

U.S. DEPARTMENT OF LABOR

FISCAL YEAR 2007 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 2007

<i>Total Budget Authority</i>			
<i>(Dollars in Billions)</i>			
	<u>FY 2006</u>	<u>FY 2007</u>	<u>Change</u>
Discretionary Programs:	\$11.5	\$10.9	-\$0.6
Mandatory Programs:	\$39.8	\$43.2	+\$3.4
Total, Department of Labor *	\$51.3	\$54.1	+\$2.8
<i>Full Time Equivalents (FTE)</i>	<i>16,719</i>	<i>16,822</i>	<i>+103</i>

* FY 2006 includes supplemental appropriations of \$175 million.

Introduction

The President's 2007 request for the Department of Labor is \$10.9 billion in discretionary budget authority and 16,822 full-time equivalent (FTE) employees.

The FY 2007 Budget will allow the Department to continue strong labor law enforcement and will give workers more control over their own efforts to obtain skills training and reemployment through innovative and flexible Career Advancement Accounts.

FY 2007 Priorities

The 2007 Budget for the Department of Labor is centered on four key priorities:

- Protect workers' safety and health;
- Protect workers' pay, benefits and union dues;
- Prepare workers for new opportunities; and
- Manage for results.

2005 Highlights

Through achieving results and doing more with less the Department continues to make a positive difference in the day-to-day lives of America's working families. Although DOL's discretionary spending has decreased since 2001, the Department continues to attain positive results and meet its performance targets. For example, the Employee Benefits Security Administration (EBSA) successfully closed an increasing percentage of its criminal cases and 76% of its civil cases, and obtained monetary results of over \$1.7 billion. In FY 2005, the Federal Employees' Compensation Act (FECA) program reduced its program costs by reviewing FECA cases to ensure continued eligibility and assess beneficiaries' return-to-work potential. This effort saved \$21 million in FY 2005 alone.

The Department has played a key role in the Gulf Coast recovery by awarding up

to \$206 million to provide 63,000 temporary recovery jobs and over \$70 million in grants to assist states to reach hard-to-serve individuals.

DOL was the first agency to achieve an all-green scorecard on the five government-wide President's Management Agenda components. DOL also received the 2005 President's Quality Award for Performance in Integrating Strategic Management Systems – which is the highest award given to executive branch agencies for management excellence and for specific management initiatives as outlined in the President's Management Agenda.

The Department awarded 30 grants to faith-based and community-based

organizations in support of the Prisoner Reentry Initiative (PRI). PRI teams the Department with the Department of Justice, the Department of Housing and Urban Development, and community organizations to help recently released prisoners successfully transition back to society and long-term employment.

In 2005, the Department continued implementing the President's High Growth Job Training Initiative, which is preparing workers for the jobs that are in demand in the 21st Century. Also in 2005, the Department implemented the Community-Based Job Training Grant program to bring community and technical colleges, employers, and job-seekers together to prepare for the changing economy.

EMPLOYMENT AND TRAINING ADMINISTRATION

Budgetary Resources (Dollars in Millions)

	FY 2006 <u>Enacted</u>	FY 2006 <u>Comparable</u>	FY 2007	Change 07-06 <u>Comp.</u>
Employment and Training:				
Training and Employment Services 1/ 2/	\$3,632.0	\$5,838.3	\$5,208.0	(\$630.3)
Senior Comm. Service Employment Prog. (SCSEP)	432.3	432.3	388.3	(44.0)
Employment Service	768.8	15.8	15.2	(0.6)
Workforce Information/Natl. Electronic Tools 3/	81.7	42.6	24.8	(17.8)
Gifts and Bequests	0.3	0.3	0.3	-
Subtotal, Employment & Training	4,915.1	6,329.3	5,636.6	(692.7)
Income Maintenance				
Unemployment Insurance Program (Admin)	2,549.3	2,549.3	2,650.2	100.9
Federal Unemployment Benefits (FUBA) 4/	966.4	966.4	938.6	(27.8)
Advances to UTF and Other Funds (BLDTF) 5/	465.0	465.0	3,186.0	2,721.0
Unemployment Trust Fund Benefits	35,986.0	35,986.0	37,838.0	1,852.0
Subtotal, Income Maintenance	39,501.7	39,501.7	41,426.8	1,925.1
Program Administration 2/	169.4	198.7	189.3	(9.4)
Total ETA Budget Authority	\$44,586.2	\$46,029.7	\$47,252.7	\$1,223.0
<i>Full Time Equivalent</i>	<i>1,008</i>	<i>1,196</i>	<i>1,232</i>	<i>36</i>

- 1/ TES includes advance appropriations of \$2.438 billion in FY 2006 appropriated in FY 2005 for obligation in FY 2006, and \$2.463 billion in FY 2007 appropriated in FY 2006 for obligation in FY 2007. In addition, the FY 2006 level is made comparable to FY 2007 for the Career Advancement Accounts.
- 2/ The FY 2007 budget proposes to transfer Job Corps program and administrative funding back to the Employment and Training Administration (ETA).
- 3/ FY 2006 Request was under Income Maintenance; FY 2007 Request is separated into \$39.1 million requested under Employment and Training and \$24.8 million requested under Income Maintenance.
- 4/ Funds Trade Adjustment Assistance benefits and training.
- 5/ Non-add, see Black Lung Disability Trust Fund (BLDTF) section. Includes a \$2.734 billion one-time prepayment premium as part of the Black Lung Refinancing proposal.

The Employment and Training Administration's (ETA) mission is to contribute to the more efficient and effective functioning of the U. S. labor market by providing high quality job training; employment assistance; labor market information; and income maintenance services. The 2007 Budget reflects the President's goal of ensuring that workers live more productive and prosperous lives and helping businesses to be more competitive in the global

economy. This Budget provides \$47.2 billion for the Department of Labor's (DOL) Employment and Training Administration, which is \$1.2 billion above 2006 largely because of the expectation of increased costs of unemployment benefits due to growth of the labor force and average weekly benefit payments.

Meeting the Workforce Challenges of the 21st Century

As our nation's economy, industries, and businesses transform to meet the challenges of the 21st century, it is also necessary that our government systems and structures evolve to support our economic growth and job creation. This includes the workforce investment system, which must change its design and service delivery methods to reflect the new economy and meet the changing needs of workers and businesses.

Over the past few years ETA has taken steps to begin this transformation through the creation of a demand-driven system that helps job seekers achieve self-sufficiency and promotes business prosperity. ETA has implemented the President's High Growth Job Training Initiative (HGJTI) to prepare workers to take advantage of new and increasing job opportunities in high growth industries and sectors in the American economy. Building on the HGJTI, Community-Based Job Training Grants aim to strengthen the role of community colleges in workforce investment (ETA's FY 2007 Budget request includes funding of \$150 million for these grants).

For FY 2007, the President proposes Career Advancement Accounts (CAA) that continue this transformation, and take it a step further. CAAs are self-directed accounts that would enable current and future workers to gain the skills needed to successfully enter, navigate and advance in the 21st century job market. Individuals would use their accounts to pay for expenses directly related to education and training. Funds previously appropriated for the WIA

Adult, WIA Dislocated Worker, and WIA Youth Programs and the Employment Service would be allocated to states as a single funding stream for CAAs. These funds would also be used by states to provide basic employment services to job seekers and employers.

This Budget also addresses employers' urgent and specialized needs for employees when domestic workers are not available by improving the Foreign Labor Certification programs. The request will reduce the existing backlog of Permanent Program petitions, and prevent future backlogs, while also improving overall program integrity by emphasizing fraud detection/prevention and by providing employer compliance assistance. Among the reforms proposed for FY 2007 is a financing initiative that would authorize cost-based user fees for the Permanent Labor Certification Program. A fee-based program would be a major step toward assuring that the funds available match the workload on hand.

Additionally, this Budget proposes to continue the Prisoner Re-entry Initiative with a \$20 million investment in the third year of this four-year initiative that is administered in collaboration with the Departments of Justice and Housing and Urban Development (HUD). The initiative helps previously incarcerated individuals find jobs, transitional housing and mentoring when they leave prison and return to their communities. Including the funding in Justice and HUD, the 2007 Budget provides a total of \$60 million for the Prisoner Re-entry Initiative.

Strengthening the Integrity of the Unemployment Insurance System

Building on reforms proposed by the Administration in the past to fortify the Unemployment Insurance (UI) system and reduce erroneous UI payments, the budget proposes a \$30 million increase in beneficiary eligibility reviews in One-Stop Career Centers, which is projected to save up to \$151 million; a \$10 million increase to prevent and detect fraudulent unemployment benefit claims using

stolen personal information (identity theft) that would result in trust fund savings of as much as \$77 million; and legislation that will assist states in preventing, detecting, establishing, and recovering UI overpayments, in strengthening employer compliance/tax collection activities, and in demonstrating new ways to speed reemployment of UI beneficiaries that would result in savings of as much as \$5.4 billion over ten years.

EMPLOYMENT AND TRAINING PROGRAMS

Budgetary Resources (Dollars in Millions)

	FY 2006 <u>Enacted</u>	FY 2006 <u>Comparable</u>	FY 2007 <u>FY 2007</u>	Change <u>07-06 Comp.</u>
Career Advancement Accounts/WIA Reform		4,032.9	3,412.6	(620.3)
Dislocated Worker Employ. and Train. Activities 1/	1,586.3	1,338.6		
Adult Employment and Training Activities	857.1	857.1		
Youth Activities	940.5	940.5		
ES Grants to States (consolidated in 2007)	-	715.9		
Workforce Information (consolidated in 2007)	-	39.1		
Work Opportunity Tax Credit (consolidated in 2007)	-	17.7		
Job Corps 2/	-	1,557.3	1,501.6	(55.7)
Community-Based Job Training Grants	-	124.0	150.0	26.0
Other Employment and Training	665.4	608.7	497.3	(111.4)
Electronic Tools/System Building	81.7	42.6	24.8	(17.8)
Prisoner Re-entry Initiative	19.6	19.6	19.6	-
Responsible Reintegration for Young Offenders	49.1	49.1	-	(49.1)
Employment Service National Activities	33.4	15.8	15.2	(0.6)
Work Incentives Grants	19.5	19.5	-	(19.5)
WIA National Programs	179.5	179.5	74.1	(105.4)
Senior Comm Svc Employmt Prog. (legislative proposal)	432.3	432.3	388.3	(44.0)
Transfer of Youthbuild from HUD (legislative proposal)	-	-	50.0	50.0
Gifts and Bequests	0.3	0.3	0.3	-
Unspent NY Emergency Response Funds 3/	(5.0)	(5.0)	-	5.0
Unobligated NEGs/TAA Health Care 3/	(20.0)	(20.0)	-	20.0
FY 2005 Community-based Job Training Grants Funds 4/	(125.0)	(125.0)	-	125.0
Job Corps Construction Balances 5/	-	-	(75.0)	(75.0)
Subtotal E/T Budget Authority	\$4,049.3	\$6,322.9	\$5,561.5	(\$761.4)

- 1 FY 2006 Enacted for Dislocated Workers includes an additional \$125 million via the Katrina/Rita Supplemental Appropriation.
- 2 The FY 2007 budget proposes to transfer Job Corps funding back to the Employment and Training Administration (ETA) in order to consolidate training activities.
- 3 The FY 2006 amount reflects a rescission of \$20 million in unobligated balances of funding from NEGs/TAA Health Care and \$5 million from Unspent NY Emergency Response Funds
- 4 The FY 2006 amount reflects a rescission of \$125 million in unobligated balances of funding from Community-Based Job Training Grants Funds appropriated in FY 2005.
- 5 The FY 2007 amount reflects a rescission of \$75 million in unobligated balances of funding from Job Corps Construction Funds.

The FY 2007 Budget request for Employment and Training Programs is \$5.562 billion.

Career Advancement Accounts

A total of \$3.413 billion is requested for the proposed Career Advancement Accounts (CAA). CAAs

are self-directed accounts that workers entering the workforce or transitioning between jobs and careers, or incumbent workers in need of new skills to remain employed, can use to purchase education and training. Funds previously appropriated for the WIA Adult, WIA Dislocated Worker, and WIA Youth Programs and the Employment Service would be allocated to states as a single funding stream for CAAs. This proposal would rein in overhead costs, so that more resources could go directly to worker training. The CAA funds will provide training opportunities to some 800,000 workers, more than tripling the number of workers trained under the current workforce investment system. A portion of these funds would also be used by states to provide basic employment services to job seekers and employers. Included in the proposed consolidated grant program is \$39.1 million for Workforce Information, (local labor market information formerly funded in the One-Stop request in SUIESO) and \$17.7 million for administration of the Work Opportunity and Welfare-to-Work Tax Credits that in prior years was included in the Employment Service National Activities request in SUIESO. The new program includes formula grants and a National Reserve, and will give States and the Secretary of Labor greater ability to target resources where needed, facilitate coordination, and eliminate duplication in the provision of services to adults, dislocated workers, and youth. The budget authority requested, is expected to support approximately 13,700,000 participants.

Community-Based Job Training Grants

DOL requests \$150 million for the third year of funding for the President's Community College Initiative to provide Community-Based Job Training Grants. Because of their close connection to local labor markets, community colleges are well positioned to prepare workers for high-demand occupations such as health care and high-tech manufacturing. While community colleges are the target for these grants, grant recipients will be required to have strategic partnerships with the public workforce investment system and business and industry.

Job Corps

A total of \$1.502 billion is requested to improve the educational achievement of Job Corps students, and increase participation of Job Corps graduates in employment and education.

Job Corps will provide intensive skill training, academic education, and support to an estimated 59,540 participants at 122 centers in FY 2007. For FY 2007, 87 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; 65 percent of students will attain a GED, high school diploma, or certificate by the end of the third quarter after exit; 49 percent of students will achieve literacy or numeracy gains of one Adult Basic Education level, approximately equivalent to two grade levels; and the average cost per participant will be no higher than \$25,220.

Other Employment and Training

The FY 2007 Budget requests \$497.3 million for Other Employment and Training Programs, \$111.4 million below FY 2006. The net change is largely due to the proposals to eliminate Responsible Reintegration for Young Offenders, the Migrant and Seasonal Farmworker program, and Work Incentive Grants; reductions in WIA National Programs; and legislative proposals to reform Community Service Employment for Older Americans and transfer the Youthbuild Program from the Department of Housing and Urban Development to the Department of Labor.

The FY 2007 Budget includes \$24.8 million for workforce information and electronic tools that will be important resources in helping individuals use their Career Advancement Accounts.

The Budget includes \$19.6 million for DOL's portion of the Prisoner Reentry Initiative, administered jointly with the Departments of Justice and Housing and Urban Development. With a goal of reducing recidivism among ex-offenders, including youth and adults, the Prisoner Re-entry Initiative will call upon faith-based and community organizations to help individuals exiting prison in making a successful transition to community life and long-term employment through mentoring, job training, and transitional housing assistance.

In FY 2007, \$12.9 million is requested for Employment Service National Activities Foreign Labor Certification activity. In FY 2007, it is expected that the Foreign Labor program will process 100 percent of H-1B applications within

seven days of the filing date in cases where no prevailing wage issues are identified; process 95 percent of accepted H-2A applications within 15 business days (such that the determination date is no later than 30 days from the date of need) where there are no pending State actions; process 90 percent of H-2B applications within 60 days of receipt; and implement new procedures necessary to eliminate the remaining backlogged applications.

WIA National Programs are funded at \$74.1 million in FY 2007, \$105.4 million below FY 2006. This decrease is primarily the result of the elimination of the Migrant and Seasonal Farmworker Program and decreases in pilots, demonstrations, research, evaluations, and technical assistance in support of the workforce investment system.

In FY 2007, \$388.3 million is requested for the Community Service Employment for Older Americans, \$44 million less than provided in FY 2006. Proposed changes to the program in reauthorization will achieve more efficient administration and better labor market outcomes, allowing the program to continue supporting 92,300 participants. A cost per participant target of \$4,115 has also been established.

Finally, the Budget proposes to transfer the Youthbuild program (\$50.0 million) from the Department of Housing and Urban Development (HUD) to the Department of Labor, as recommended by the White House Task Force on Disadvantaged Youth. Youthbuild provides unemployed young people age 16-24 with work experience combined with community service while building affordable housing for homeless and low-income families in their own

neighborhood. ETA anticipates serving 3,105 youth with Youthbuild grants in FY 2007, based on prior years' participant data from HUD.

Employment and Training Participant Data

	<u>FY 2006</u>	<u>FY 2007</u>	<u>Change</u>
Career Advancement Accounts	NA	13,700,000	NA
Job Corps	62,525	59,540	-2,985
Community College Initiative/Community-Based Job Training Grants ¹	TBD	TBD	NA
Prisoner Re-entry Initiative ¹	TBD	TBD	NA
Native Americans	19,258	18,455	-803
Community Svcs Employment/Older Americans	92,300	92,300	0
Migrants and Seasonal Farmworkers	21,574	0	-21,574

¹ For new initiatives, FY 2006 and FY 2007 will be baseline data gathering years.

Selected ETA Performance Goals and Indicators

- Percent of Career Advancement Account participants who are employed in the first quarter after program exit after having been unemployed at the time of registration.
- Percent of Career Advancement Account participants employed in the first quarter after program exit, who are still employed in both the second and third quarters after program exit.
- The average earnings of Career Advancement Account participants in the second and third quarters after program exit.

ETA INCOME MAINTENANCE

Budget Authority (Dollars in Millions)

	<u>FY 2006</u>	<u>FY 2007</u>	<u>Change</u>
Unemployment Insurance Program	\$2,549.3	\$2,650.2	\$100.9
Fed. Unemployment Benefits & Allowance	966.4	938.6	(27.8)
Advances to UTF and Other Funds (BLDTF) 1/ Temporary Extended Unemployment Comp (Admin Costs)	465.0	3,186.0	2,721.0
Unemployment Trust Fund Benefits	-	-	-
Unemployment Trust Fund Benefits	35,986.0	37,838.0	1,852.0
Total, Income Maintenance	\$39,501.7	\$41,426.8	\$1,925.1

1 Non-add, see Black Lung Disability Trust Fund (BLDTF) section. Includes a \$2.734 billion Black Lung Refinancing proposal in FY 2007.

The FY 2007 request for Income Maintenance includes \$41.4 billion in spending, largely from the Unemployment Trust Fund. Of the FY 2007 Income Maintenance total, \$2.7 billion is the discretionary amount requested for State administration of the Unemployment Insurance (UI) Program. In addition, \$938.6 million in general funds is being requested for the Federal Unemployment Benefits and Allowances (FUBA) account. The FY 2007 request for Advances to the Unemployment Trust Fund (UTF) and Other Funds (Advances) account is \$3.2 billion, which is for the Black Lung Disability Trust Fund.

The balance of Income Maintenance (\$37.8 billion) includes State unemployment benefits payments to claimants, and benefits paid to ex-service members and former Federal workers.

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

The FY 2007 Budget includes three new initiatives to strengthen the UI program: (1) \$10 million for an identity theft prevention initiative, which will prevent and detect fraudulent unemployment benefit claims filed using stolen personal information; (2) \$30 million for in-person interviews with UI beneficiaries in One-Stop Career Centers to aid work search efforts and review compliance with eligibility requirements; and (3) legislative proposals that will assist in reducing overpayments, increasing overpayment recoveries, strengthening employer compliance/tax collection activities, and promoting early reemployment of UI beneficiaries.

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 2007 budget includes a request for \$2.7 billion, which is \$100.9 million more than the FY 2006 enacted level.

This request funds projected workloads and includes a program increase of \$30 million to increase the number of re-employment and eligibility reviews conducted at One-Stop Career Centers and a \$10 million program increase to prevent and detect fraudulent claims due to identity theft.

The FY 2007 funding level requested for the UI program will provide for approximately 33,448 State staff years. State staff will handle 7.4 million employer tax accounts, 19.8 million initial unemployment claims, a total of 151.6 million weeks claimed. In addition, to finance any workload increase over an Average Weekly Insured Unemployment (AWIU) rate of 2.963 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 UI request also includes \$10.5 million for National activities, which are interstate or multi-state in nature.

Federal Unemployment Benefits and Allowances (FUBA)

This general funds appropriation is for the Trade Adjustment Assistance program. The \$938.6 million request for FY 2007 covers payments of weekly trade readjustment allowances, training, wage insurance, job search and relocation costs of workers adversely

affected by increased imports or shifts in production to other countries.

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 integration of the TAA program into the workforce investment 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 2007 the requested amount includes a one-time \$2.7 billion prepayment premium associated with the legislative proposal to refinance the Black Lung Disability Trust Fund debt.

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 2007 will be 2.2 percent. This translates to an average of approximately 2.6 million

beneficiaries each week receiving unemployment assistance under Federal and State programs in FY 2007. The average weekly benefit amount is estimated at \$280 in FY 2007, while the average number of weeks of benefits per

recipient is expected to be 15.0 weeks. The total amount paid for unemployment compensation benefits from the Trust Fund is estimated at \$37.8 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.
 - 90.0% of all intrastate first payments will be made within 14 to 21 days.
 - 82.8% of determinations about the tax liability of new employers will be made within 90 days after the first quarter of tax liability.
 - Establish for recovery at least 60.0% of the amount of estimated overpayments that States can detect and recover.
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ETA PROGRAM ADMINISTRATION

Budget Authority/Trust Fund Transfers (Dollars in Millions)

	FY 2006 <u>Enacted</u>	FY 2006 <u>Comparable</u>	<u>FY 2007</u>
Adult Services	\$51.3	\$51.3	\$61.1
Youth Services	9.3	38.6	40.0
Workforce Security	78.3	78.3	81.0
Apprenticeship Training, Employer and Labor Services	21.5	21.5	21.4
Welfare-to-Work	-	-	-
Executive Direction	9.0	9.0	8.0
Subtotal, ETA-PA Program Level	169.4	198.7	211.6
Legislative proposal, PERM fee	-	-	(23.0)
Legislative proposal, Youthbuild transfer	-	-	0.8
Total ETA-PA Net Budget Authority	\$169.4	\$198.7	\$189.3
 <i>Full Time Equivalent Staff</i>	 1,008	 1,196	 1,232

1/ FY 2006 includes 4 reimbursable FTE.
2/ FY 2007 includes 4 reimbursable FTE.

ETA's Program Administration account provides for Federal administration of its employment and training programs. These programs include those authorized by the Workforce Investment Act of 1998 (WIA) for youth (including Job Corps), adults, dislocated workers, and special targeted populations; Trade Adjustment Assistance authorized by the Trade Act of 1974, as amended; Employment Services authorized by the Wagner-Peyser Act; Unemployment Insurance authorized by the Social Security Act; and Apprenticeship Programs authorized by the National Apprenticeship Act.

The FY 2007 Budget provides 1,158 full-time equivalent (FTE) staff, 4 reimbursable staff, and \$189.3 million for Program Administration. The

Budget proposes legislation to establish a new, cost-based fee for employer applications under the Permanent Foreign Labor Certification program. If the fee is enacted, the discretionary funds requested will be reduced by \$23 million.

The FY 2007 Budget reflects the legislative proposal to transfer responsibility for Youthbuild from the Department of Housing and Urban Development. If the Youthbuild transfer is enacted, administrative resources (estimated at \$750 thousand) would be transferred along with program funds.

...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 and those with significant barriers to employment including migrant and seasonal farmworkers, older workers, individuals with disabilities, homeless individuals, and individuals with limited English proficiency. This activity also provides staff for 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 federally funded youth programs, including Job Corps.

Workforce Security

Under this activity, the staff provides leadership and policy direction for the administration of Unemployment Insurance programs in each State, National Electronic Tools, Work

Incentive Grants, and foreign labor certification activities.

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 investment systems to the training needs of employers and the interest of labor organizations in training programs. ETA proposes to examine new approaches to apprenticeship training that focus on assisting individuals in re-gaining ownership of their career skills development, and identifying barriers in the current state/Federal apprenticeship system that impede career advancement.

Executive Direction

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

EMPLOYEE BENEFITS SECURITY ADMINISTRATION

Budget Authority (Dollars in Millions)

	<u>FY 2006</u>	<u>FY 2007</u>	<u>Change</u>
Enforcement and Participant Assistance	\$111.2	\$120.3	\$9.1
Policy and Compliance Assistance	17.3	18.0	0.7
Executive Leadership, Program Oversight and Administration	5.0	5.2	0.2
Total, EBSA Budget Authority	\$133.5	\$143.5	\$10.0
<i>Full Time Equivalents</i>	875	875	-

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 2007, the total request for this program is \$143.5 million and 875 FTE and provides additional resources for the ERISA Filing and Acceptance System (EFAST).

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 FY 2007 estimate for this activity includes a program increase of \$5 million to develop a new EFAST system that will improve processing performance levels to better protect employee pension and health benefits. In FY 2007, the requested budget for this activity is \$120.3 million and 753 FTE. All of EBSA was evaluated with the Program Assessment Rating Tool (PART). As a result of PART findings, EBSA has adopted long-term and ambitious enforcement goals that ensured alignment with the President's Management Agenda.

EBSA directly affects the livelihood of over 150 million people

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 2007, the budget request for this activity totals \$18.0 million and 96 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 2007, the budget request for this activity totals \$5.2 million and 26 FTE.

Selected EBSA Performance Goals and Indicators

- ❑ Achieve a ratio of 72% of closed civil cases with corrected violations to all closed civil cases.
 - ❑ Achieve a 42.7% ratio of criminal cases referred for prosecution to total criminal cases.
 - ❑ Achieve a Customer Satisfaction Index of 67, or comparable measurement, for Participants and Beneficiaries who have contacted EBSA for assistance.
 - ❑ Achieve 13,500 additional applications to its Voluntary Compliance programs.
-
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PENSION BENEFIT GUARANTY CORPORATION

Budget Authority (Mandatory, Dollars in Millions)

	<u>FY 2006</u>	<u>FY 2007</u>	<u>Change</u>
Single Employer Program Benefit Payments	\$4,267.0	\$5,334.0	\$1,067.0
Multi-Employer Program Financial Asst.	87.0	93.0	6.0
Pension Insurance Activities	71.0	79.0	8.0
Pension Plan Termination	193.0	193.0	-
Operational Support	110.0	126.0	16.0
Total Authority, President's Budget	\$4,728.0	\$5,825.0	\$1,097.0
<i>Full Time Equivalents</i>	870	870	-

The Pension Benefit Guaranty Corporation (PBGC) is a wholly-owned Government Corporation created to insure benefits promised under private defined pension plans in the event the sponsor can no longer maintain the plan. The Corporation is guided by a board of directors chaired by the Secretary of Labor. At present the PBGC protects the pension benefits of about approximately 44 million workers and retirees in traditional pension plans.

Single Employer Benefit Payments

Monthly pension payments are made to plan participants and other beneficiaries of plans trusted by PBGC. The FY 2007 request totals \$5.3 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 2007 request totals \$93 million for this activity.

Pension Insurance

Pension Insurance includes pension plan premium collections, premium investments, monitoring, negotiating, and litigating protections for participants in endangered plans and pension plan promotion activities. The FY 2007 request totals \$79.0 million and 220 FTE for this activity. This includes \$7.0 million for the development of the EFAST2 system, a system that will produce more accurate and timely data to help the Corporation fulfill its mission to safeguard the pension insurance system.

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 2007 request totals \$193.0 million and 340

FTE for this activity. This includes a \$2.9 million increase for enhancements to the Participant Services System to boost its operational capabilities in support of plan termination and benefit administration activities.

Operational Support

Includes facilities, information technology infrastructure, and other

shared program support (budget, procurement, accounting, etc.) for both PBGC's insurance and plan termination activities. The FY 2007 request totals \$126.0 million and 310 FTE for this activity. This includes a \$8.7 million increase for enhancements to critical information operating systems.

Selected PBGC Performance Goals and Indicators

- Achieve a customer satisfaction index for practitioner callers: 76 in FY 2007.
 - The level of practitioner satisfaction regarding inquiries handled.

 - Achieve a customer satisfaction index for participant callers: 80 in FY 2007.
 - The level of practitioner satisfaction regarding inquiries handled.
-
-

EMPLOYMENT STANDARDS ADMINISTRATION

Budget Authority (Dollars in Millions)

	<u>FY 2006</u>	<u>FY 2007</u>	<u>Change</u>
Staffing			
Salaries and Expenses*	\$475.1	\$502.0	\$26.9
Special Benefits, Fair Share	53.7	51.0	(2.7)
Energy Employees' Occupational Illness Compensation Program Act (EEOICPA) Total, Part B and Part E 1/	156.0	161.8	5.8
Spec. Bene. Disabled Coal Miners	5.2	5.3	0.1
Total, ESA Staffing	690.0	720.1	30.1
Income Maintenance (Mandatory)			
Special Benefits	237.0	230.0	(7.0)
Energy Employees Occupational Illness Compensation Program Act (EEOICPA) Part B and Part E	1,559.7	873.9	(685.8)
Black Lung Disability Trust Fund	1,068.0	1,071.0	3.0
Transfer from BLDTF (Excludes Treasury)	(57.6)	(59.2)	(1.6)
Offsetting Receipts - BLDTF	(2.0)	(2.0)	-
Carryover Balances - BLDTF	(41.4)	0.0	41.4
Spec. Bene. Disabled Coal Miners	308.0	298.0	(10.0)
Panama Canal Commission Fund	6.4	6.3	(0.1)
Offsetting Receipts - PCC	(6.4)	(6.3)	0.1
Special Workers' Compensation	152.0	152.0	-
Transfer from SWC	(2.0)	(2.0)	-
Total, Income Maintenance	3,221.7	2,561.7	(660.0)
Total, ESA Program	\$3,911.7	\$3,281.8	(\$629.9)
<i>Full Time Equivalents</i>	<i>4,165</i>	<i>4,219</i>	<i>54</i>

* This includes an estimate of \$31 million in H-1B L Fraud fee revenue for ESA in FY 2006 and FY 2007, authorized by the H-1B Visa Reform Act of 2004, P.L. 108-447 (December 8, 2004)

1/ Amount for EEOICPA Part E is an estimate (this is an indefinite appropriation)

In total, funds for the Employment Standards Administration (ESA) in FY 2007 will decrease by \$629.9 million or about 16.1 percent compared with FY 2006 due mostly to an estimated decrease in EEOICPA benefits. Funding will finance initiatives to improve Wage

and Hour enforcement and compliance, and enhance enforcement and outreach assistance under the Labor-Management Reporting and Disclosure Act. The budget re-proposes legislative changes to improve the Federal Employees' Compensation Act (FECA), including

changes that allow DOL to enhance incentives for return to work; improve program fairness; and speed claims processing. These proposals would result in 10-year cost savings to the Government of more than \$592 million. ESA's request also includes a legislative proposal to restructure the Black Lung Disability Trust Fund debt (currently over \$9 billion) to ensure the Trust Fund's long-term solvency and a re-proposal of an increase in civil monetary penalties for employers who willfully violate child labor laws.

In support of the Department's performance goal of ensuring a competitive workforce by promoting family-friendly job flexibility and minimizing unnecessary regulatory burdens while effectively protecting workers, the Wage and Hour Division (WHD) will continue to review and update its significant regulations to reflect workplace changes over the last 20 years and in anticipation of future workplace evolutions.

ESA STAFFING

Budget Authority/Trust Fund Transfers (Dollars in Millions)

	FY 2006	FY 2007	Change
Enforcement of Wage and Hour Standards *	\$196.7	\$208.6	\$11.9
Federal Contractor EEO Standards Enforcement	81.3	83.7	2.4
Federal Programs for Workers' Compensation	133.8	139.4	5.6
Program Direction and Support	17.6	17.9	0.3
Labor-Management Standards	45.7	52.4	6.7
Subtotal, Budget Authority, S&E	475.1	502.0	26.9
Special Benefits, Fair Share	53.7	51.0	(2.7)
Energy Employees' Occupational Illness Compensation Program Act (EEOICPA)			
Part B	96.1	102.3	6.2
Part E 1/	59.9	59.5	(0.4)
Subtotal, Budget Authority, EEOICPA	156.0	161.8	5.8
Special Benefits Disabled Coal Miners (Black Lung Part B Claims)	5.2	5.3	0.1
Total, Budget Authority ESA Staffing	\$690.0	\$720.1	\$30.1
<i>Full Time Equivalent</i>	4,165	4,219	54

* This includes an estimate of \$31 million in H-1B L Fraud fee revenue for ESA in FY 2006 and FY 2007, authorized by the H-1B Visa Reform Act of 2004, P.L. 108-447 (December 8, 2004)

1/ Amount for EEOICPA Part E is an estimate (this is an indefinite appropriation).

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 2007 is \$720.1 million and 4,219 FTE. Of this amount, \$502.0 million and 3,611 FTE is in the Salaries and Expenses account. In addition \$51.0 million and 127 FTE is for the Fair Share portion of the Special Benefits account, 275 FTE and \$102.3 million is for the administrative expenses of the Energy Employees' Occupational Illness Compensation Program Act (EEOICPA), Part B; and \$59.5 million

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

and 189 FTE is for the administrative expenses of EEOICPA, Part E; and \$5.3 million and 17 FTE is for Part B of the Black Lung Benefits program. In total, this is an increase of \$30.1 million and an increase of 24 FTE over FY 2006. ESA's budget request includes legislative proposals to promote benefit equity and enhance incentives for return to work. 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 2007 budget request for the Wage and Hour Division is \$208.6 million and 1,339 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 strong enforcement, compliance assistance partnerships, to further its goals to promote high quality workplaces, a secure workforce and increase customer satisfaction. The budget increase of \$6.0 million over FY 2006 is directed to finance new investigators. It will also support Wage and Hour's Youth Rules initiative to enable the expansion of its low-wage industry enforcement to protect vulnerable workers; and help Wage and Hour increase technical assistance and

education to encourage voluntary compliance with the laws it administers.

Contractor EEO Enforcement

The FY 2007 budget request for the Office of Federal Contract Compliance Programs (OFCCP) is \$83.7 million and 670 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 also shares authority with the Equal Employment Opportunity Commission (EEOC) in the enforcement of Title I of the Americans with Disabilities Act of 1990

Federal Programs for Workers' Compensation

The FY 2007 budget request for the Office of Workers' Compensation Programs (OWCP) is \$139.4 million and 1,103 FTE for the Federal Employees' Compensation Act (FECA), Longshore and Harbor Workers' Compensation, and Black Lung Benefits programs.

Other funding for OWCP includes \$51.0 million and 127 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. The 2007

request for Fair Share includes funding for the centralized medical bill processing and central mail processing services. OWCP also requests \$102.3 million and 275 FTE to administer the Energy Employees' Occupational Illness Compensation Program Act (EEOICPA) Part B program and \$59.5 million and 189 FTE for the Part E program, which was established in FY 2005.

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 provides 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 nuclear weapons production or testing.

In October 2004, Congress amended EEOICPA to create Part E and mandated

its implementation by May 2005. Part E expanded the categories of workers eligible to receive federal compensation and medical benefits to Department of Energy contractors and subcontractors who sustained health impairment due to exposure to toxic substances. The amendment also authorizes payment from the EEOICP Fund for benefits awarded by the Department of Justice under section 5 of the Radiation Exposure Compensation Act.

The 2007 budget includes two legislative proposals affecting OWCP programs. The first is a proposal to reform FECA to update its benefit structure, address retirement equity issues, and strengthen return-to-work incentives. This proposal is expected to generate Government-wide savings of more than \$592 million over ten years. The second is a proposal to restructure the debt of the Black Lung Disability Trust Fund (BLDTF), a debt that is now more than \$9 billion. This proposal would (1) restructure the outstanding BLDTF debt, (2) extend at current rates BLDTF excise taxes, which are set to decline in January 2014, and (3) provide a net payment of \$2.7 billion appropriation to compensate the General Fund for forgone interest.

Office of Labor-Management Standards

The FY 2007 budget request for the Office of Labor-Management Standards (OLMS) is \$52.4 million and 406 FTE. OLMS enforces provisions of Labor-Management Reporting and Disclosure Act 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 increase of \$4.5 million over FY 2006 supports an effective program of Union audits and union financial integrity protections and implementation of a program of union advisory services as part of OLMS' compliance assistance activities. Through its Division of Statutory Program, OLMS also certifies protective arrangements for transit employees when Federal transit grant

funds are used to acquire, improve, or operate a transit system.

Program Direction and Support

The FY 2007 budget request for Program Direction and Support is \$17.9 million and 93 FTE which includes an increase of \$400 thousand to update its servers. 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.

Selected ESA Performance Goals and Indicators

- ❑ Ensure continued customer satisfaction by reducing the average number of days to conclude a violation complaint.
 - ❑ Reduce employer recidivism by increasing the percentage of prior violators who achieve and maintain FLSA compliance following a full FLSA investigation.
 - ❑ For Federal Employers' Compensation Act cases of non-Postal Federal agencies, reduce the lost production days rate to 59 days per 100 employees.
 - ❑ Increase union transparency. The percentage of union reports meeting standards of acceptability for public disclosure will increase to 95%.
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ESA INCOME MAINTENANCE PROGRAMS (MANDATORY)

Budget Authority/Trust Fund Transfers (Dollars in Millions)

	FY 2006	FY 2007	Change
Special Benefits:			
Federal Employees' Compensation Act	\$2,636.0	\$2,721.0	\$85.0
Less Fair Share Funding	(53.7)	(51.0)	2.7
Longshore and Harbor Workers' Compensation	3.0	3.0	-
Subtotal, Special Benefits Program	2,585.3	2,673.0	87.7
Less Chargeback Reimbursements	(2,371.3)	(2,449.0)	(77.7)
Net Carryover Balances	23.0	6.0	(17.0)
Total, Special Benefits	237.0	230.0	(7.0)
Energy Employees' Occupational Illness Compensation Program Act (EEOICPA):			
Part B	468.9	301.5	(167.4)
Part E	1,090.8	572.4	(518.4)
Net Carryover Balances	-	-	-
Total, EEOICPA	1,559.7	873.9	(685.8)
Black Lung Disability Trust Fund (BLDTF):			
1,068.0	1,071.0	3.0	-
Less Offsetting Receipts	(2.0)	(2.0)	-
Less BLDTF Admin. (excludes Treasury)	(57.6)	(59.2)	(1.6)
Net Carryover Balances	(41.4)	-	41.4
Total, BLDTF (Part C)	967.0	1,009.8	42.8
Spec. Bene. Disabled Coal Miners (Part B):			
Appropriation (Benefits)	232.0	229.4	(2.6)
Less Administrative Expenses	(5.2)	(5.4)	(0.2)
Advance Appropriation (Benefits)	81.0	74.0	(7.0)
Total, SB/ Disabled Coal Miners	307.8	298.0	(9.8)
Other Income Maintenance Programs:			
Panama Canal Commission Fund	6.4	6.3	(0.1)
Less PCC Offsetting Receipts	(6.4)	(6.3)	0.1
Special Workers' Compensation Expenses	152.0	152.0	-
Less Administrative Expenses	(2.0)	(2.0)	-
Total, Special Workers' Compensation	150.0	150.0	-
Total, Income Maintenance Programs	\$3,221.5	\$2,561.7	(\$659.8)

The budget includes a total of \$2,561.3 billion for income maintenance programs in ESA in FY 2007, a decrease of \$659.3 million from FY 2006. The Budget re-proposes FECA legislative reforms, to improve

program fairness, update benefits, and ensure return to work incentives; and a legislative proposal to restore the solvency of the Black Lung Disability Trust Fund program by restructuring the Fund's large and growing debt.

Special Benefits

The request of \$230.0 million for Special Benefits in FY 2007 includes \$227.0 million for Federal Employees' Compensation Act benefits, and \$3.0 million for Longshore and Harbor Workers' Compensation benefits. This account also includes a request for \$51.0 million from Fair Share funding to finance 125 FTE and automated systems 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 \$529 million.

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 2007 includes \$1.035 billion for EEOICPA. Of that amount, \$873.9 million will provide compensation and medical benefits to eligible workers or their survivors. The request for program administration is \$161.8 million and 494 FTE, including funding for Part B, the new Part E enacted in October 2004, and 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 \$1.071 billion from the Black Lung Disability Trust Fund (BLDTF) in FY 2007 for benefits, interest payments and administrative expenses. This total includes \$294.0 million for benefits, \$59.3 million for administrative expenses, and \$717.0 million for interest payments. These figures do not include the estimated costs of the refinancing proposal (described below).

The Black Lung Disability Trust Fund (BLDTF) is facing a growing debt, which is now more than \$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 has proposed 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 net payment of \$2.7 billion appropriation to compensate the General Fund of the Treasury for forgone interest payments.

Black Lung Benefits Act – Parts B and C

The Department of Labor is responsible for all claims filed under the Black Lung Benefits Act. Benefits are paid to miners and former miners who are totally disabled by pneumoconiosis (black lung disease) and to their eligible survivors, with supplementary allowances for dependents. Former miners are also entitled to receive medical treatment for their employment related respiratory condition. Two accounts fund this program: (1) the Black Lung Disability Trust Fund, and (2) Special Benefits for Disabled Coal Miners.

Administrative Expenses

This provides for all administrative costs incurred by the Department of Labor in the operation of the Black Lung program, including, transfers for the Solicitors, Office of Admin. Law Judges, Benefits Review Board, Inspector General 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 2007, the amount of interest on

advances is estimated to be \$717.0 million.

Benefit Act claims handled by the Federal government in the Department of Labor's Black Lung program.

Other Income Maintenance Programs

The budget requests \$6.3 million for the Panama Canal Commission Fund and \$152.0 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 2006</u>	<u>FY 2007</u>	<u>Change</u>
Safety and Health Standards	\$16.5	\$16.9	\$0.4
Federal Enforcement	172.6	179.9	7.4
State Programs	91.1	91.1	-
Technical Support	21.4	22.4	1.0
Federal Compliance Assistance	72.5	76.6	4.0
State Consultation Grants	53.4	53.4	-
Training Grants	10.1	-	(10.1)
Safety and Health Statistics	24.3	32.3	8.0
Executive Direction and Administration	10.6	11.2	0.6
Total, OSHA Budget Authority	\$472.4	\$483.7	\$11.2
<i>Full Time Equivalents 1/</i>	<i>2,173</i>	<i>2,173</i>	<i>-</i>

1/ Includes 8 reimbursable FTE in both FY 2006 and FY 2007.

The mission of the Occupational Safety and Health Administration (OSHA) is to protect American workers by preventing injuries, illnesses and fatalities. 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 2007 OSHA budget request is \$483.7 million and

2,165 FTE, an increase of \$11.2 million over FY 2006.

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 2007, 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 2007 request for this activity is \$16.9

million and 83 FTE, an increase of \$0.4 million over FY 2006.

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 2007 request for this activity is \$179.9 million and 1,542 FTE, an increase of \$7.4 million over FY 2006.

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 total FY 2007 request for this activity is \$91.1 million, the same amount as in FY 2006.

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 2007 request for this activity is \$22.4 million and 105 FTE, an increase of \$1.0 million over FY 2006.

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 2007 request for this activity is \$76.6 million and 348 FTE, an increase of \$4.0 million over FY 2006. An increase of \$2.6 million is included in the FY 2007 Budget to expand Hispanic worker outreach.

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 2007 request for this activity is \$53.4 million, the same amount as in FY 2006.

Training Grants

This activity contains safety and health training grants. In FY 2007, this training grant program will be eliminated, a decrease of \$10.1 million from FY 2006. Since OSHA provides direct outreach activities and training on important safety and health issues in a variety of ways other than through training grants, this reduction will not compromise the agency's ability to

deliver compliance assistance, outreach, and training for employers and workers.

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. OSHA maintains overall responsibility for the national injury and illness recordkeeping system. An increase of \$7.5 million is included in the FY 2007 Budget for development of a new Occupational Safety and Health Information System (OIS). The total FY 2007 request for this activity is \$32.3 million and 38 FTE, an increase of \$8.0 million over FY 2006.

Executive Direction and Administration

This activity provides overall direction and administrative support for OSHA. The FY 2007 request for this activity is \$11.2 million and 49 FTE, an increase of \$0.6 million over FY 2006.

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 2006</u>	<u>FY 2007</u>	<u>Change</u>
Coal Mine Safety and Health	\$117.1	\$120.4	\$3.3
Metal Nonmetal Safety and Health	68.1	70.1	2.0
Standards, Regulations and Variances Assessments	2.5	2.7	0.2
Educational Policy and Development	5.4	5.6	0.2
Technical Support	31.7	32.9	1.2
Program Evaluation & Information Resources	25.5	27.4	1.9
Program Administration	15.5	15.7	0.2
Total, MSHA Budget Authority	\$277.7	\$287.8	\$10.1
<i>Full Time Equivalents</i>	<i>2,136</i>	<i>2,136</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 2007 budget request includes \$287.8 million and 2,136 FTE, representing a funding increase of \$10.1 million over FY 2006.

Enforcement: Coal

The Coal Mine Safety and Health activity works to ensure 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 FY 2007 budget request is \$120.4 million and 1,016 FTE, an increase of \$3.3 million over FY 2006.

Enforcement: Metal/Nonmetal

A total of \$70.1 million and 543 FTE is requested for Metal and Nonmetal Mine Safety and Health activities. The request is \$2.0 million more than FY 2006. These activities promote a safe and healthful working environment in the nation's metal and nonmetal mines and mills. MSHA accomplishes this through compliance and training assistance, periodic regular inspections, and special investigations.

Enforcement: Standards Development

The request for the Standards Development activity includes \$2.7 million and 17 FTE, an increase of \$0.2 million over FY 2006. 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, provide information for litigation of 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 \$5.6 million and 51 FTE, an increase of \$0.2 million over FY 2006.

Educational Policy and Development

A total of \$32.9 million and 148 FTE is requested for the Educational Policy and Development activity which is an increase of \$1.2 million over FY 2006. 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.

Technical Support

A total of \$27.4 million and 200 FTE is requested for the Technical Support activity for FY 2007. This is an increase of \$1.9 million above FY 2006, which includes an additional \$1.0 million for mine rescue equipment such as breathing apparatuses, an integrated

system to locate and communicate with trapped miners, and gas chromatographs. 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 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 2007 request for PEIR is \$15.7 million and 75 FTE, an increase of \$0.2 million from FY 2006.

Program Administration

A total of \$13.0 million and 86 FTE is requested for the Program Administration activity for FY 2007.

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

This represents an increase of \$1.1 million from the FY 2006 level. This activity provides leadership, policy direction, and administrative support

services for MSHA's safety and health programs.

Selected MSHA Performance Goals and Indicators

□ MSHA Performance Goal 1: Reduce work-related fatalities and injuries

Performance Indicators:

- Fatal injury incidence rate – fatalities per 200,000 hours worked
Baseline (FY 2003): 0.0229
Target (FY 2007): 0.0201
- All-injury incidence rate – injuries per 200,000 hours worked
Baseline (FY 2000): 5.07
Target (FY 2007): 2.82

□ MSHA Performance Goal 2: Reduce mining-related illnesses

Performance Indicators:

- Percent of respirable coal mine dust samples exceeding the applicable standard (for designated occupations)
Baseline: (FY 2003/2004) 10.6%
Target: 9.0%
- Improve respirable silica dust sampling effectiveness by identifying occupations with overexposures as measured by an increase in the percent of silica dust samples taken with at least 50% of the permissible exposure limits in metal and nonmetal mines
Baseline: (FY 2005) 16.3%
Target: 17.9%
- Improve noise sampling effectiveness by identifying occupations with overexposures as measured by an increase in the percent of noise samples with at least 50% of the permissible exposure limits taken in metal and nonmetal mines
Baseline: (FY 2005) 20.9%
Target: 23%
- Percent of noise exposures above the citation level in coal mines
Baseline: 5.3%
Target: 4.8%

BUREAU OF LABOR STATISTICS

Budget Authority/Trust Fund Transfers (Dollars in Millions)

	<u>FY 2006</u>	<u>FY 2007</u>	<u>Change</u>
Labor Force Statistics	\$242.4	\$250.1	\$7.7
Prices and Cost of Living	173.0	187.1	14.1
Compensation and Working Conditions	80.8	83.9	3.1
Productivity and Technology	10.7	11.1	0.4
Executive Direction and Staff Services	30.2	31.1	0.9
Total, BLS Budget Authority	\$537.1	\$563.3	\$26.2

<i>Full Time Equivalents 1/</i>	2,438	2,453	15
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1/ Includes 30 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 2007 is \$563.3 million and 2,453 FTE, which is an increase of \$26.2 million over FY 2006. The BLS was evaluated with the Program Assessment Rating Tool (PART) and received a rating of effective.

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 2007, the BLS will begin publishing experimental all employee hours and earnings series. In addition, the BLS will expand the Business Employment Dynamics program to cover State level measures of gross job gains and gross job losses. The BLS request includes \$250.1 million and 505 FTE for the Labor Force Statistics program, an increase of \$7.7 million over FY 2006.

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 (IPP). 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.

The BLS 2007 request includes an increase of \$8 million and 15 FTE to allow the BLS to begin continuous updating of the housing and geographic area samples of the CPI. In addition, in FY 2007, the BLS will continue to expand its coverage of services in the PPI to over 77 percent of the domestic services output. The BLS request includes \$187.1 million and 1,106 FTE, an increase of \$14.1 million over FY 2006.

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 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 2007, the BLS will begin publishing the Employee Benefits Survey's benefit incidence data using the North American Industry Classification System. The BLS also will publish the Survey of Occupational Injuries and Illnesses' non-

fatal injury and illness summary data and case demographic data one month earlier than in 2006. The BLS request includes \$83.9 million and 518 FTE for the Compensation and Working Conditions program, an increase of \$3.1 million over FY 2006.

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.

A March 2005 Congressional Budget Office report estimated that the fiscal impact of a permanent one-percentage point reduction in the rate of growth of the Consumer Price Index, beginning in January 2006, would favorably impact the annual Federal budget deficit or surplus by \$153 billion by the end of 2015.

In FY 2007, the BLS will publish new measures of labor productivity and unit labor costs for two additional service-producing industries. The BLS request includes \$11.1 million and 81 FTE for the Productivity and Technology program, an increase of \$0.4 million over FY 2006.

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 \$31.1 million and 213 FTE for the Executive Direction program, an increase of \$0.9 million over FY 2006.

Selected BLS Performance Goals and Indicators

- ❑ Improve information available to decision-makers on labor market conditions, and price and productivity changes.
 - ❑ Achieve a \$2.45 cost per transaction for the Internet Data Collection Facility.
 - ❑ Achieve 75 percent customer satisfaction with BLS products and services (e.g., the American Customer Satisfaction Index).
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OFFICE OF DISABILITY EMPLOYMENT POLICY

Budget Authority (Dollars in Millions)

	<u>FY 2006</u>	<u>FY 2007</u>	<u>Change</u>
Office of Disability Employment Policy	\$27.7	\$20.3	-\$7.4
Total, ODEP Budget Authority	\$27.7	\$20.3	-\$7.4
<i>Full Time Equivalents</i>	59	59	-

The 2007 Budget request provides the Office of Disability Employment Policy (ODEP) a total of \$20.3 million and 59 FTE in FY 2007, a decrease of \$7.4 million from FY 2006. The 2007 Budget will enable the ODEP to continue its core mission of policy analysis, technical assistance, and dissemination of effective practices to increase the employment opportunities for people with disabilities within the Department of Labor's programs. In 2007, ODEP will focus its efforts on the Research and Development (R&D) program to address barriers that disabled workers face through the integration of proven solutions into the Workforce Development System. Additionally, ODEP will continue to support and help implement the employment-related goals of the President's *New Freedom Initiative*. Current efforts focus on achieving a lasting systemic impact on the employment process through applied research and the development and dissemination of disability employment policies and practice. Stakeholders include Federal, state, and local government agencies, private and public employers and their employees,

educational and training institutions, individuals with disabilities and their families, and the disability community.

In FY 2007, ODEP will continue to focus on developing and influencing policy and practices that meet the needs of employers in hiring, retaining, and promoting individuals with disabilities, ultimately helping them become more competitive and successful participants of the workforce.

ODEP will continue supporting applied research and disability employment policies and practices that will most effectively reach people with disabilities. ODEP will also continue to work with the Bureau of Labor Statistics (BLS) on measuring the employment rate of people with disabilities.

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.

Selected ODEP Performance Goals and Indicators

- ❑ Disseminate and influence disability employment policy and practice throughout workforce development systems and partners.
 - ❑ Increase the number of service delivery systems and partners assisted through ODEP research.
 - ❑ Increase the number of evidence-based effective practices identified through ODEP research.
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DEPARTMENTAL MANAGEMENT

Budget Authority/Trust Fund Transfers (Dollars in Millions)

	FY 2006 <u>Enacted</u>	FY 2006 <u>Comparable</u>	FY 2007 <u>FY 2007</u>
Program Direction and Support	\$25.5	\$25.8	\$29.8
Legal Services	87.9	88.2	92.9
International Labor Affairs	72.5	72.6	12.4
Administration and Management	32.9	30.6	31.7
Adjudication	43.7	44.0	46.4
Women's Bureau	9.7	9.8	9.3
Civil Rights	6.4	6.5	6.7
Chief Financial Officer	5.3	5.3	5.6
Information Technology Activities	29.5	29.5	29.4
Management Initiatives	1.7	1.7	1.1
FPB Security Enhancements	6.9	1.8	1.9
Job Corps Administration	28.6	-	0.0
Job Corps Operations/CRA 2/	1,557.3	-	0.0
Total, DM Budget Authority	\$1,907.9	\$315.8	\$267.2
Working Capital Fund, Net Discretionary BA	\$6.2	\$6.2	\$13.9
<i>Full Time Equivalents 1/</i>	2,295	2,107	2,105

1/ Includes 688 FTE in FY 2006 and 702 FTE in FY 2007 for the Working Capital Fund; 17 FTE in FY 2006 and FY 2007 for DM reimbursable activities; and 188 FTE in FY 2006 Enacted and 0 FTE in FY 07 for the Office of Job Corps.

2/ The FY 2007 budget proposes to transfer Job Corps funding back to the Employment and Training Administration (ETA) in order to consolidate training activities.

The FY 2007 Budget request for Departmental Management (DM) includes a total of \$267.3 million and 1,403 FTE, a decrease of \$48.6 million and 16 FTE below the FY 2006 enacted level. In addition, there are 688 FTE in the Working

Capital Fund for an overall total of 2,091 FTE.

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

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 Crosscut initiative. The 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.

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

Program Direction and Support

The Program Direction and Support (PDS) activity includes a total budget request of \$29.8 million and 150 FTE for FY 2007, an increase of \$4.0 million above FY 2006. 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.

Job Corps

The FY 2007 budget proposes to transfer Job Corps funding back to the Employment and Training Administration (ETA) in order to consolidate training activities.

Legal Services

The Office of the Solicitor (SOL) includes a total budget request of \$92.9 million and 614 FTE for FY 2007, an increase of \$4.7 million from FY 2006. 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.

International Labor Affairs

The request for the Bureau of International Labor Affairs (ILAB) in FY 2007 is \$12.4 million and 58 FTE, a decrease of \$60.2 million and 27 FTE below the FY 2006 enacted level. The budget returns ILAB to its core mission of research and advocacy. At the request level ILAB will continue to assist in formulating the U.S. international policies and programs of concern to American workers and will provide expert support for many of the Administration's international initiatives. ILAB is also charged with 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.

The FY 2007 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.

Administration and Management

The FY 2007 budget includes \$31.7 million and 111 FTE, an increase of \$1.1 million above the FY 2006 enacted level, 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

The total request for security enhancements to the Frances Perkins Building (FPB) in FY 2007 is \$1.9 million, \$0.18million above the FY 2006 enacted level. In FY 2007 FPB Security funding is being transferred to the Departments' Working Capital Fund to address centralized security and emergency management services.

Adjudication

The Adjudication activity consists of four components: the Office of Administrative Law Judges (OALJ), the Benefits Review Board, the Employees' Compensation Appeals Board, and the Administrative Review Board. In FY

2007, the total budget requested for these agencies is \$46.4 million and 309 FTE, an increase of \$2.4 million above FY 2006. 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 2007 budget includes \$9.3 million and 60 FTE for the Women's Bureau, a decrease of \$0.4 million below FY 2006. 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 2007 budget for the Civil Rights activity is \$6.7 million and 46 FTE, an increase of \$0.3 million above FY 2006. 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 programs for persons with disabilities.

Chief Financial Officer

For the Chief Financial Officer activity, the FY 2007 budget includes \$5.6 million and 38 FTE, an increase of \$0.3 million above FY 2006. 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.

Information Technology Activities

The FY 2007 request includes \$29.4 million for IT activities, nearly the same amount as in FY 2006. These resources are for the 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, which is a "best practice" to assure a sound investment strategy for the entire Department. These information technology resources will ensure overall program effectiveness and communication among DOL programs, participants, and employees nationwide. The FY 2007 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 and aligning it with the Federal Enterprise Architecture. The IT

Information technology ...will ensure overall program effectiveness and communication among DOL programs, participants, and employees nationwide

Infrastructure specifically will focus on upgrading the Department's outdated core infrastructure, a necessary step to implement the Department's future Enterprise Architecture blueprint. 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 2007 President's Budget proposes to continue the Management Crosscut initiatives initially put forward in FY 2003. The total request for FY 2007 for this activity is \$1.1 million; a decrease of \$0.6 million below the FY 2006 enacted level. The Management Crosscut is designed to address major management issues that face all DOL agencies. In FY 2007, the management crosscut will support \$500 thousand for competitive sourcing studies, and; \$200 thousand to support DOL's MBA Fellows Program.

Working Capital Fund

The Department's agencies provide most of the financing for the Working Capital Fund (WCF) for centralized administrative services. 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 2007, the WCF's operating level totals \$195.2 million and 688 FTE to support administrative and management services for all DOL programs nationwide. This total includes a request for a direct appropriation to the WCF of \$13.9 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 2006</u>	<u>FY 2007</u>	<u>Change</u>
State Grants (DVOP and LVER Programs)	\$160.8	\$161.2	\$0.4
Federal Management	30.1	32.4	2.3
National Veterans' Training Institute	2.0	2.0	0.0
Total, Budget Authority (Trust Funds)	192.9	195.6	2.7
Homeless Veterans' Reintegration Project	21.8	21.8	0.0
Veterans' Workforce Investment Program	7.4	7.4	0.0
Total, Budget Authority (All Sources)	\$222.1	\$224.8	\$2.7
<i>Full Time Equivalents</i>	250	250	-

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 \$224.8 million and 250 FTE for FY 2007.

State Grants

The budget request for this activity is \$161.2 million. This is an increase of \$0.4 million over the FY 2006 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's shelters, Department of Veterans 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 for 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.

Federal Management

The Federal Management 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 the Homeless Veterans' Reintegration Program. 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 160,000 TAP participants (including those overseas) and the capacity to process approximately 1,600 veteran employment and reemployment rights complaints. The Department of Labor, through VETS, administers and helps enforce the Uniformed Services Employment and Reemployment Act (USERRA). USERRA prohibits employment discrimination against veterans, individuals who are entering military service, members of the National Guard or Reserve, and certain others with uniformed service commitments. The law also protects against retaliation by employers because

an individual attempts to enforce a USERRA right or assists in an investigation or court proceeding. USERRA also requires that individuals who perform qualifying service in the uniformed services, including the National Guard and Reserve, be reemployed by their pre-service employers with the seniority, status and rate of pay they would have attained if employment had been continuous. In order to make the law more understandable or "user-friendly" to everyone, the Department of Labor has, for the first time, published final comprehensive regulations on USERRA. Codified at title 20, Code of Federal Regulations Part 1002, the regulations became effective January 18, 2006, and apply to private employers and State and local governments. The issuance of these regulations at this time is particularly significant given the fact that over the course of our Nation's war on terror, more than twice as many men and women from the National Guard and Reserve have been called to active duty than were mobilized in Operation Desert Storm. This is the largest mobilization since the Second World War. The FY 2007 funding for this activity is \$32.4 million and 250 FTE. The requested 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' Employment and Training Services 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 2007, the funding request for this program is \$21.8 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 8,750 homeless veterans find jobs.

Veterans' Workforce Investment Program

In FY 2007, the funding request for this program is \$7.4 million. This will enable VETS to conduct a training and employment program for veterans under the Workforce Investment Act (Sec. 168) and pilot IT, trucking, and health care occupations initiatives in several states to help separating service members enter these occupational fields. The program will provide training opportunities for veterans with service-connected disabilities, 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 One Stop Career Center services and veterans programs.
 - 60% of veteran and 56% of disabled veteran job seekers will be employed in the first or second quarter following registration.
 - 62% of homeless veterans enrolled in homeless veterans' reintegration programs will enter employment.

OFFICE OF INSPECTOR GENERAL

Budget Authority/Trust Fund Transfers (Dollars in Millions)

	<u>FY 2006</u>	<u>FY 2007</u>	<u>Change</u>
Program Activity	\$65.5	\$68.1	\$2.6
Unemployment Trust Funds	\$5.6	\$5.7	\$0.1
Black Lung Trust Funds	\$0.3	\$0.3	\$0.0
Total OIG Budget Authority	\$71.4	\$74.1	\$2.7
<i>Full Time Equivalents</i>	<i>450</i>	<i>450</i>	-

The FY 2007 Budget request for the Office of Inspector General (OIG) includes a total of \$74.1 million and 450 FTE, an increase of \$2.7 million above FY 2006.

Program Activities

The OIG budget supports audit, program fraud, labor racketeering, inspections of program activities, and executive direction and management. The OIG conducts audits and recommends policies to prevent and detect waste, fraud, and abuse in DOL programs and operations and to increase their economy and efficiency. The OIG also operates a criminal investigative program to reduce the influence of organized crime and labor racketeering on employee benefit plans, internal union affairs, and labor-management relations. Moreover, the OIG operates a hotline and analyzes complaints involving DOL programs, operations, or function. The OIG carries out executive direction and management activities that include: management, legal counsel,

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

administrative support, information technology, procurement, personnel, and financial functions. The OIG also provides technical assistance to DOL program agencies.

In FY 2007, the OIG plans to continue to focus investigations on crimes by transnational groups that defraud Departmental programs. These groups are filing false labor certifications, which have national security implications because they may admit suspect foreign nationals. These groups have also defrauded the Unemployment Insurance program of hundreds of millions of dollars in fraudulent benefits through identity theft.

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.
 - ❑ Assist 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 2005 BUD. AUTH.	FY 2006 BUD. AUTH.	FY 2007 BUD. AUTH.	FY 2007-2006 DIFFERENCE
DISCRETIONARY PROGRAMS				
Training and Employment Services.....	5,318.1	3,483.2	5,133.0	1,649.7
Community Service Emp. for Older Americans.....	436.7	432.3	388.3	(44.0)
State Employment Service Operations.....	963.3	850.5	40.0	(810.5)
Veterans Employment and Training.....	190.0	190.5	190.5	0.0
Gifts and Bequests.....	0.3	0.3	0.3	0.0
Workers Compensation (net reapprop/rescission).....	0.0	(70.0)	0.0	70.0
Employment and Training Total.....	6,908.3	4,886.8	5,752.1	865.2
State Unemployment Insurance Operations.....	2,564.0	2,549.3	2,650.2	100.9
Employment and Training Program Administration.....	170.1	169.4	189.3	19.9
Employee Benefits Security Administration.....	131.2	133.6	143.6	10.0
Pension Benefit Guaranty Corporation.....	0.0	0.0	0.0	0.0
Employment Standards Administration 1/.....	433.5	444.1	471.0	26.9
Occupational Safety & Health Administration.....	464.2	472.4	483.7	11.2
Mine Safety and Health Administration.....	279.1	277.7	287.8	10.2
Bureau of Labor Statistics.....	529.0	537.1	563.3	26.2
Office of Disability Employment Policy.....	47.2	27.7	20.3	(7.3)
Departmental Management 1/.....	344.4	1,907.7	267.3	(1,640.3)
Veterans Employment and Training.....	32.4	32.1	34.4	2.3
Office of Inspector General 1/.....	69.3	71.4	74.1	2.7
Working Capital Fund [net] (WCF).....	9.9	6.2	14.0	7.8
Worker Prot., Sfty & Health, & Stats Total 1/.....	2,510.3	4,079.3	2,548.8	(1,530.6)
TOTAL DISCRETIONARY 1/.....	11,982.6	11,515.4	10,951.0	(564.4)
MANDATORY PROGRAMS				
Federal Unemployment Benefits & Allowances.....	1,057.3	966.4	938.6	(27.8)
TES Skills Training Grants.....	5.0	125.0	125.0	0.0
ESA H1B Fees.....	29.0	31.0	31.0	0.0
PA H1B Fee Revenue.....	10.0	13.0	13.0	0.0
Payments to the UTF.....	9.0	0.0	0.0	0.0
Adv to the Unemp Trust Fund and Other Funds.....	71.0	0.0	2,734.0	2,734.0
Unemployment Trust Fund (UTF) Base.....	36,132.8	39,619.5	40,853.9	1,234.3
[Transfer from UTF].....	(3,720.8)	(3,633.5)	(3,015.9)	617.7
Foreign Labor Certification Processing.....	0.0	0.0	35.0	35.0
Pension Benefit Guaranty Corp (Admin) [non-add].....	350.6	373.8	397.6	23.9
Special Benefits.....	233.0	237.0	227.0	(10.0)
Panama Canal Commission (PCC).....	5.3	6.4	6.3	(0.1)
Black Lung Disability Trust Fund (BLDTF).....	1,059.8	1,068.0	3,353.0	2,285.0
[Transfer from BLDTF].....	(56.7)	(57.6)	(59.2)	(1.5)
Special Workers Compensation Expenses.....	145.8	152.0	152.0	0.0
[Transfer from SWCEP].....	(2.0)	(2.0)	(2.1)	(0.0)
Special Benefits Disabled Coal Miners.....	364.0	313.4	303.4	(10.0)
Energy Employees Occ. Illness Compensation - Admin.....	88.3	156.0	161.8	5.8
Energy Employees Occ. Illness Compensation - Benefits.....	594.0	1,559.7	874.0	(685.7)
Working Capital Fund, Mandatory.....	3.0	3.0	0.0	(3.0)
Offsetting Receipts / Interfund Transactions.....	(782.3)	(770.4)	(3,563.3)	(2,792.9)
TOTAL MANDATORY.....	35,245.4	39,786.8	43,167.5	3,380.7
TOTAL, DEPARTMENT OF LABOR.....	47,228.0	51,302.2	54,118.5	2,816.3

1/ Includes Black Lung Trust Fund Transfers

DEPARTMENT OF LABOR
DISCRETIONARY AND MANDATORY OUTLAYS

- Dollars in Millions -

	FY 2005 OUTLAYS	FY 2006 OUTLAYS	FY 2007 OUTLAYS	FY 2007-2006 DIFFERENCE
DISCRETIONARY PROGRAMS				
Training and Employment Services.....	5,263.6	3,683.7	4,692.4	1,008.7
Community Service Emp. for Older Americans.....	422.8	434.3	388.3	(45.9)
State Employment Service Operations.....	970.0	962.5	178.8	(783.7)
Veterans Employment and Training.....	190.4	195.0	181.0	(14.0)
Gifts and Bequests.....	0.3	0.3	0.3	0.0
Workers Compensation	3.0	3.1	7.1	3.9
Employment and Training Total.....	6,850.1	5,278.8	5,447.8	169.0
State Unemployment Insurance Operations.....	2,550.0	2,600.6	2,679.1	78.5
Employment and Training Program Administration.....	176.7	161.5	185.5	24.0
Employee Benefits Security Administration.....	121.1	124.2	130.5	6.3
Employment Standards Administration 1/.....	423.1	433.1	454.9	21.8
Occupational Safety & Health Administration.....	452.5	461.0	468.2	7.2
Mine Safety and Health Administration.....	280.8	278.7	283.5	4.8
Bureau of Labor Statistics.....	524.2	526.2	559.8	33.6
Office of Disability Employment Policy.....	50.6	41.0	26.9	(14.1)
Departmental Management 1/.....	378.1	1,894.8	259.2	(1,635.6)
Veterans Employment and Training.....	32.4	27.0	33.0	6.0
Office of Inspector General 1/.....	68.6	66.4	73.4	7.0
Working Capital Fund [net] (WCF).....	6.7	6.3	7.4	1.1
Worker Prot., Sfty & Health, & Stats Total 1/.....	2,514.6	4,020.1	2,482.2	(1,537.9)
TOTAL DISCRETIONARY 1/.....	11,914.7	11,899.6	10,609.1	(1,290.5)
MANDATORY PROGRAMS				
Federal Unemployment Benefits & Allowances.....	845.0	902.0	938.6	36.6
TES Skills Training Grants.....	60.0	82.0	133.0	51.0
ESA H1B Fees.....	1.0	31.0	31.0	0.0
PA H1B Fee Revenue.....	8.0	14.0	13.0	(1.0)
Payments to the UTF.....	9.0	0.0	0.0	0.0
Welfare to Work Jobs.....	6.1	0.0	0.0	0.0
Adv to the Unemp Trust Fund and Other Funds.....	0.0	0.0	2,734.0	2,734.0
Unemployment Trust Fund (UTF) Base.....	36,061.1	39,760.8	40,942.9	1,182.2
[Transfer from UTF].....	(3,649.1)	(3,774.8)	(3,104.9)	669.8
Foreign Labor Certification Processing	0.0	0.0	35.0	35.0
Pension Benefit Guaranty Corp (program).....	94.0	(145.0)	(415.0)	(270.0)
Special Benefits.....	215.0	237.0	227.0	(10.0)
Panama Canal Commission (PCC).....	5.9	6.2	6.0	(0.2)
Black Lung Disability Trust Fund (BLDTF).....	1,059.8	1,068.0	3,353.0	2,285.0
[Transfer from BLDTF].....	(56.7)	(57.6)	(59.2)	(1.5)
Special Workers Compensation Expenses.....	145.0	152.0	152.0	0.0
[Transfer from SWCEP].....	(2.0)	(2.0)	(2.1)	(0.0)
Special Benefits Disabled Coal Miners.....	353.1	313.4	303.4	(10.0)
Energy Employees Occ. Illness Comp - Admin.....	121.0	171.2	161.4	(9.8)
Energy Employees Occ. Illness Comp - Benefits.....	615.3	1,558.0	874.0	(684.1)
Working Capital Fund, Mandatory.....	0.0	1.0	2.0	1.0
Offsetting Receipts / Interfund Transactions.....	(782.9)	(769.2)	(3,566.0)	(2,796.8)
TOTAL MANDATORY.....	35,108.5	39,547.9	42,759.0	3,211.1
TOTAL, DEPARTMENT OF LABOR.....	47,023.2	51,447.5	53,368.2	1,920.7

1/ Includes Black Lung Trust Fund Transfers

**U.S. DEPARTMENT OF LABOR
FULL-TIME EQUIVALENT (FTE) EMPLOYMENT
FY 2007 President's Budget**

	<u>FY 2005</u>	<u>FY 2006</u>	<u>FY 2007</u>	<u>FY 07-FY 06 Difference</u>
Employment and Training Administration	1,176	1,008	1,232	224
Employee Benefits Security Administration	827	875	875	0
Pension Benefit Guaranty Corporation	766	870	870	0
Employment Standards Administration	3,536	3,701	3,755	54
Energy Employees' Occupational Illness Compensation	272	464	464	0
Occupational Safety and Health Administration	2,155	2,173	2,173	0
Mine Safety and Health Administration	2,109	2,136	2,136	0
Bureau of Labor Statistics	2,383	2,438	2,453	15
Office of Inspector General	439	450	450	0
Departmental Management	1,439	1,607	1,403	-204
Office of Disability Employment Policy	51	59	59	0
Veterans' Employment and Training	236	250	250	0
Working Capital Fund	632	688	702	14
Total FTE Employment	16,021	16,719	16,822	103

