection to local labor markets, community colleges are well positioned to prepare workers for high-demand occupations. New employer-focused grants for training will be awarded to States that can certify that the training will be focused on industries with demonstrated labor shortages, such as health care and high-tech manufacturing. The request is expected to result in training and subsequent employment or an opportunity for enhanced employment for up to 100,000 individuals.

The budget also includes \$50 million for Personal Reemployment Accounts. The proposal would award grants to States to provide eligible unemployment insurance recipients with up to \$3,000 to choose whatever training and supportive services they believe will help them get back to work. It is anticipated that approximately 15,000 more dislocated workers will be served as a result of the request.

Other Employment and Training

The 2005 budget requests \$711.8 million for Other Employment and Training Programs, a decrease of \$165.5 million below FY 2004. The net change is largely due to the proposal to rescind unused H-1B training funds, elimination

of earmarks and the Migrant and Seasonal Farmworker program.

The 2005 budget includes \$99.4 million for new methods of providing employment and related information through One Stop Career Centers and its America's Labor Market Information System (ALMIS), approximately the same level as 2004. The program will serve as a key component in the President's guest worker proposal that provides for a new temporary worker program and significantly reforms the current immigration system. Building upon an improved America's Job Bank, the Department will develop a quick and simple system for employers to search for American workers and otherwise facilitate the implementation of the new program.

The budget includes \$35 million for DOL's portion of a new four year Prisoner Reentry Initiative, administered jointly with the Departments of Justice and Housing and Urban Development. This funding will supplement resources available under the existing Responsible Reintegration of Young Offenders program. With a goal of reducing recidivism among ex-offenders, the Prisoner Reentry Initiative will call upon faith-based and community organizations, to help individuals exiting prison make a successful transition to community life and long-term employment through mentorship, job training, and transitional housing assistance. It is expected that 17,000 will participate.

In 2005, \$46 million is requested for grants to States for foreign labor certification activity, an increase of \$5.5 million, to address the backlog in the

program. The budget proposes legislation to finance \$5.5 million of this amount through a new fee for applications under the permanent labor certification program. In 2005, it is expected that the program will reduce the average processing time for new applications filed by employers for the permanent program under the new Permanent Electronic Review Management system so that 90 percent of applications are processed within six months of their filing date; process H-1B applications within seven days of the filing date; and process H-2B applications within 60 days of receipt.

In 2005, the budget includes \$19.9 million for Work Incentive Grants, about the same level provided in 2004, to enhance the prospects of employment for individuals with disabilities. This effort is undertaken in conjunction with the Department's Office of Disability Employment Policy to increase the participation of individuals with disabilities in DOL programs and services. This program provides competitive grants to partnerships or consortia in States to provide incentives for coordinated service delivery through, and linkages across, the One Stop Career Center system established under Title I of WIA of 1998. In 2005, for the workforce investment areas served by the program, 8 percent of participants served will be persons with disabilities; and the entered employment rate for participants with disabilities that exit the

WIA Consolidated Adult and Dislocated Worker State Grants program and the Youth Grants program will be 70 percent.

WIA National Programs are funded at \$95 million in 2005, a decrease of \$111.2 million below 2004. These programs provide employment and training assistance to Native Americans; as well as pilots, demonstrations, and research; evaluation; and technical assistance in support of the employment and training system. A \$100 million rescission of unobligated balances remaining in the H-1B Technical Skill Training Grants program is proposed for 2005. The authorization of the fee that financed these grants expired September 30, 2003. In addition, WIA earmarks are eliminated.

In 2005 \$440.2 million is requested for the Community Service Employment for Older Americans program, about the same level as the 2004 request, serving a participant level of 92,300. In 2005, it is expected that 40 percent of participants leaving the program will be employed in the first quarter after program exit; that 45 percent of those employed in the first quarter after program exit will be employed in both the second and third quarters after program exit; that 37 percent of participants will be placed in unsubsidized employment program wide; and the cost per participant will be approximately \$4,769.

Employment and Training Participant Data

	<u>FY 2004</u>	<u>FY 2005</u>	<u>Change</u>
Youth Grants	-	337,000	337,000
Youth Activities	396,500	-	(396,500)
Job Corps	68,400	68,400	-
Consolidated Adult and DW State Grants ¹	-	18,345,800	18,345,800
Adult Employ. And Training Acts. ¹	475,200	-	(475,200)
Dislocated Worker Activities ¹	870,800	-	(870,800)
Community College Initiative	-	100,000	100,000
Personal Reemployment Accounts	-	15,000	15,000
Prisoner Reentry Initiative	9,400	17,000	7,600
Native Americans	22,200	24,500	2,300
Community Svcs Employment/Older Americans	92,300	92,300	-
Employment Service ¹	17,000,000	-	(17,000,000)
Migrants and Seasonal Farmworkers	41,300	-	(41,300)
Total Participants	18,976,100	19,000,000	23,900

¹ The 2005 Budget and WIA reauthorization proposal consolidate grants to states for adult services into a single grant program.

Selected ETA Performance Goals and Indicators

- ❑ 65 percent of youth not in post-secondary education, employment, or the military at registration in the Youth Grants program will enter employment or enroll in post-secondary education, the military, or advanced training/occupational skills training in the first quarter after exit.
- ❑ 85 percent of Job Corps graduates will enter employment or enroll in post-secondary education, the military, or advanced training/occupational skills training in the first quarter after exit.
- ❑ 70 percent of individuals unemployed at the time of registration in the Consolidated Adult and Dislocated State Grant program will be employed in the first quarter after program exit.
- ❑ 40 percent of Community Service Employment for Older Americans program participants leaving the program will be employed in the first quarter after program exit.
- ❑ 70 percent of Work Incentive Grants program participants that exit the WIA Consolidated Adult and Dislocated Worker State Grants program and the Youth Grants program will enter employment.

INCOME MAINTENANCE

Budget Authority (Dollars in Millions)

	<u>FY 2004</u>	<u>FY 2005</u>	<u>Change</u>
Unemployment Insurance Program	\$2,687.2	\$2,711.2	\$24.0
Fed. Unemployment Benefits & Allowance	1,338.2	1,057.3	(280.9)
Advances to UTF and Other Funds (BLDTF) 1/	467.0	517.0	50.0
Temporary Extended Unemployment Comp (Admin Costs)	89.2	-	(89.2)
Payments to the UTF 2/	763.0	1.0	(762.0)
Unemployment Trust Fund Benefits	45,231.0	40,198.0	(5,033.0)
Total, Income Maintenance	\$49,345.6	\$43,966.5	(\$6,141.1)

1 FY 2004 includes \$68.6 for contingency funding, resulting from projected workload increase (AWIU trigger).
 2 Non-add, see Black Lung Disability Trust Fund (BLDTF) section.

The FY 2005 request for Income Maintenance includes \$42.9 billion in spending from the Unemployment Trust Fund. Of the FY 2005 Income Maintenance total, \$2.7 billion is the discretionary amount requested for State administration of the Unemployment Insurance (UI) Program. In addition, approximately \$1.1 billion is being requested for the Federal Unemployment Benefits and Allowances (FUBA) account. The FY 2005 request for Advances to the Unemployment Trust Fund (UTF) and Other Funds (Advances) account is \$517.0 million, which is for the Black Lung Disability Trust Fund.

The balance of Income Maintenance (\$40.2 billion) includes the State

unemployment benefits payments to claimants, and benefits paid to former Federal employees and ex-service members.

The Administration has a three-pronged proposal to strengthen the financial integrity of the UI system. This includes the following: 1) require states to amend their UI tax laws to deter schemes to avoid UI taxes through such means as transfers from businesses to shell companies; 2) reduce UI benefit overpayments by providing state UI agencies with access to information for the quick detection of individuals who illegally collect unemployment benefits after returning to work and; 3) improve the collection of past overpayments through offsets of individuals' federal income tax refunds.

...provide income support to those temporarily out of work while they search for employment.

Unemployment Insurance Program

Under the State Unemployment Insurance and Employment Service Operations (SUIESO) account, discretionary funds are provided to the States for the administration of the Unemployment Insurance (UI) and Employment Service (ES) programs. The ES program is discussed in the Employment and Training Programs section of this publication. For UI, the FY 2005 budget includes a request for \$2.7 billion, which is \$24.0 million over the FY 2004 enacted level, including projected contingency funding. This request funds projected workloads and includes a program increase of \$20 million to increase the number of eligibility reviews conducted at One-Stop Career Centers.

The FY 2005 funding level requested for the UI program will provide for approximately 51,860 State staff years of service. State staff will handle 7.2 million employer tax accounts, 22.3 million initial unemployment claims, a total of 170.0 million weeks claimed and 1.5 million appeals. In addition, to finance any workload increase over an AWIU rate of 3.327 million, \$28.6 million shall be available for every 100,000 increase over the AWIU, with a pro rata amount for any increase less than 100,000. The unemployment insurance request also includes \$10.5 million for National activities, which are interstate or multi-state in nature. A program increase of \$0.6 million for processing an increased amount of separation documents and UI claims for former military service members is included.

Federal Unemployment Benefits and Allowances (FUBA)

This appropriation covers payments of weekly trade readjustment allowances, training, job search and relocation costs of workers adversely affected by increased imports or shifts in production to other countries.

For FY 2005, \$1.1 billion is requested for FUBA. In August 2002, the Congress passed, and President Bush signed, the Trade Adjustment Assistance Reform Act of 2002. This Act amended the Trade Act of 1974 to consolidate the previous Trade Adjustment Assistance (TAA) and NAFTA Transitional Adjustment Assistance (NAFTA-TAA) programs into a single, enhanced TAA program with expanded eligibility, services, and benefits. The Act provides for a program of Alternative Trade Adjustment Assistance for older workers. Additionally, the law provides for continuing an increased emphasis on the integration of the TAA program into the One-Stop Career Center system.

Advances to the Unemployment Trust Fund and Other Funds

This appropriation provides general fund advances to several trust and general fund accounts. In FY 2005 the requested amount includes \$517.0 million which will provide for advances to the Black Lung Disability Trust Fund (BLDTF) account administered by the Employment Standards Administration, and which is repayable with interest to the General Fund in Treasury.

Unemployment Trust Fund Benefits

The Unemployment Trust Fund includes amounts for both the administration of Federal and State

unemployment compensation, and for unemployment compensation benefits which provide income support to those temporarily out of work while they search for employment. This budget proposal is based on estimates that the insured unemployment rate for FY 2005 will be 2.5 percent. This translates to an average of approximately 3 million beneficiaries per week receiving

unemployment assistance under Federal and State programs in FY 2005. The average weekly benefit amount is estimated at \$263 in FY 2005, while the average number of weeks of benefits per recipient is expected to be 15.3 weeks. The total amount paid for unemployment compensation benefits from the Trust Fund is estimated at \$40.2 billion.

Selected ETA Performance Goal and Indicators for Income Maintenance

- Make timely and accurate benefit payments to unemployed workers, facilitate the reemployment of unemployment insurance claimants, and set up unemployment tax accounts promptly for new employers.
 - 89.9% of all intrastate first payments will be made within 14 to 21 days.
 - 82.4% of determinations of tax liability of new employers will be made within 90 days after the first quarter of tax liability.

ETA PROGRAM ADMINISTRATION

Budget Authority/Trust Fund Transfers (Dollars in Millions)

	<u>FY 2004</u>	<u>FY 2005</u>	<u>Change</u>
Adult Services	\$45.2	\$46.4	\$1.2
Youth Services	39.0	40.1	1.1
Workforce Security	54.6	61.9	7.3
Apprenticeship Training, Employer and Labor Services	20.8	21.4	0.6
Welfare-to-Work	2.4	0.4	(2.0)
Executive Direction	10.4	10.9	0.4
Subtotal, ETA-PA Program Level	172.3	181.0	8.7
Legislative proposal, PERM fee	-	(17.0)	(17.0)
Total ETA-PA Net Budget Authority	\$172.3	\$164.0	(\$8.3)
 <i>Full Time Equivalents Staff</i> ¹	 1,253	 1,253	 0

1/ FY 2004 includes 36 FTE funded through H-1B fees and 3 reimbursable FTE and FY 2005 includes 3 reimbursable FTE.

ETA's Program Administration account provides for Federal administration of its employment and training programs. These programs include those authorized by the following legislation: Workforce Investment Act (WIA) of 1998; the Older Americans Act of 1965, as amended; the Trade Act of 1974, as amended; the National Apprenticeship Act of 1937; Title III of the Social Security Act of 1935, as amended; the Wagner-Peyser Act of 1933, as amended; and Title 4 of the Social Security Act, as amended (Welfare-to-Work).

The FY 2005 budget provides 1,253 full-time equivalent (FTE) staff and \$181.0 million for Program Administration, an \$8.7 million increase. This number includes 1,250 FTE financed from direct appropriations and 3 FTE from reimbursements. The Budget proposes

legislation to finance \$17 million and 143 FTE through a new fee for applications under the Permanent Labor Certification program.

The FY 2005 includes increases of \$5.7 million and 59 FTE to continue the operation of the permanent Foreign Labor Certification processing centers, a

regional reorganization costing \$1 million and inflationary increases totaling \$4.1 million. In addition, 36 staff funded in

FY 2004 through H1B fees will be funded through direct appropriation in FY 2005. Partially offsetting these increases is a \$2 million, 23 FTE, reduction in the Welfare-to-Work activity, due to decreased workloads resulting from the continuing phase out of the program. It is anticipated that all necessary work on the program will be concluded by the end of FY 2005.

...provides for the administration of all ETA programs

Adult Services

The Adult Services activity provides staff for leadership, policy direction, and administration for a decentralized system of grants to States and localities for job training and employment assistance for low income and dislocated workers; training and employment services to those with significant barriers to employment including migrant and seasonal farmworkers, older workers, individuals with disabilities, homeless individuals and individuals with limited English proficiency: the settlement of trade adjustment assistance petitions: and activities related to program administration.

Youth Services

Youth Services provides staff for: leadership, policy direction, and administration for a decentralized system of grants to States for job training and employment assistance for youth programs, including the Job Corps and related program administration activities.

Workforce Security

Under this activity the staff provides leadership and policy direction for the administration of the comprehensive nationwide public employment service system; unemployment insurance programs in each State; a One Stop Center system, including a comprehensive system of collecting, analyzing, and disseminating labor market information; and related program administration activities. Increased funding is requested for foreign labor certification programs, to continue

existing operations, a portion of which is funded through fees, and for additional funding to reduce the permanent program applications backlog.

Apprenticeship Training, Employer and Labor Services

Funding for this activity finances staff who promote and provide leadership and policy direction for the administration of apprenticeship as a method of skill acquisition through a Federal-State apprenticeship structure. Employer and labor services facilitate the understanding and responsiveness of workforce development systems to the training needs of employers and the interest of labor organizations in training programs.

Executive Direction

The Executive Direction staff promote and provide leadership and policy direction for ETA training and employment service programs and activities and provides for related program operations support. Support activities include research, evaluations, demonstrations, and performance standards.

Welfare to Work

Funding for this activity finances staff who administer WTW grants to states and local communities to help the hardest-to-employ recipients of Temporary Assistance for Needy Families (TANF). Decreased funding is proposed as staff is reduced in conjunction with the phase out of this program.

EMPLOYEE BENEFITS SECURITY ADMINISTRATION

Budget Authority (Dollars in Millions)

	<u>FY 2004</u>	<u>FY 2005</u>	<u>Change</u>
Enforcement and Participant Assistance	\$102.7	\$110.3	\$7.6
Policy and Compliance Assistance	16.9	17.5	0.6
Executive Leadership, Program Oversight and Administration	4.4	4.5	0.1
Total, EBSA Budget Authority	\$124.0	\$132.3	\$8.3
<i>Full Time Equivalents</i>	<i>930</i>	<i>960</i>	<i>30</i>

The Employee Benefits Security Administration (EBSA) is responsible for the administration and enforcement of Title I of the Employee Retirement Income Security Act of 1974 (ERISA) and the Federal Employees' Retirement System Act of 1986 (FERSA). The primary mission of EBSA is to protect the pension, health and other benefits of participants in private sector employee benefit plans. EBSA directly affects the livelihood of over 150 million people who participate in ERISA-covered plans, and protects the U.S. economy's single largest source of capital for investment -- pension funds. EBSA promotes a secure retirement and greater access to health benefits for the nation's workforce through a combination of legislative changes, aggressive enforcement and compliance assistance. In FY 2005, the total request for this program is \$132.3 million and 960 FTE and provides additional enforcement resources to safeguard workers'

EBSA directly affects the livelihood of over 150 million people

retirement savings, health coverage, and other employee benefits.

Enforcement and Participant Assistance

This activity conducts criminal and civil investigations, performs reviews to ensure compliance with the fiduciary provisions of ERISA and FERSA, and assures compliance with applicable reporting requirements, as well as accounting, auditing and actuarial standards. The 2005 estimates include an initiative to establish additional groups of investigators in the agency's regions to conduct civil and criminal investigations and to establish a criminal case coordinator position in each region who, working with the national criminal coordinator, will provide expert advice on regional criminal enforcement matters. In FY 2005, the budget request for this activity is \$110.3 million and 830 FTE. All of EBSA was evaluated with the Program Assessment Rating Tool (PART). As a result of issues

derived from PART findings, EBSA is implementing initiatives in response to PART recommendations.

Policy and Compliance Assistance

This activity conducts policy, research and legislative analyses on pension, health and other employee benefit issues. It provides compliance assistance, especially to employers and plan officials, writes regulations and interpretations, and issues individual and class exemptions from regulations. In FY 2005, the budget request for this activity totals \$17.5 million and 108 FTE.

Executive Leadership, Program Oversight and Administration

This activity provides leadership, policy direction, strategic planning, and administrative guidance in the management of employee benefits security programs. It provides analytical and administrative support for financial and human capital management and other administrative functions related to coordination and implementation of government-wide management initiatives. This activity also manages the technical program training for enforcement, policy, legislative and regulatory functions. In FY 2005, the budget request for this activity totals \$4.5 million and 22 FTE.

Selected EBSA Performance Goal and Indicators

- ❑ Achieve greater than 50% ratio of closed civil cases with corrected violations to civil closed cases.
- ❑ Achieve greater than 25% ratio of criminal cases referred for prosecution to total criminal cases.
- ❑ Achieve a Customer Satisfaction Index of 65, or comparable measurement for Participants and Beneficiaries who have contacted EBSA for

Assistance.

PENSION BENEFIT GUARANTY CORPORATION

Budget Authority (Mandatory, Dollars in Millions)

	<u>FY 2004</u>	<u>FY 2005</u>	<u>Change</u>
Single Employer Program Benefit Payments	\$2,974.0	\$3,295.0	\$321.0
Multi-Employer Program Financial Asst.	11.0	39.0	28.0
Pension Insurance Activities	17.8	12.2	(5.6)
Pension Plan Termination	170.5	169.7	(0.8)
Operational Support	83.5	84.4	0.9
Total Authority, President's Budget	\$3,256.8	\$3,600.3	\$343.5
<i>Full Time Equivalents</i>	<i>801</i>	<i>801</i>	<i>-</i>

The Pension Benefit Guaranty Corporation (PBGC) is a wholly-owned Government Corporation, guided by a board of directors chaired by the Secretary of Labor, which guarantees the payments of pension plan benefits to participants in the event that covered plans fail or go out of existence. PBGC protects the pension benefits of about 44 million workers and retirees who earned traditional pensions.

Single Employer Benefit Payments

Monthly pension payments are made to plan participants and other beneficiaries of plans which have been trusted by PBGC. The FY 2005 request totals \$3.3 billion for this activity.

Multi-Employer Financial Assistance

Financial assistance provides for repayable loans to insolvent multi-employer sponsored plans to enable these plans to continue paying benefits if a series of prescribed steps is taken to place the plan on a sound financial basis. The FY 2005 request totals \$39 million for this activity.

Pension Insurance

Pension Insurance includes pension plan premium collections, premium investments, technical assistance, and new pension plan promotion activities. The FY 2005 request totals \$12.2 million and 44 FTE for this activity.

Pension Plan Terminations

Pension Plan Terminations include all activities related to plan termination and trusteeship; plan asset management, investment and accounting; and administration services. The FY 2005 request totals \$169.7 million and 466 FTE for this activity.

Operational Support

Includes the administrative, information technology infrastructure, and other shared program support for both PBGC's insurance and plan termination activities. The FY 2005 request totals \$84.4 million and 291 FTE for this activity.

Selected PBGC Performance Goals and Indicators

- Achieve a customer satisfaction index for practitioner callers: 72 in FY 2005.
 - The level of practitioner satisfaction regarding inquiries handled.

 - Achieve a customer satisfaction index for participant callers: 78 in FY 2005.
 - The level of practitioner satisfaction regarding inquiries handled.
-
-

EMPLOYMENT STANDARDS ADMINISTRATION

Budget Authority (Dollars in Millions)

	<u>FY 2004</u>	<u>FY 2005</u>	<u>Change</u>
Staffing			
Salaries and Expenses	\$424.0	\$441.9	\$17.9
Special Benefits, Fair Share	39.3	39.7	0.4
Energy Employees' Occupational Illness Compensation Program Act (EEOICPA)	51.7	40.8	(10.9)
Spec. Bene. Disabled Coal Miners	6.1	5.2	(0.9)
Total, ESA Staffing	521.1	527.6	6.5
Income Maintenance (Mandatory)			
Special Benefits	163.0	233.0	70.0
Energy Employees' Occupational Illness Compensation Program Act (EEOICPA)	221.0	221.0	-
Black Lung Disability Trust Fund	1,055.0	1,059.0	4.0
Transfer from BLDTF (Excludes Treasury)	(55.7)	(56.7)	(1.0)
Offsetting Receipts - BLDTF	(2.0)	(2.0)	-
Carryover Balances - BLDTF	(30.0)	0.0	30.0
Spec. Bene. Disabled Coal Miners	390.9	358.8	(32.1)
Panama Canal Commission Fund	6.6	6.5	(0.1)
Offsetting Receipts - PCC	(6.6)	(6.5)	0.1
Special Workers' Compensation	151.0	147.0	(4.0)
Transfer from SWC	(2.0)	(2.0)	-
Total, Income Maintenance	1,891.2	1,958.1	66.9
Total, ESA Program	\$2,412.3	\$2,485.7	\$73.4
<i>Full Time Equivalents</i>	<i>4,255</i>	<i>4,306</i>	<i>51</i>

In total, funds for the Employment Standards Administration (ESA) in FY 2005 will increase by \$73.4 million or about 1.8 percent compared with FY 2004. New funding (\$6.5 million) will finance initiatives to improve Wage and Hour enforcement and compliance assistance, ESA-wide data systems support, and enhance enforcement and outreach assistance under the Labor-Management Reporting and Disclosure Act. Funding of \$2.7 million is

continued for electronic filing and Internet posting of union financial statements, and ongoing replacement of outdated computer systems. Funding for the Energy Employees' Occupational Illness Compensation program is reduced by \$10.9 million. Dose reconstruction activity has been slower than anticipated, leaving prior year balances available for obligation in FY 2005. The budget re-proposes legislative changes to improve FECA,

including changes that allow DOL to adopt best State practices; improve program fairness; and speed claims processing. These proposals would result in 10-year cost savings to the Government of more than \$573 million. ESA's request also includes a proposal to restructure the mounting Black Lung Disability Trust Fund debt to ensure the long-term solvency of the Trust Fund.

The budget also includes a proposal to increase the civil money penalties (CMPs) for violations of laws administered by ESA.

For example, the CMPs for violations of Wage Hour laws causing death or serious injuries to youths in the workplace would increase from \$11,000 to \$50,000, and \$100,000 for repeat and willful violations. The budget also supports proposals to authorize OLMS to impose CMPs on unions and others that fail to file their required financial reports on a timely basis. CMPs for OLMS is intended to improve compliance, not penalize inadvertent lapses in filing reports.

ESA STAFFING

Budget Authority/Trust Fund Transfers (Dollars in Millions)

	<u>FY 2004</u>	<u>FY 2005</u>	<u>Change</u>
Enforcement of Wage and Hour Standards	\$160.1	\$165.9	\$5.8
Federal Contractor EEO Standards Enforcement	79.4	82.1	2.7
Federal Programs for Workers' Compensation	130.4	133.9	3.5
Program Direction and Support	15.5	16.5	1.0
Labor-Management Standards	38.6	43.5	4.9
Subtotal, Budget Authority, S&E	424.0	441.9	17.9
Special Benefits, Fair Share	39.3	39.7	0.4
Energy Employees' Occupational Illness Compensation Program Act (EEOICPA)	51.7	40.8	(10.9)
Special Benefits Disabled Coal Miners (Black Lung Part B Claims)	6.1	5.2	(0.9)
Total, Budget Authority ESA Staffing	\$521.1	\$527.6	\$6.5
<i>Full Time Equivalents</i>	4,255	4,306	51

ESA administers and enforces a variety of laws designed to enhance the welfare and protect the rights of American workers. The budget request to conduct these programs in FY 2005 is \$527.6 million and 4,306 FTE, of which \$441.9 million and 3,856 FTE is in the Salaries and Expenses account, \$39.7 million and 133 FTE is for the Fair Share portion of the Special Benefits account, 300 FTE and \$40.8 million is for the Energy Employees' Occupational Illness Compensation Act program, and \$5.2 million and 17 FTE is for Special Benefits for the Disabled Coal Miners program recently transferred from the Social Security Administration. In total, this is an increase of \$6.5 million and 51 FTE over FY 2004. ESA's budget

...administers and enforces a variety of laws designed to protect the rights of American workers

request includes legislative proposals to promote benefit equity and to adopt best state practices. Specifically, the budget proposes to amend FECA to move the waiting period before the continuation-of-pay period, and conform the benefits of future retirement-age beneficiaries to a benefit level typical to what they would receive under Federal retirement programs, and make a number of other changes to improve and update the FECA program.

Wage and Hour Standards

The FY 2005 budget request for the Wage and Hour Division is \$165.9 million and 1,458 FTE. The Wage and Hour Division is responsible for the

administration and enforcement of a wide range of laws which collectively cover virtually all private and state and local government employment. Wage and Hour Division activities include obtaining compliance with the minimum wage, overtime, child labor, and other employment standards under the Fair Labor Standards Act, Migrant and Seasonal Agricultural Worker Protection Act, certain provisions of the Immigration and Nationality Act, Employee Polygraph Protection Act, the Immigration Nursing Relief Act, the wage garnishment provisions of the Consumer Credit Protection Act, and the Family and Medical Leave Act. Prevailing wages are determined and employment standards enforced under various government contract wage standards. Wage and Hour will continue to use its multi-pronged approach of compliance assistance, partnerships, and enforcement to further its goals to promote high quality workplaces, a secure workforce and increase customer satisfaction. The budget includes \$1.1 million and 12 FTE for low-wage industry enforcement to protect the most vulnerable workers, \$0.3 million and 2 FTE for compliance assistance to reaching out to small business employers and underserved communities to encourage voluntary compliance, and \$0.4 million and 2 FTE for regulatory responsibilities to modernize workplace rules. The budget also includes a proposal to increase the civil Wage Hour Civil Money Penalties (CMPs). For example, the CMPs for violations causing death or serious injuries to youths in the workplace would increase from \$11,000 to \$50,000, and \$100,000 for repeat and willful violations.

Contractor EEO Enforcement

The FY 2005 budget request for the Office of Federal Contract Compliance Programs (OFCCP) is \$82.1 million and 749 FTE. OFCCP is responsible for ensuring equal employment opportunity and non-discrimination in employment based on race, sex, religion, color, national origin, disability or veteran status for businesses contracting with the Federal government. These requirements are contained in Executive Order 11246, as amended; Section 503 of the Rehabilitation Act of 1973, as amended; 38 USC 4212, and Section 402 of the Vietnam Era Veterans' Readjustment Assistance Act of 1974, as amended. OFCCP shares authority with the Immigration and Naturalization Service (INS) of the U.S. Department of Justice regarding the Immigration Reform and Control Act of 1986 and the ESA Wage and Hour Division regarding the Family and Medical Leave Act of 1993. OFCCP also shares authority with the Equal Employment Opportunity Commission (EEOC) in the enforcement of Title I of the Americans with Disabilities Act of 1990. The budget request includes \$0.4 million to startup the redesign of the program's database system.

Federal Programs for Workers' Compensation

The FY 2005 budget request for the Office of Workers' Compensation Programs (OWCP) is \$133.9 million and 1,160 FTE for the Federal Employees' Compensation Act (FECA), Longshore and Harbor Workers' Compensation, and Black Lung Benefits programs.

Other funding for OWCP includes \$39.7 million and 133 FTE in the Special

Benefits account using "Fair Share" funds. These funds are used for the operation and enhancement of OWCP's automated data processing, as well as for periodic roll review activities. OWCP also requests \$40.8 million and 300 FTE to administer the Energy Employees' Occupational Illness Compensation Program Act (EEOICPA).

OWCP administers disability compensation programs, which mitigate hardship imposed by work-related injuries or disease, through the provision of wage replacement and cash benefits, medical treatment, vocational rehabilitation, and other benefits to certain workers (or their dependents or survivors). The FECA program provides income and medical benefits to civilian employees of the Federal government injured at work and to certain other designated groups. The Longshore and Harbor Workers' Compensation Act program provides similar protection to private sector workers in certain maritime and related employment. The Black Lung Benefits program provides wage replacement and medical benefits to the Nation's coal miners suffering from pneumoconiosis and cash benefits to their eligible survivors.

EEOICPA and Executive Order 13179 led to the establishment of a fourth OWCP program in FY 2001 to adjudicate claims and make awards of compensation and medical benefits to employees or survivors of employees of the Department of Energy (DOE) and its contractors who suffer from a radiation-related cancer, beryllium-related disease, or chronic silicosis as a result of their work in producing or testing nuclear weapons.

The President signed into law the Black Lung Consolidation of Administrative Responsibilities Act on November 2, 2002. This law permanently transferred the responsibility of the Social Security Administration's (SSA) program to administer Black Lung Part B claims to the Department of Labor. These claims were already being handled by ESA through a reimbursement agreement with SSA. The law consolidates all Black Lung claims handled by the Federal government in the Department of Labor, improving administrative efficiency. This change was implemented at the beginning of FY 2004.

This budget includes a legislative proposal to restructure the debt of the Black Lung Disability Trust Fund (BLDTF), a debt that is estimated to exceed \$9 billion by FY 2005 absent legislative action. This proposal would (1) restructure the outstanding BLDTF debt, (2) extend at current rates BLDTF excise taxes set to decline in January 2014, and (3) provide a \$3.3 billion appropriation to compensate the General Fund for forgone interest.

Office of Labor-Management Standards

The FY 2005 budget request for the Office of Labor-Management Standards (OLMS) is \$43.5 million and 382 FTE. OLMS enforces provisions of Federal law that require reports from unions and others and establishes certain standards for union democracy and financial integrity. OLMS conducts criminal investigations (primarily union funds embezzlement) and investigative audits of unions; conducts civil investigations (primarily concerning union officer elections); supervises remedial union officer elections, as

required; administers statutory reporting requirements; and provides for public disclosure of filed reports. The budget request includes an additional \$3.9 million and 35 FTE for enhanced enforcement and outreach assistance activities to ensure compliance with the Labor-Management Reporting and Disclosure Act. OLMS, through its Division of Statutory Programs, also certifies protective arrangements for transit employees when Federal transit grant funds are used to acquire, improve, or operate a transit system. The budget also includes a proposal to authorize OLMS to impose Civil Money Penalties on unions and others that fail to file their required financial reports on a timely

basis. The intent is to improve compliance, not penalize inadvertent lapses in filing reports.

Program Direction and Support

The FY 2005 budget request for Program Direction and Support is \$16.5 million and 107 FTE. This activity supports ESA's operating programs and ensures effective management by providing planning, personnel management, financial management, Federal/state liaison programs, management systems implementation, and data processing. The budget request includes \$0.5 million for support ESA's information systems.

Selected ESA Performance Goals and Indicators

- ❑ Ensure continual customer satisfaction by maintaining the average number of days to conclude a complaint at the FY 2003 level.
- ❑ Reduce employer recidivism by increasing by 2 percent, the prior violators who achieve and maintain FLSA compliance following a full FLSA investigation.
- ❑ Reduce the incidence of discrimination among Federal contractors to 8%.
- ❑ Through use of the Periodic Roll Management program, produce \$17 million in cumulative first-year savings in the Federal Employees' Compensation program.
- ❑ Increase union transparency. The percentage of union reports meeting standards of acceptability for public disclosure will increase to 77%.

ESA INCOME MAINTENANCE PROGRAMS (MANDATORY)

Budget Authority/Trust Fund Transfers (Dollars in Millions)

	FY 2003	FY 2004	Change
Special Benefits:			
Federal Employees' Compensation Act	\$2,472.0	\$2,542.0	\$70.0
Less Fair Share Funding	(39.3)	(39.7)	(0.4)
Longshore and Harbor Workers' Compensation	3.0	3.0	-
Subtotal, Special Benefits Program	2,435.7	2,505.3	69.6
Less Chargeback Reimbursements	(2,235.7)	(2,226.3)	9.4
Net Carryover Balances	(37.0)	(46.0)	(9.0)
Total, Special Benefits	163.0	233.0	70.0
Energy Employees' Occupational Illness Compensation Program Act (EEOICPA):	221.0	221.0	-
Black Lung Disability Trust Fund (BLDTF):	1,055.0	1,059.0	4.0
Less Offsetting Receipts	(2.0)	(2.0)	-
Less BLDTF Admin. (excludes Treasury)	(55.7)	(56.7)	(1.0)
Carryover Balances	(30.0)	-	30.0
Total, BLDTF (Part C)	967.3	1,000.3	33.0
Special Bene./Disabled Coal Miners (Part B):			
Appropriation (Benefits)	300.0	276.0	(24.0)
Less Administrative Expenses	(6.1)	(5.2)	0.9
Advance Appropriation (Benefits)	97.0	88.0	(9.0)
Total, SB/ Disabled Coal Miners	390.9	358.8	(32.1)
Other Income Maintenance Programs:			
Panama Canal Commission Fund	6.6	6.5	(0.1)
Less PCC Offsetting Receipts	(6.6)	(6.5)	0.1
Special Workers' Compensation Expenses	151.0	147.0	(4.0)
Less Administrative Expenses	(2.0)	(2.0)	-
Total, Special Workers' Compensation	149.0	145.0	(4.0)
Total, Income Maintenance Programs	\$1,891.2	\$1,958.1	\$66.9

The budget includes a total of \$1.958 billion for income maintenance programs in ESA in FY 2005, an increase of \$66.9 million from FY 2004. The budget re-proposes a number of FECA legislative reforms, including changes to reflect best practices of State workers' compensation systems, improve program fairness, and

speed claims processing. The budget also includes a legislative proposal to improve the Black Lung program by restructuring the program's growing debt. The budget also reflects the transfer of the Social Security Administration's "Special Benefits for Disabled Coal Miners" account to the Department of Labor.

Special Benefits

The request of \$233 million for Special Benefits in FY 2005 includes \$230 million for Federal Employees' Compensation Act benefits, and \$3 million for Longshore and Harbor Workers' Compensation benefits. This account also includes a request for \$39.7 million from Fair Share funding to finance 133 FTE for administration of the FECA program, as described in the ESA Staffing Section.

Federal Employees' Compensation Act Benefits

FECA provides long-term compensation benefits and certain medical payments for job-related injuries, diseases, or deaths of civilian employees of the Federal government and certain other designated groups. The Administration is re-proposing a number of legislative changes to improve FECA. These changes are expected to generate a 10-year Government-wide savings of more than \$573 million. DOL will also continue to address the findings of the Administration's Program Assessment Rating Tool (PART).

Longshore and Harbor Workers' Compensation Act Benefits

This program funds one-half of the increased benefits provided by the 1972 amendments for persons receiving compensation for permanent total disability or death which commenced or occurred prior to the amendments. Long-term compensation benefits and medical payments are provided for job-related injuries, diseases, or deaths of private sector workers in certain maritime and related employment.

Energy Employees Occupational Illness Compensation Benefits

The budget request for FY 2005 includes \$261.8 million for EEOICPA. Of that amount, \$221.0 million will provide compensation and medical benefits to eligible workers or their survivors. The request for program administration is \$40.8 million and 300 FTE, including funding for the Department of Health and Human Services. This amount is reflected in the ESA Staffing section.

Black Lung Disability Trust Fund

The budget request provides a total of \$1.059 billion from the Black Lung Disability Trust Fund (BLDTF) in FY 2005 for benefits, interest payments and administrative expenses. This total includes \$330 million for benefits, \$57 million for administrative expenses, and \$672 million for interest payments. These figures do not include the estimated costs of the refinancing proposal (described below).

...will provide compensation and medical benefits to eligible workers or their survivors

The Black Lung Disability Trust Fund (BLDTF) is facing a growing debt, which in FY 2005 will exceed \$9 billion. BLDTF revenues, which consist primarily of excise taxes on coal, are insufficient to repay this debt or the interest on that debt. Under current conditions, this indebtedness will continue to grow, with the BLDTF never becoming solvent, even when benefit outlays have declined to a level approaching zero. To solve this problem, the Administration will propose legislation that will: (1) authorize a restructuring of the BLDTF debt, (2) extend, at current rates, BLDTF excise taxes set to decline in January

2014, and (3) provide a one-time \$3.2 billion appropriation to compensate the General Fund of the Treasury for forgone interest payments.

DOL will address the findings in the Administration's PART assessment of the Black Lung Benefits Program by developing performance measures for key claims adjudication agencies (e.g. the Benefits Review Board), including productivity data in the Budget, and conducting a performance evaluation.

Disabled Coal Miner Benefits Part C Claims

Under this program, all black lung compensation/medical and survivor benefit expenses are provided when no responsible mine operator can be assigned liability for such benefits, or when coal mine employment ceased prior to 1970.

Administrative Expenses

This provides for all administrative costs incurred by the Department of Labor in the operation of the Black Lung program, including reimbursements to the Departments of Health and Human Services, and Treasury.

Interest on Advances

This appropriation funds payment of interest on advances to the BLDTF from the General Fund of the Treasury. In FY 2005, the amount of interest on advances is estimated to be \$672 million.

Special Benefits/Disabled Coal Miners Part B Claims

The FY 2005 budget reflects the permanent transfer of the Black Lung Part B program from the Social Security Administration (SSA) to the Department of Labor. Legislation to

authorize this transfer was enacted on November 2, 2002. ESA was already handling SSA's Black Lung Part B claims through a reimbursement agreement with SSA. This transfer consolidates all Black Lung claims handled by the Federal government in the Department of Labor's Black Lung program. DOL now handles all claims for compensation under the Black Lung Benefits Act. The transfer was completed at the beginning of FY 2004.

Other Income Maintenance Programs

The budget requests \$6.5 million for the Panama Canal Commission Fund and \$147 million for the Special Workers' Compensation Expenses program.

Panama Canal Commission Fund

This provides for the accumulation of funds to meet the Panama Canal Commission's obligations to defray costs of workers' compensation which will accrue pursuant to FECA.

Special Workers' Compensation Expenses Payments from the Special Fund

Under the Longshore and Harbor Workers' Compensation Act, as amended, trust funds in this program consist of amounts received from employers for the death of an employee where no person is entitled to compensation for such death, for fines and penalty payments, and pursuant to an annual assessment of the industry, for the general expenses of the funds. From these funds, certain long-term compensation benefits and medical payments are provided for job-related injuries, diseases, or deaths of private sector workers in certain maritime and related employment.

OCCUPATIONAL SAFETY & HEALTH ADMINISTRATION

Budget Authority (Dollars in Millions)

	<u>FY 2004</u>	<u>FY 2005</u>	<u>Change</u>
Safety and Health Standards	\$15.9	\$16.1	\$0.2
Federal Enforcement	166.0	171.0	5.0
State Programs	92.0	91.7	(0.2)
Technical Support	21.6	20.9	(0.7)
Federal Compliance Assistance	67.0	71.4	4.4
State Consultation Grants	52.2	53.8	1.6
Training Grants	10.5	4.0	(6.5)
Safety and Health Statistics	22.2	22.4	0.1
Executive Direction and Administration	10.0	10.2	0.1
Total, OSHA Budget Authority	\$457.5	\$461.6	\$4.1
<i>Full Time Equivalents</i>	2,236	2,238	2

The mission of the Occupational Safety and Health Administration (OSHA) is to save lives, prevent injuries and illnesses and protect American workers. The agency promulgates and enforces occupational safety and health standards and provides compliance assistance to employers and employees. OSHA also assists other Federal agencies in establishing and maintaining occupational safety and health programs for Federal workers and provides funding for state administered safety and health consultation programs. Consistent with its strategic goals, OSHA will focus on the most serious hazards and dangerous workplaces and expand compliance assistance opportunities. The FY 2005 OSHA budget request is \$461.6 million and 2,238 FTE, an increase of \$4.1 million and 2 FTE over FY 2004.

Safety and Health Standards

The Safety and Health Standards activity provides for the development, promulgation, review and evaluation of occupational safety and health standards and guidance. In FY 2005, OSHA will continue to base all standards on clear and sensible priorities and review existing rules to revise or eliminate obsolete and confusing standards or provisions. The agency will assess the impact of selected existing standards on improved employee safety and health, as well as employer costs, especially in small businesses. The FY 2005 Budget provides \$16.1 million and 85 FTE for this activity, an increase of \$0.2 million over FY 2004.

Federal Enforcement

The Federal Enforcement activity encourages compliance with

workplace standards under the Occupational Safety and Health Act of 1970 through the physical inspection of work sites, and by fostering the voluntary cooperation of employers and employees. OSHA will continue to target inspections on the worst hazards and the most dangerous workplaces and assist employers and employees in creating safe and healthy workplaces. The FY 2005 Budget includes an increase of \$2 million to fulfill OSHA's expanded responsibilities under the various whistleblower statutes. The budget request for this activity is \$171 million and 1,581 FTE, an increase of \$5 million over FY 2004.

State Programs

The State Programs activity supports grants to 26 states that have assumed responsibility for occupational safety and health enforcement under OSHA approved plans. State Programs support enforcement, consultation, and education and training efforts in OSHA programs operated by the states. These resources enable OSHA's state partners to meet new challenges and complement Federal OSHA's program strategies. The FY 2005 Budget for this activity is \$91.7 million, a decrease of \$0.2 million from FY 2004.

Technical Support

This activity provides support to Federal OSHA programs in several areas, including construction, standards setting, variance determinations, compliance assistance, and enforcement. Areas of expertise include laboratory accreditation, industrial hygiene, occupational health nursing, occupational medicine, chemical

analysis, equipment calibration, safety engineering, environmental impact statements, technical and scientific databases, computer-based outreach products, and emergency preparedness. The FY 2005 request for this activity totals \$20.9 million and 109 FTE, a decrease of \$0.7 million from FY 2004

Federal Compliance Assistance

This activity supports a variety of cooperative programs, training and outreach to provide compliance assistance to employers and employees, particularly small businesses. Employers are encouraged to establish voluntary employee protection programs, and Federal agencies are assisted in implementing job safety and health programs for their employees.

Professional training for compliance personnel and others with related workplace safety and health responsibilities is conducted at the OSHA Training Institute, and further training is provided to the public by education centers selected and sanctioned by the Institute. The FY 2005 Budget for this activity is \$71.4 million and 358 FTE, an increase of \$4.4 million and 2 FTE over FY 2004. Included in this request is an additional \$4.4 million to expand compliance assistance and partnership efforts, including the national Alliance program, and \$0.5 million to increase outreach and assistance activities to small businesses.

OSHA is dedicated to reducing injuries, illnesses and fatalities, and promoting the value of safety and health in business, the workplace and in people's lives.

State Consultation Grants

This activity supports 90 percent of Federally funded cooperative agreements with designated State agencies to provide free on-site consultation to employers upon request. State agencies tailor work plans to their States while maximizing their impact on injury and illness rates in smaller establishments. These projects offer a variety of services, including safety and health program assessment and assistance, hazard identification and control, and the training of employers and their employees. The FY 2005 Budget includes \$53.8 million for this activity, an increase of \$1.6 million over the FY 2004 level.

Training Grants

This activity supports safety and health training grants to nonprofit organizations to provide employee and employer training programs targeted to address specific industry needs for safety and health education. In FY 2005, the current training grant program will be

updated and replaced with a new \$4 million program that addresses the training needs of a changing workforce and the new technologies available to deliver training.

Safety and Health Statistics

Safety and Health Statistics provides information technology, management information and statistical support for OSHA's programs and field operations through an integrated data network and statistical analysis and review. The FY 2005 request includes \$22.4 million and 39 FTE for this activity, an increase of \$0.1 million from FY 2004.

Executive Direction and Administration

This activity provides overall direction and administrative support for OSHA. The FY 2005, budget level for this activity is \$10.2 million and 50 FTE, an increase of \$0.1 million over FY 2004.

Selected OSHA Performance Goals and Indicators

- By 2008, reduce the rate of workplace fatalities by 15% from the baseline.
 - By 2008, reduce the rate of workplace injuries and illnesses by 20% from the baseline.
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MINE SAFETY AND HEALTH ADMINISTRATION

Budget Authority (Dollars in Millions)

	<u>FY 2004</u>	<u>FY 2005</u>	<u>Change</u>
Enforcement: Coal	\$114.8	\$114.9	\$0.1
Enforcement: Metal/Nonmetal	65.5	66.8	1.3
Enforcement: Standards Development Assessments	2.3	2.3	0.0
Educational Policy and Development	5.2	5.3	0.1
Technical Support	30.4	31.5	1.1
Program Evaluation & Information Resources	24.5	25.1	0.6
Program Administration	13.9	17.7	3.8
Total, MSHA Budget Authority	\$268.8	\$275.6	\$6.8
<i>Full Time Equivalents</i>	<i>2,334</i>	<i>2,334</i>	<i>-</i>

The Mine Safety and Health Administration (MSHA) protects the safety and health of the Nation's miners through enforcement of the Federal Mine Safety and Health Act of 1977. The FY 2005 budget request includes \$275.6 million and 2,334 FTE, representing a funding increase of \$6.8 million over FY 2004 and an FTE level that remains constant.

Enforcement: Coal

The Coal Mine Safety and Health activity is responsible for ensuring the safety and health of the Nation's coal miners through special emphasis programs, compliance and training assistance, and periodic regular inspections and special investigations. The request includes \$114.9 million and 1,081 FTE. The request is \$0.1 million more than FY 2004 with FTE remaining at the same level. The request includes an increase of \$0.3 million to produce an updated Engineering and Design Manual

which will compile available information on the design, construction, maintenance, and monitoring of coal waste impoundments.

Enforcement: Metal/Nonmetal

A total of \$66.8 million and 617 FTE is requested for Metal and Nonmetal Mine Safety and Health activities. The request is \$1.3 million more than FY 2004. These activities promote a healthful working environment in the Nation's metal and nonmetal mines and mills. MSHA accomplishes this goal through compliance and training assistance, periodic regular inspections and special investigations.

Enforcement: Standards Development

The request for the Standards Development activity includes \$2.3 million and 18 FTE, roughly the same levels as requested for FY 2004. This

activity provides for the development and promulgation of mandatory safety and health standards to ensure the best protection for the health and safety of all miners.

Assessments

The primary functions of the Assessments activity are to assess civil monetary penalties for violations of the Mine Safety and Health Act, litigate penalty cases as necessary before the Federal Mine Safety and Health Review Commission and the Federal courts, and collect and account for all penalties received. The request for Assessments includes \$5.3 million and 55 FTE, an increase of \$0.1 million over FY 2004.

Educational Policy and Development

A total of \$31.5 million and 159 FTE is requested for the Educational Policy and Development activity which is an increase of \$1.1 million over FY 2004. Activities include development and coordination of MSHA's mine safety and health education and training policies, the delivery of on-site training assistance to mines throughout the country, and the provision of classroom instruction at the National Mine Health and Safety Academy for MSHA personnel and other members of the mining industry. The request includes \$0.7 million for capital improvements at the Academy.

Technical Support

A total of \$25.1 million and 222 FTE is requested for the Technical Support activity for FY 2005. This is an increase of \$0.6 million above FY 2004. This activity applies engineering and scientific expertise through field and

laboratory forensic investigations to resolve technical problems associated with implementation of the Mine Act; administers a fee program to approve equipment, materials, and explosives for use in mines; and collects and analyzes data relative to the cause, frequency, and circumstances of accidents.

Program Evaluation and Information Resources

The Program Evaluation and Information Resources (PEIR) activity operates and maintains MSHA's computer infrastructure and establishes standards and controls for the computer and networking hardware and software used by MSHA employees. PEIR maintains all of MSHA's information and technology applications and its general support system and Internet sites. PEIR also has the responsibility for MSHA meeting the requirements of the

MSHA utilizes enforcement, education, and training, and technical assistance to improve the health and safety of miners.

Government Performance and Results Act by monitoring, measuring, evaluating, and reporting on Agency progress towards meeting annual performance goals and the Program Assessment Rating Tools (PART).

The FY 2005 request for PEIR is \$17.7 million, an increase of \$3.8 million over FY 2004, and includes \$0.5 million to further network security and privacy enhancements, \$0.8 million to provide for increased costs associated with network telecommunication expansions, and \$0.3 million to support the development of web-based training.

Program Administration

A total of \$12 million and 107 FTE is requested for the Program Administration activity for FY 2005. This represents a decrease of \$0.2 million from the FY 2004 level. This

activity provides leadership, policy direction, and administrative support services for MSHA's safety and health programs. The FY 2005 request for Program Administration includes \$0.3 million to contract services for the

development of MSHA's Continuity of Operations Plan (COOP) functions, and \$0.5 million for agency-wide professional development.

Selected MSHA Performance Goals and Indicators

- ❑ Reduce the fatal injury incidence rate 15% from the baseline by the end of FY 2008.
 - ❑ Reduce the all-injury incidence rate 50% from the baseline by the end of FY 2008.
 - ❑ Reduce the percentage of respirable dust samples in coal mines, exceeding applicable standards by 5% per year for designated occupations.
 - ❑ Reduce the percentage of silica samples in metal and nonmetal mines, exceeding applicable standards by 5% per year for high-risk occupations.
 - ❑ Reduce the percentage of noise exposures above the citation level in coal and metal and nonmetal mines by 5%.
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BUREAU OF LABOR STATISTICS

Budget Authority/Trust Fund Transfers (Dollars in Millions)

	<u>FY 2004</u>	<u>FY 2005</u>	<u>Change</u>
Labor Force Statistics	\$235.1	\$242.5	\$7.4
Prices and Cost of Living	166.3	170.7	4.4
Compensation and Working Conditions	77.6	79.8	2.2
Productivity and Technology	10.3	10.6	0.3
Executive Direction and Staff Services	29.2	29.9	0.7
Total, BLS Budget Authority	\$518.5	\$533.5	\$15.0
<i>Full Time Equivalents 1</i>	<i>2,514</i>	<i>2,514</i>	<i>-</i>

1 Includes 53 reimbursable FTE.

The Bureau of Labor Statistics (BLS) is the principal fact finding agency in the Federal government in the broad field of labor economics. The BLS provides general purpose statistics that serve as some of the major economic indicators used in: developing economic and social policy; making decisions in the business and labor communities; developing legislative and other programs affecting the labor market; conducting research on labor market issues; and projecting Federal expenditures and receipts. The request for the BLS in FY 2005 is \$533.5 million and 2,514 FTE, which is an increase of \$15.0 million over FY 2004. All of BLS was evaluated with the Program Assessment Rating Tool (PART) and received a rating of effective. The PART recommended that the BLS show more clearly to the general user aspects of program performance such as outcome-based, quantitative measures of data accuracy. It also recommended that the BLS

develop efficiency measures to cover more of the program.

Labor Force Statistics

The Labor Force Statistics program provides comprehensive and timely information on the labor force, employment, unemployment, and related labor market characteristics at the national level; industrial and occupational employment at the State and local levels; and labor force and unemployment figures at State and local levels. In addition, this budget activity develops projections of the labor force, economic growth, industrial output, and employment by industry and occupation for 10 years into the future for the Nation as a whole.

In FY 2005, the BLS will continue to develop monthly estimates on the numbers of separations, new hires, and current job openings for the economy as a whole and major industry groupings. In conjunction with the Census Bureau,

the BLS will conduct the American Time-Use Survey. In addition, the BLS will continue to improve the quality of the estimates produced by the Local Area Unemployment Statistics program and develop the capability to produce additional demographic data at the local level. The BLS request includes \$242.5 million and 505 FTE for the Labor Force Statistics program, an increase of \$7.4 million over FY 2004.

Prices and Cost of Living

The Prices and Cost of Living program publishes the Consumer Price Index (CPI), the Producer Price Index (PPI), and the U.S. Import and Export Price Indexes. This budget activity provides CPI data for many geographic areas within the United States, and estimates of consumers' incomes and expenditures that are used in analysis of price behavior and consumer spending patterns. The BLS also provides these data for interpretation of price movements in relation to other major economic changes, and the formulation and evaluation of economic policy. In FY 2005, the BLS will continue to calculate and publish the new superlative price index and revise the index value for the two previous years based on more current expenditure data. The PPI's coverage of services will continue to expand as well as the modernization of computing systems for monthly processing of the PPI and U.S. Import and Export Price Indexes. The BLS also will publish expanded country of origin indexes. The BLS request includes \$170.7 million and 1,097 FTE, an increase of \$4.4 million over the FY 2004 request.

Compensation and Working Conditions

The Compensation and Working Conditions program publishes data on employee compensation, including information on wages, salaries, and employer-provided benefits, by occupation for major labor market areas and industries. The Employment Cost Index (ECI) is used in setting and evaluating monetary policy, which is reflected in mortgage rates and other interest charges. The program also compiles and publishes information on collective bargaining. Through the

A January 1998 Congressional Budget Office report estimated that a one-percentage point change in the January 1998 Consumer Price Index would change the 1999 budget by \$16.5 billion.

Survey of Occupational Injuries and Illnesses, and the Census of Fatal Occupational Injuries, the BLS compiles annual information on the incidence and number of work-related injuries, illnesses, and fatalities. These two programs serve as the Nation's primary

public health surveillance system for job related injuries and illnesses. In FY 2005, the BLS will continue its ongoing plan to update and expand the sample of establishments that is used to produce the ECI, the local area pay data, and the Employee Benefits Survey. The BLS will publish the results of the 2003 Survey of Occupational Injuries and Illnesses using the North American Industry Classification System and the Standard Occupational Classification system. The BLS also will publish the results of the 2004 Census of Fatal Occupational Injuries. The BLS request includes \$79.8 million and 564 FTE for the Compensation and Working Conditions program, an increase of \$2.2 million over FY 2004.

Productivity and Technology

The Productivity and Technology program measures productivity trends for major sectors of the economy and individual industries, and analyzes trends in order to examine the factors underlying changes in productivity. The program also develops international comparisons of productivity, hourly compensation, unit labor costs, and employment and unemployment. In FY 2005, the BLS will publish new measures of labor productivity and unit labor costs for three additional service-producing industries. The BLS request includes \$10.6 million and 81 FTE for

the Productivity and Technology program, an increase of \$0.3 million over FY 2004.

Executive Direction and Staff Services

The Executive Direction program provides agency-wide policy and management direction, including all centralized support services in the administrative, publications, information technology, and statistical methods research areas. The BLS request includes \$29.9 million and 214 FTE for the Executive Direction program, an increase of \$0.7 million over the FY 2004 request.

Selected BLS Performance Goals and Indicators

- ❑ Improve coverage by increasing the percentage of domestic services output included in the Producer Price Index to 75.7 percent.
 - ❑ Issue 100 percent of scheduled releases on time.
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OFFICE OF DISABILITY EMPLOYMENT POLICY

Budget Authority (Dollars in Millions)

	<u>FY 2004</u>	<u>FY 2005</u>	<u>Change</u>
Office of Disability Employment Policy	\$47.0	\$47.6	\$0.6
Total, ODEP Budget Authority	\$47.0	\$47.6	\$0.6
<i>Full Time Equivalents</i>	65	65	0

The budget request provides the Office of Disability Employment Policy (ODEP) a total of \$47.6 million and 65 FTE in FY 2005, an increase of \$0.6 million from FY 2004. ODEP's mission is to provide leadership to increase employment opportunities for adults and youth with disabilities. Additionally, ODEP supports and helps implement the employment-related goals of the President's *New Freedom Initiative*. Efforts focus on achieving a lasting systemic impact on the employment process through policy analysis and development and dissemination of effective practices. Stakeholders include individuals with disabilities and their families, private and public employers and their employees, Federal, state, and local government agencies, educational and training institutions, and disability advocates.

ODEP's mission is to provide leadership to increase employment opportunities for adults and youth with disabilities.

ODEP focuses on the supply side and the demand side of the labor market as they relate to employment of people with disabilities. On the supply side, ODEP develops and promotes policies to increase employment by expanding access to training, education, employment supports, assistive technology, integrated employment, entrepreneurial development, and small business opportunities. On the

demand side, ODEP develops and promotes policies to build partnerships with employers, organizations, and Federal, state, and local agencies to increase awareness of the benefits of hiring people with disabilities, and to facilitate the uses of effective practices.

To institute the workplace changes necessary to increase employment opportunities, accurate and reliable information is needed on employment and disability statistics. The Department of Labor, through ODEP, and the Bureau of Labor Statistics (BLS) have made measuring the employment rate of people with disabilities a very high priority, because of the critical need for data to inform policies and programs designed to enhance the employment prospects of the disability population.

This budget request supports the Department's strategic goal of *A Prepared Workforce* to promote enhanced opportunities for America's workforce and *Quality Workplaces* that foster workplaces that are safe, healthy and fair.

DEPARTMENTAL MANAGEMENT

Budget Authority/Trust Fund Transfers (Dollars in Millions)

	<u>FY 2004</u>	<u>FY 2005</u>	<u>Change</u>
Program Direction and Support	\$27.1	\$33.2	\$6.1
Legal Services	87.9	91.6	3.7
International Labor Affairs	109.9	30.5	(79.4)
Administration and Management	33.1	32.7	(0.4)
Adjudication	42.1	43.1	1.0
Women's Bureau	9.2	9.6	0.4
Civil Rights	6.1	6.3	0.2
Chief Financial Officer	5.1	5.2	0.1
Information Technology Activities	48.2	33.6	(14.6)
Management Initiatives	5.0	10.1	5.1
FPB Security Enhancements	-	15.0	15.0
Total, DM Budget Authority	\$373.7	\$310.9	(\$62.8)
Working Capital Fund, Net Discretionary BA	\$13.8	\$25.0	\$11.2
<i>Full Time Equivalents ¹</i>	2,239	2,218	(21)

^{1/} Includes 686 FTE in FY 2004 and 696 FTE in FY 2005 for the Working Capital Fund; and 17 FTE in FY 2004 and FY 2005 for DM reimbursable activities.

The FY 2005 budget for the Departmental Management (DM) appropriation is \$310.9 million and 1,522 FTE. In addition, there are 696 FTE in the Working Capital Fund for an overall total of 2,218 FTE. The DM request represents a decrease of \$62.8 million and 21 FTE from FY 2004. The Working Capital Fund, which is a no-year revolving fund that provides centralized administrative support

Departmental Management activities are responsible for formulating and overseeing the implementation of DOL policy and management activities.

services financed mainly through assessments to DOL agencies, will increase by \$21.4 million. Of this amount, \$11.2 million is for a direct appropriation to the Working Capital Fund as a second installment to replace the Department's aging core accounting system, and \$4.0 million is for Web Site Communication Services.

The DM appropriation provides funding for the following activities: Program Direction and Support, Legal Services, International Labor Affairs, Administration and Management, Adjudication, Women's Bureau, Civil Rights, Chief Financial Officer, as well as two centralized management activities, the Information Technology initiatives administered by the Chief Information Officer, and the Management Initiatives activity. In addition, a new activity is being added in 2005 for the Frances Perkins Building Security Enhancements. This increase of \$15 million will be used to allow the Department to proceed with required actions to ultimately ensure the security of the Department of Labor headquarters.

These Departmental Management organizations are responsible for formulating and overseeing the achievement of Departmental policy, for the overall management of the Department, and for providing a variety of unique services in ensuring equal employment opportunity in Departmental programs, and in supporting the rights of workers and promoting issues involving women in America's workforce.

Program Direction and Support

The Program Direction and Support (PDS) activity includes a total budget request of \$33.2 million and 153 FTE for FY 2005, an increase of \$6.1 million from FY 2004. The PDS activity includes the immediate Offices of the Secretary and Deputy Secretary, provides leadership and direction for overall programs, activities, and functions to carry out the multiple missions of the Department. In addition, PDS provides guidance for the

development and implementation of government policy to protect and promote the interest of the American worker toward achieving better employment and earnings, to promote productivity and economic growth, safety, equity and affirmative action in employment, to collect and analyze statistics on the economy including the labor force, to monitor and evaluate emerging economic and international and national labor market trends and events, and to promote lifelong learning in the 21st century. PDS activities are central to the achievement of the Department's overall mission. Under the direction of the Secretary, the agenda for major program initiatives in such areas as pension protection, child labor, One Stop Centers, and unemployment insurance reform is forged. Included in this total is \$5 million to encourage greater use of telework and flexible arrangements to help ease the pressures

faced by workers and their families, \$2.0 million for outreach and training to support the President's Faith-Based initiative and \$0.8 million for increased compliance assistance activities.

These increases are offset by a program decrease of \$0.3 million for program efficiencies; a financing change of \$2.1 to the Working Capital Fund for the National Call Center (\$1.2 million); and \$0.9 million for DOL Web Site Communication Services.

Legal Services

The Office of the Solicitor (SOL) includes a total budget request of \$91.6 million and 700 FTE for FY 2005, an increase of \$3.7 million and 17 FTE

DOL provides guidance for the development and implementation of government policy to protect and promote the interests of the American worker.

from FY 2004. The SOL independently litigates cases in the U.S. District Courts, Courts of Appeals, and before administrative law judges and administrative appellate bodies; serves as the co-counsel to the Solicitor General in Department-related litigation in the U.S. Supreme Court; assists the Justice Department and local U.S. Attorneys, offices in case preparation and trial; supports regulatory reform through the review of rules and regulations; provides oral and written interpretations and opinions to the client agencies concerning the statutes which the Department enforces; coordinates the Department's legislative program; reviews proposed legislation and assists in drafting legislation; prepares testimony and reports on proposed legislation as requested by the Congress, as well as annual reports to the Congress; provides legal advice to interagency groups responsible for U.S. trade matters; assists in negotiating international agreements; and participates in international organizations including the International Labor Organization (ILO). The Office of the Solicitor also serves as "House Counsel" to the Department on a variety of matters, including labor-management relations and ethics. In FY 2005, SOL requests an additional \$0.9 million and 7 FTE for additional legal support of enforcement activities proposed by DOL agencies, \$0.4 million for technology support for litigation, and \$0.1 million for an Alternative Dispute Resolution Initiative.

The FY 2005 budget finalizes the plan of returning ILAB to its core mission to assist in formulating the U. S. international policies and programs of concern to American workers.

International Labor Affairs

The total request for Bureau of International Labor Affairs (ILAB) in FY 2005 is \$30.5 million and 67 FTE, a reduction of \$79.4 million and 39 FTE from FY 2004. The budget returns ILAB to its core mission to assist in formulating the U.S. international policies and programs of concern to American workers. At the request level ILAB will finance a modest program of grants for child labor and bilateral or multilateral technical assistance projects, in support of the President's Trade Agenda. In addition, ILAB will continue to coordinate the Department's global responsibilities, and in 2005, will provide expert support for many of the Administration's international initiatives. The core mission of the Bureau includes representing the U.S. government at the International Labor Organization (ILO) and on the Employment, Labor and Social Affairs Committee of the Organization of Economic Cooperation and Development.

Administration and Management.

The FY 2005 budget includes \$32.7 million and 125 FTE, a decrease of \$0.4 million from FY 2004, for the Office of the Assistant Secretary for Administration and Management (OASAM). OASAM provides leadership and policy guidance in the areas of budget, human resources, information technology, as well as management and administration for the Department's program agencies. OASAM's mission also includes providing centralized administrative and support services to the program agencies

through the Working Capital Fund. This arrangement allows Departmental employees to achieve efficiency and cost effectiveness in the provision of such services.

FPB Security Enhancements

This is a new budget activity in FY 2005. A total of \$15.0 million is being requested for security enhancements to the Frances Perkins Building (FPB) which is headquarters to the Department of Labor. Full funding of this request will allow the Department to proceed with required actions as deemed necessary by assessments and studies to ensure the security of DOL employees.

Adjudication

The Adjudication activity consists of two components: the Office of Administrative Law Judges (OALJ), and the Adjudicatory Boards comprised of the Benefits Review Board, the Employees' Compensation Appeals Board, the Administrative Review Board and the Office of the Managing Partner. In FY 2005, the total budget requested for these agencies is \$43.1 million and 327 FTE, an increase of \$1.0 million from FY 2004. The OALJ presides over formal hearings and renders timely decisions on claims filed under numerous statutes, including the Black Lung Benefits Act, the Longshore and Harbor Workers' Compensation Act and its extensions, and numerous other acts involving complaints to determine violations of minimum wage requirements, overtime payments, health and safety regulations, and unfair labor practices. The Adjudicatory Boards review and decide appeals of claims under the Black Lung Benefits Act, the Longshore and Harbor Workers' Compensation Act, and the Federal

Employees' Compensation Act as well as statutory whistle blower provisions, wage determination statutes, and certain worker protection laws.

Women's Bureau

The FY 2005 budget includes \$9.6 million and 64 FTE for the Women's Bureau, an increase of \$0.4 million from FY 2004. The Women's Bureau is the only Federal agency with primary responsibility for serving and promoting the interests of working women. The Women's Bureau designs projects addressing issues of importance to working women, provides information about innovative women's programs, and advises and assists in the development of Departmental policies and programs related to or affecting women, in keeping with the Secretary's goals.

Civil Rights

The total proposed funding in the FY 2005 budget for the Civil Rights activity is \$6.3 million and 48 FTE, an increase of \$0.2 million from FY 2004. The Civil Rights activity is responsible for ensuring full compliance with Title VI of the Civil Rights Act, the Age Discrimination Act, Section 504 of the Rehabilitation Act, Section 188 of the Workforce Investment Act, Title II of the Americans with Disabilities Act, and the regulatory provisions implementing those statutes. The nondiscrimination provisions are applicable to programs receiving or benefiting from financial assistance from DOL. In addition, this activity ensures equal employment opportunity for all DOL employees and applicants for employment. This request is part of the overall DOL strategy to promote voluntary compliance in DOL enforcement activities, and in

conjunction with the Office of Disability Employment Policy, to place special emphasis on improving access to DOL financial assistance programs for persons with disabilities.

Chief Financial Officer

For the Chief Financial Officer activity, the FY 2005 budget includes \$5.2 million and 38 FTE, an increase of \$0.1 million from FY 2004. The Office of the Chief Financial Officer (OCFO) is responsible for developing comprehensive accounting and financial management policies, assuring that all Departmental financial functions conform to applicable standards, providing leadership and coordination to the Department's trust and benefit fund financial actions, monitoring the financial execution of the budget in relation to actual expenditures, enhancing knowledge and skills of Departmental staff working in financial management operations, and managing a comprehensive training program for accounting and financial support staff.

The OCFO is responsible for ... assuring that all Departmental financial functions conform to applicable standards.

Information Technology Activities

The FY 2005 request includes \$33.6 million, a decrease of \$14.6 million from FY 2004, for continuation of a coordinated and centralized information technology (IT) investment strategy for the DOL managed by the CIO. As required by the Clinger Cohen Act of 1996, the Department established a CIO, accountable for IT management in the DOL, and implemented an IT Capital Investment Management process for selecting, controlling, and evaluating IT investments. These funds are allocated by the Department's CIO in accordance

with the Department's capital investment management process to assure a sound investment strategy for the entire Department, which OMB considers a "best practice." These information technology resources will ensure overall program effectiveness and communication among DOL programs, participants, and employees nationwide. The FY 2005 request provides two categories for IT funding: Enterprise Architecture and e-Government. A sub-category has been created within the

Enterprise Architecture crosscut for IT Infrastructure related activities. Enterprise Architecture will concentrate on an enterprise solution for integrating the Department's overall architecture. The IT Infrastructure specifically will focus on upgrading the Department's outdated core infrastructure, a necessary step to implement the Department's Enterprise Architecture. Investments will be made in Local Area Networks, software, cabling, and telecommunications equipment. The request for e-Government includes initiatives that are directly related to the Presidential Priority Initiatives and will ensure that the Department will appropriately participate with other federal-wide e-Government initiatives.

Management Initiatives

The FY 2005 President's Budget proposes to continue the Management Initiatives activity initially put forward in FY 2003. The total request for FY 2005 for this activity is \$10.1 million, an increase of \$5.1 million over FY 2004. This activity is

designed to address major management issues that face all DOL agencies. In this budget, the Management Initiatives activity will continue to address Workforce Analysis and Restructuring as well as the need for program performance evaluations to improve the overall effectiveness of DOL programs. In addition, funds will be used to increase physical and personnel security for the Department and to plan for continuing operations in the event of an emergency. Funding is also requested for studies on Departmental efforts in competitive sourcing under the President's Management Agenda, space consolidation, and a succession-planning program.

Working Capital Fund

The Department's agencies provide most of the financing for the Working Capital Fund (WCF) for centralized administrative services. Mainly a revolving fund, the WCF operates at rates that return, in full, all expenses in operation, including reserves for accrued annual leave and depreciation of capitalized assets. For FY 2005, the WCF's regular operating level totals \$150.9 million and 696 FTE to support administrative and management services for all DOL programs nationwide. In addition, the Department requests a direct appropriation to the WCF of \$25 million for resources necessary to replace its aging core accounting system.

VETERANS' EMPLOYMENT AND TRAINING SERVICE

Budget Authority/Trust Fund Transfers (Dollars in Millions)

	<u>FY 2004</u>	<u>FY 2005</u>	<u>Change</u>
State Grants (DVOP and LVER Programs)	\$161.4	\$162.4	\$1.0
Administration	28.9	29.7	0.8
National Veterans' Training Institute	2.0	2.0	0.0
Total, Budget Authority (Trust Funds)	192.3	194.1	1.8
Homeless Veterans' Reintegration Project	18.9	19.0	0.1
Veterans' Workforce Investment Program	7.5	7.5	(0.0)
Total, Budget Authority (All Sources)	\$218.6	\$220.6	\$1.9
<i>Full Time Equivalents</i>	<i>250</i>	<i>250</i>	<i>0</i>

The Veterans' Employment and Training Service (VETS) provides maximum employment and training opportunities for veterans. The Assistant Secretary for Veterans Employment and Training serves as the principal advisor to the Secretary on all policies and procedures affecting veterans. VETS also administers grants to States, public entities and non-profits, including faith-based organizations, to help veterans find jobs. The budget request includes \$220.6 million and 250 FTE for FY 2005.

State Grants

The budget request for this activity is \$162.4 million. This is an increase of \$1 million over the FY 2004 level. The increase requested will enable VETS to meet its performance goals and objectives and continue to implement requirements of the Jobs for Veterans Act of 2002. The request includes funding for State incentive awards.

Funding for the Disabled Veterans' Outreach Program (DVOP) and the Local Veterans' Employment Representative (LVER) program will be based on State plans for services to veterans submitted by Governors in accordance with the Jobs for Veterans Act of 2002. The Disabled Veterans' Outreach Program provides intensive employment and employability development services to disabled veterans and to economically or educationally disadvantaged veterans through a system of program specialists. Many DVOP specialists are stationed at homeless veteran shelters, Department of Veteran's Affairs (VA) vocational rehabilitation or community based Vet Centers and other VA locations. The Local Veterans' Employment Representatives conduct outreach to employers, conduct job search workshops, and facilitate employment, training, and placement services to veterans at One-Stop Career Centers.

LVER staff also train service members about to separate from active duty through the Transition Assistance Program (TAP), provide labor exchange information to veterans, promote and monitor participation of veterans in federally-funded employment and training programs, and monitor the listing of jobs from, and referrals to, Federal contractors and subcontractors.

Administration

The Administration activity supports a Federal staff which protects veterans' employment and reemployment rights and administers State grants for the DVOP and LVER programs, Veterans Workforce Investment Program and Homeless Veterans Reintegration Program grants. The agency staff conduct on-site technical assistance, coordinate with other Federal agencies, and collect and analyze information on employment and training services provided to veterans and service members leaving military service. The request will maintain a training capacity for about 130,000 TAP participants (including overseas) and the capacity to process approximately 1,375 veteran employment and reemployment rights complaints. The FY 2005 funding for this activity is \$29.7 million and 250 FTE. This is an increase of \$0.8 million over its FY 2004 funding. The requested increased funding provides for inflationary increases, support for a national campaign to hire veterans, and costs of providing TAP services overseas.

The National Veterans' Training Institute

The National Veterans' Training Institute (NVTI) provides training to both Federal and State employees and managers involved in the delivery of services to veterans. A total of \$2 million is requested for NVTI. VETS will continue to develop core competencies for veteran service providers through NVTI, and will develop new courses based on the Jobs for Veterans Act.

Homeless Veterans Program

In FY 2005, the funding request for this program is \$19 million. VETS will improve the Homeless Veterans' Reintegration Program (HVRP) through capacity building and increased retention efforts. VETS will support efforts on behalf of incarcerated veterans. This level of funding will help 9,000 homeless veterans find jobs.

Veterans' Workforce Investment Program

In FY 2005, the funding request for this program is \$7.5 million. This will enable VETS to conduct a training and employment program for veterans under the Workforce Investment Act (Sec. 168) and pilot a health care occupations initiative in several states to help separating service members enter the health care field. The program will provide training opportunities for service connected disabled veterans, along with recently separated and other veterans who are faced with significant barriers to employment. This program will help 2,500 hard-to-serve veterans enter employment.

Selected VETS Performance Goal and Indicators

- Improve the employment outcomes for veterans who receive State Workforce Agency services and veterans programs.
 - 58% of veteran and 52% of disabled veteran job seekers will be employed in the first or second quarter following registration with the Public Labor Exchange..
 - 55% of homeless veterans enrolled in homeless veterans reintegration programs will enter employment.
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OFFICE OF INSPECTOR GENERAL

Budget Authority/Trust Fund Transfers (Dollars in Millions)

	<u>FY 2004</u>	<u>FY 2005</u>	<u>Change</u>
Program Activity	\$65.7	\$69.9	\$4.2
Total OIG Budget Authority	\$65.7	\$69.9	\$4.2
<i>Full Time Equivalents</i>	470	480	10

The Office of Inspector General (OIG) budget request includes \$69.9 million and 480 FTE for FY 2005, an increase of \$4.2 million and 10 FTE.

Program Activities

The OIG budget program includes audit, program fraud, labor racketeering, evaluations, inspections of program activities, and executive direction and management. The OIG performs audits of the Department's financial statements, programs, activities, and systems to determine whether information is reliable, controls are in place, resources are safeguarded, funds are expended in a manner consistent with laws and regulations and managed economically and efficiently, and desired program results are achieved. The OIG administers an investigative program to detect and deter fraud, waste, and abuse in Departmental programs and to identify and reduce labor racketeering

The OIG conducts audits and investigations of Departmental programs and combats labor racketeering in unions and the workplace

and corruption in employee benefit plans, labor management relations, and internal union affairs. The OIG also conducts DOL program evaluations, special reviews and inspections; analyzes complaints involving DOL programs, operations, or functions; and provides strategic planning and Congressional liaison services. The OIG carries out executive direction and management activities that include: management, legal counsel, administrative support, information technology, procurement, personnel, and financial functions. The OIG also provides technical assistance to DOL program agencies.

The FY 2005 request includes \$2.5 million and 10 FTE to conduct additional investigations and audits of labor racketeering, pension plan corruption, organized crime affecting internal union affairs, and fraud by non-traditional organized crime groups.

Selected OIG Performance Goals and Indicators

- ❑ Optimize performance and accountability of the Department of Labor employment and Training Programs.
 - ❑ Safeguard and improve worker and retiree benefit programs.
 - ❑ Optimize performance and accountability of worker protection and workplace safety programs.
 - ❑ Assit the Department of Labor in maintaining and effective strategic management process.
 - ❑ Combat the influence of organized crime and labor racketeering in the workplace.
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DEPARTMENT OF LABOR
DISCRETIONARY AND MANDATORY BUDGET AUTHORITY

- Dollars in Millions -

	FY 2003 BUD. AUTH.	FY 2004 BUD. AUTH.	FY 2005 BUD. AUTH.	FY 2005-2004 DIFFERENCE
<u>DISCRETIONARY PROGRAMS</u>				
Training and Employment Services.....	5,965.3	5,917.8	5,922.3	4.5
Community Service Emp. for Older Americans.....	442.3	438.7	440.2	1.6
State Employment Service Operations.....	55.4	64.0	86.5	22.5
Veterans Employment and Training.....	185.3	187.8	189.0	1.2
Gifts and Bequests.....	0.3	0.3	0.3	0.0
Employment and Training Total.....	6,648.6	6,608.5	6,638.2	29.7
State Unemployment Insurance Operations.....	2,760.5	2,805.7	2,805.4	(0.3)
Employment and Training Program Administration.....	174.5	172.3	164.1	(8.3)
Employee Benefits Security Administration.....	116.3	124.0	132.3	8.3
Pension Benefit Guaranty Corporation.....	13.0	0.0	0.0	0.0
Employment Standards Administration 1/.....	413.1	424.0	441.9	17.9
Welfare-to-Work Jobs.....	0.0	(122.0)	0.0	122.0
Occupational Safety & Health Administration.....	450.3	457.5	461.6	4.1
Mine Safety and Health Administration.....	273.0	268.9	275.6	6.7
Bureau of Labor Statistics.....	492.2	518.5	533.5	15.0
Office of Disability Employment Policy.....	47.2	47.0	47.6	0.5
Departmental Management 1/.....	410.8	373.7	310.9	(62.8)
Veterans Employment and Training.....	27.5	30.8	31.7	0.8
Office of Inspector General 1/.....	62.2	65.7	69.9	4.3
Working Capital Fund [net] (WCF).....	0.0	13.8	25.0	11.2
Worker Prot., Sfty & Health, & Stats Total 1/.....	2,480.0	2,374.3	2,494.1	119.7
TOTAL DISCRETIONARY 1/.....	11,889.1	11,788.6	11,937.7	149.2
<u>MANDATORY PROGRAMS</u>				
Federal Unemployment Benefits & Allowances.....	972.2	1,338.2	1,057.3	(280.9)
Training and Employment Services.....	0.0	0.0	0.0	0.0
TES H1B Fees.....	97.0	0.0	0.0	0.0
ESA H1B Fees.....	7.0	0.0	0.0	0.0
Payments to the UTF.....	606.0	763.0	1.0	(762.0)
Adv to the Unemp Trust Fund and Other Funds.....	7.0	37.0	3,281.0	3,244.0
Unemployment Trust Fund (UTF) Base.....	58,452.5	49,377.3	43,285.0	(6,092.2)
[Transfer from UTF].....	(3,783.5)	(3,845.3)	(3,099.0)	746.2
Foreign Labor Certification Processing	0.0	0.0	23.0	23.0
Pension Benefit Guaranty Corporation.....	0.0	0.0	0.0	0.0
[Administrative Expenses - Lim].....	(13.0)	0.0	0.0	0.0
[Services Related To Terminations] {Non-Add}.....	178.9	228.8	266.3	37.6
Special Benefits.....	163.0	163.0	203.0	40.0
DOE Compensation Fund.....	345.0	221.0	221.0	0.0
DOE Administrative.....	105.0	51.7	40.8	(10.8)
Panama Canal Commission (PCC).....	6.0	6.6	6.0	(0.6)
Black Lung Disability Trust Fund (BLDTF).....	979.7	969.6	3,766.3	2,796.7
[Transfer from BLDTF].....	(55.3)	(55.7)	(56.7)	(0.9)
Special Workers Compensation Expenses.....	142.0	152.0	145.0	(7.0)
[Transfer from SWCEP].....	(2.0)	(2.0)	(2.1)	(0.0)
Special Benefits Disabled Coal Miners.....	410.0	397.0	364.0	(33.0)
Working Capital Fund, Mandatory.....	3.0	3.0	0.0	(3.0)
Proprietary Receipts: UTF.....	(6.0)	(3.0)	(3.0)	0.0
Proprietary Receipts: BLDTF.....	(1.0)	(2.0)	(2.0)	0.0
Offsetting Receipts: PCC.....	(6.0)	(6.6)	(6.0)	0.6
Interfund Transactions.....	(1,269.0)	(1,377.0)	(3,899.0)	(2,522.0)
TOTAL MANDATORY.....	57,214.9	48,243.4	45,382.4	(2,862.0)
TOTAL, DEPARTMENT OF LABOR.....	69,104.0	60,032.0	57,320.1	(2,711.9)

1/ Includes Black Lung Trust Fund Transfers

NOTE: Training and Employment Services and State Employment Services Operations figures for 2003 and 2004 have been adjusted to make them comparable with the 2005 President's request.

DEPARTMENT OF LABOR
DISCRETIONARY AND MANDATORY OUTLAYS

- Dollars in Millions -

	FY 2003 OUTLAYS	FY 2004 OUTLAYS	FY 2005 OUTLAYS	FY 2005-2004 DIFFERENCE
<u>DISCRETIONARY PROGRAMS</u>				
Training and Employment Services.....	5,906.0	5,349.0	5,325.0	(24.0)
Community Service Emp. for Older Americans.....	449.0	445.0	439.0	(6.0)
State Employment Service Operations.....	902.2	802.0	318.7	(483.3)
Veterans Employment and Training.....	(10.0)	186.4	191.5	5.0
Gifts and Bequests.....	0.3	0.3	0.3	0.0
Employment and Training Total.....	7,247.5	6,782.7	6,274.4	(508.3)
State Unemployment Insurance Operations.....	2,752.0	2,331.8	2,696.6	364.9
Employment and Training Program Administration.....	160.1	182.4	163.9	(18.5)
Employee Benefits Security Administration.....	121.0	128.0	131.0	3.0
Pension Benefit Guaranty Corporation.....	13.0	0.0	0.0	0.0
Employment Standards Administration 1/.....	378.0	423.1	440.7	17.7
Proposed FECA Surcharge.....	0.0	0.0	0.0	0.0
Worker's Compensation.....	44.0	131.0	0.0	(131.0)
Welfare-to-Work Jobs.....	0.0	0.0	0.0	0.0
Occupational Safety & Health Administration.....	459.0	456.0	461.0	5.0
Mine Safety and Health Administration.....	265.0	264.0	272.0	8.0
Bureau of Labor Statistics.....	496.0	473.0	529.5	56.5
Office of Disability Employment Policy.....	22.0	54.0	47.1	(6.9)
Departmental Management 1/.....	341.3	413.7	357.0	(56.7)
Veterans Employment and Training.....	184.8	26.0	29.7	3.7
Office of Inspector General 1/.....	63.9	66.2	69.4	3.1
Working Capital Fund [net] (WCF).....	(10.0)	4.0	11.0	7.0
Worker Prot., Sfty & Health, & Stats Total 1/.....	2,538.1	2,621.4	2,512.3	(109.0)
TOTAL DISCRETIONARY 1/.....	12,537.6	11,735.9	11,483.4	(252.5)
<u>MANDATORY PROGRAMS</u>				
Federal Unemployment Benefits & Allowances.....	551.0	770.0	1,051.0	281.0
Training and Employment Services.....	0.0	0.0	0.0	0.0
TES H1B Fees.....	66.0	251.0	104.0	(147.0)
ESA H1B Fees.....	7.0	8.0	0.0	(8.0)
Payments to the UTF.....	639.0	763.0	1.0	(762.0)
Adv to the Unemp Trust Fund and Other Funds.....	7.0	37.0	3,281.0	3,244.0
Unemployment Trust Fund (UTF) Base.....	58,393.0	49,377.0	43,338.5	(6,038.5)
[Transfer from UTF].....	(3,776.0)	(3,845.0)	(3,152.5)	692.5
Temp Extended Unemployment Compensation (UTF).....	(27.0)	0.0	0.0	0.0
Reemployment Accounts.....	0.0	0.0	0.0	0.0
Foreign Labor Certification Processing.....	0.0	0.0	23.0	23.0
Pension Benefit Guaranty Corporation.....	216.0	(55.0)	(93.0)	(38.0)
[Administrative Expenses - Lim].....	(13.0)	0.0	0.0	0.0
[Services Related To Terminations] {Non-Add}.....	178.9	228.8	266.3	37.6
Special Benefits.....	(21.0)	200.0	272.0	72.0
DOE Compensation Fund.....	321.0	281.0	221.0	(60.0)
DOE Administrative.....	61.0	82.0	91.0	9.0
Panama Canal Commission (PCC).....	6.0	6.2	6.0	(0.2)
Black Lung Disability Trust Fund (BLDTF).....	1,012.0	999.3	3,766.3	2,767.1
[Transfer from BLDTF].....	(29.3)	(55.7)	(56.7)	(0.9)
Special Workers Compensation Expenses.....	142.0	143.0	143.0	0.0
[Transfer from SWCEP].....	(2.0)	(2.1)	(2.1)	(0.0)
Special Benefits Disabled Coal Miners.....	421.0	401.0	366.0	(35.0)
Working Capital Fund, Mandatory.....	3.0	3.0	0.0	(3.0)
Welfare-To-Work Jobs, Mandatory.....	312.0	181.0	2.0	(179.0)
Proprietary Receipts: UTF.....	(6.0)	(3.0)	(3.0)	0.0
Proprietary Receipts: BLDTF.....	(1.0)	(2.0)	(2.0)	0.0
Offsetting Receipts: PCC.....	(6.0)	(6.2)	(6.0)	0.2
Interfund Transactions.....	(1,263.0)	(1,376.0)	(3,896.0)	(2,520.0)
TOTAL MANDATORY.....	57,055.0	48,213.2	45,511.2	(2,702.9)
TOTAL, DEPARTMENT OF LABOR.....	69,592.6	59,949.1	56,994.6	(2,955.4)

1/ Includes Black Lung Trust Fund Transfers

**U.S. DEPARTMENT OF LABOR
FULL-TIME EQUIVALENT (FTE) EMPLOYMENT
FY 2005 President's Budget**

	<u>FY 2003</u>	<u>FY 2004</u>	<u>FY 2005</u>	<u>FY 05-04 Difference</u>
Employment and Training Administration	1,294	1,253	1,253	0
Employee Benefits Security Administration	878	930	960	30
Pension Benefit Guaranty Corporation	766	801	801	0
Employment Standards Administration	3,806	3,955	4,006	51
Energy Employees' Occupational Illness Compensation	241	300	300	0
Occupational Safety and Health Administration	2,286	2,236	2,238	2
Mine Safety and Health Administration	2,197	2,334	2,334	0
Bureau of Labor Statistics	2,530	2,514	2,514	0
Departmental Management	1,516	1,553	1,522	-31
Office of Disability Employment Policy	54	65	65	0
Veterans' Employment and Training	234	250	250	0
Office of Inspector General	430	470	480	10
Working Capital Fund	700	686	696	10
Total FTE Employment	16,932	17,347	17,419	72