RENEWING THE PRESIDENT'S FISCAL YEAR 2013 BUDGET PROPOSAL FOR THE U.S. DEPARTMENT OF LABOR

HEARING

BEFORE THE

COMMITTEE ON EDUCATION
AND THE WORKFORCE
U.S. HOUSE OF REPRESENTATIVES

ONE HUNDRED TWELFTH CONGRESS

SECOND SESSION

HEARING HELD IN WASHINGTON, DC, MARCH 21, 2012

Serial No. 112–55

Printed for the use of the Committee on Education and the Workforce

Available via the World Wide Web:
www.gpo.gov/fdsys/browse/committee.action?chamber=house&committee=education
or
Committee address: *http://edworkforce.house.gov*

U.S. GOVERNMENT PRINTING OFFICE

73–319 PDF WASHINGTON : 2012

For sale by the Superintendent of Documents, U.S. Government Printing Office
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C O N T E N T S

RENEWING THE PRESIDENT'S FISCAL YEAR 2013 BUDGET PROPOSAL FOR THE U.S. DEPARTMENT OF LABOR

Wednesday, March 21, 2012

U.S. House of Representatives

Committee on Education and the Workforce

Washington, DC

The committee met, pursuant to call, at 10:05 a.m., in room 2175, Rayburn House Office Building, Hon. John Kline [chairman of the committee] presiding.

Present: Representatives Kline, Petri, Biggert, Wilson, Foxx, Goodlatte, Roe, Thompson, Walberg, DesJarlais, Hanna, Bucshon, Gowdy, Noem, Roby, Heck, Kelly, Miller, Kildee, Andrews, Woolsey, Hinojosa, McCarthy, Tierney, Kucinich, Holt, Davis, Altmire and Fudge.

Staff present: Andrew Banducci, Professional Staff Member; Katherine Bathgate, Press Assistant/New Media Coordinator; James Bergeron, Director of Education and Human Services Policy; Casey Buboltz, Coalitions and Member Services Coordinator; Molly Conway, Professional Staff Member; Ed Gilroy, Director of Workforce Policy; Benjamin Hoog, Legislative Assistant; Barrett Karr, Staff Director; Ryan Kearney, Legislative Assistant; Rosemary Lahasky, Professional Staff Member; Donald McIntosh, Professional Staff Member; Brian Newell, Deputy Communications Director; Krisann Pearce, General Counsel; Molly McLaughlin Salmi, Deputy Director of Workforce Policy; Todd Spangler, Senior Health Policy Advisor; Linda Stevens, Chief Clerk/Assistant to the General Counsel; Alissa Strawcutter, Deputy Clerk; Loren Sweatt, Senior Policy Advisor; Joseph Wheeler, Professional Staff Member; Aaron Albright, Minority Communications Director for Labor; Tylease Alli, Minority Clerk; Jody Calemine, Minority Staff Director; John D'Elia, Minority Staff Assistant; Waverly Gordon, Minority Fellow, Labor; Brian Levin, Minority New Media Press Assistant; Celine McNicholas, Minority Labor Counsel; Richard Miller, Minority Senior Labor Policy Advisor; Megan O'Reilly, Minority General Counsel; Julie Peller, Minority Deputy Staff Director; Michele Varnhagen, Minority Chief Policy Advisor/Labor Policy Director; and Michael Zola, Minority Senior Counsel.

Chairman KLINE. A quorum being present, the committee will come to order.

Good morning, Secretary Solis. Thank you very much for being with us today to discuss the policies and priorities of the Department of Labor.

Before we begin, I am saddened to recognize the passing of our dear friend and colleague, Donald Payne. For 23 years—23 years—Donald served this nation and the people of New Jersey's 10th congressional district with intelligence, tact, and honor.

America's teachers, workers, students, and employers lost a strong advocate earlier this month, and I know I speak for all my colleagues on the committee when I say Donald will be deeply missed. And I know that my friend and colleague, the ranking Democrat on the committee, would like to express his thoughts, and I yield to him.

Mr. MILLER. Thank you very much, Mr. Chairman. It is with a great, deep sense of sadness that we remember our friend and colleague, Donald Payne. This is our first full committee hearing since his passing earlier this month. His passing took so many of us, his friends and colleagues, by surprise.

As we all know from serving with him on this committee, he was an uncompromising voice for the disadvantaged, and for the powerless, and the disenfranchised, and that is where he began his work with the—with the YMCA's National Council, and when he came to the Congress of the United States. I first met Donald when I was speaking to the National YMCA and he introduced himself to me and told me he thought in a short time he would be joining me in the Congress of the United States. I next ran into him and his brother in Latin America during the troubles in El Salvador and Nicaragua, where again, he was working on behalf of poor people in those communities.

Recently, over the last couple years, I have had a chance to go to Africa with Congressman Payne. He served on that subcommittee—chair in the Foreign Affairs Committee. And it is just amazing, the people who knew his name in Africa—the poorest people in the country and the presidents and the rulers of different nations, and everybody in between. And he knew more about Sudan and Darfur and the problems there, and in Rwanda, where he accompanied President Clinton.

Just an amazing advocate on behalf of the disenfranchised, and his passion on this committee for Head Start and early childhood education, and Pell Grants, and expanding opportunities is just his legend in the sense that he never ever stopped working on behalf of those individuals in our country. As our colleagues from New Jersey will tell you, he had a magnificent remembrance ceremony—his funeral—and a wonderful sendoff from the people of Newark and the people of New Jersey, and so many from around the nation who came to honor him.

And with that——

Chairman KLINE. Mr. Andrews?

Mr. ANDREWS. Thank you, Mr. Chairman. Thank you for this honor for our friend and colleague.

Thank you, Mr. Miller, as well.

And thank you for the way you honored him and his service here when he was here with us by treating every member of the committee with respect.

Madam Secretary, Donald would have been delighted to be here with you this morning. He was proud that you served with him and all of us on this committee. He knows of your passion for the work that he shared, as well.

And I must tell you that I come to this hearing this morning in a very melancholy sense knowing it is the first time we are gathering without Donald's presence because we are talking about things he cared so very much about. He was both and mentor, and a teacher, and a friend to all of us on this committee. We are profoundly saddened by his loss but inspired by his life.

Mr. Chairman, we thank you for this remembrance to our esteemed colleague.

Chairman KLINE. Mr. Holt, did you wish to be recognized? You are recognized.

Mr. HOLT. I thank the chair.

There is more than—more to say about Don than we could say in a week, but Representative Payne was true to the word "representative," and beyond that he was a real leader. Mr. Miller has talked about how he was—you know, he was one person who would go from meeting a freedom fighter in a country to meeting the president of that country against whom the freedom fighter was fighting with enormous respect from all.

He never lost his smile, never lost his sense of humor, but never lost his passion for truth and for justice, and especially for the little guy.

I thank you for this recognition of our colleague.

Chairman KLINE. I thank the gentleman.

Now, as I know Secretary Solis' time is limited here today, I will move to the issue of the day. On February 13th President Obama released his fourth budget proposal since taking office. The Associated Press reported the fiscal year 2013 budget blueprint, quote—"takes a pass on reining in government growth" and "reprises a long roster of prior proposals," such as more stimulus spending and tax increases.

According to Politico, "the bottom line is a fourth straight year of $1 trillion-plus deficits." And USA Today editorialized the "Best test of a budget proposal these days is whether it reins in the national debt," adding, "The election year budget of President Obama fails that test."

I couldn't agree more. The reality of the president's budget is disturbing. Among its flaws, it contains $47 trillion in government spending over the next decade, $1.9 trillion in tax hikes on families and job creators, and $11 trillion in new debt piled on the backs of our children and grandchildren.

Now, these figures come from the House Budget Committee, but in the interest of nonpartisanship I would also like to note the Congressional Budget Office said the president's budget will lead to a $977 billion deficit next year, breaking the president's promise to cut the deficit in half by the end of his first term. Additionally, CBO said this budget proposal will bring a total of $6.4 trillion in deficit spending over the next 10 years.

One year ago more than 150 of the nation's leading economists called for immediate action to rein in federal spending to support economic growth and private sector job creation. It is clear that with this budget the administration has again chosen to ignore the urgent plea for fiscal responsibility. Regrettably, the president's budget is less of a serious plan to help the economy back on track and more of a political document.

As secretary of labor you are well aware of the difficulties facing the nation's workers and employers. With gas prices rising, consumer confidence falling, and job creation largely flat, it is now more important than ever to ensure the federal government is not standing in the way of economic growth and job creation.

The modest improvement we have experienced in recent months is a testament to the strength and enduring optimism of the American people that as a nation we always overcome adversity. However, a budget that simply doubles down on the failed policies of the past is a disservice to the country and will undermine the progress we have made. Working families cannot prosper under the crushing weight of this much debt, and no economy built to last can be constructed on massive tax increases and explosive federal spending.

Quite frankly, the president's budget embraces the wrong priorities and reflects a failure of leadership. The policies and priorities for the Department of Labor present a clear example of the flawed policies that are hurting job creation and restricting our economic recovery.

The department's use of taxpayer dollars sends a strong message to employers that they have an adversary in the federal government, not an ally. For example, in policies government workplace safety and wage and hour standards punitive enforcement actions take precedent over efforts to help employers understand and comply with the law.

The department is also advancing costly regulatory schemes that are creating even more uncertainty for job creators, such as crafting an injury and illness prevention plan that would burden employers with more mandates but do little to improve workplace safety. And while employers face more punitive measures, union leaders continue to enjoy less transparency and accountability over how they spend workers' dues.

Despite this misguided agenda, I remain committed to finding common ground on real solutions that will help our economy grow and create jobs. We have found areas of agreement in the past, including expanding free trade and extending tax relief. It is vital that we build on these past efforts.

One area in which I hope we can work together is reform of our nation's job training system. I commend the president for highlighting in his State of the Union address the confusing maze of job training programs spread across the federal government. However, in recent months and in the budget proposal before us today the president has also called for new job training programs which would further complicate the tangle of existing programs.

To reconcile the president's statements with his policy proposals Ms. Virginia Foxx and I sent a letter to you, Madam Secretary, requesting additional information about the president's plan, and while I appreciate the response you provided I am afraid it still leaves important questions unanswered.

Where is the plan to create one program for job seekers and how does it fit into the president's call for more programs? Your letter described two new initiatives as, quote—"short-term investments." Well, how short-term will these investments be and how do we ensure they don't add to the confusion already facing workers?

These are just some of the important questions we are interested in discussing with you today, Madam Secretary. We share a commitment to ensuring America's workers, employers, and entrepreneurs have every opportunity to prosper and I look forward to learning how the manner in which you intend to spend taxpayer resources will aid in this endeavor.

Before I recognize my distinguished colleague, George Miller, I want to welcome back to the committee—if she is—yes, indeed—my colleague from Ohio's 11th district, Congresswoman Marcia Fudge.

We are glad to have you back. Welcome to the committee. [Applause.]

And now I yield to Mr. Miller for his opening remarks.

[The statement of Chairman Kline follows:]

Prepared Statement of Hon. John Kline, Chairman, Committee on Education and the Workforce

Good morning, Secretary Solis. Thank you for being with us today to discuss the policies and priorities of the Department of Labor.

Before we begin, I am saddened to recognize the passing of our friend and colleague, Donald Payne. For 23 years, Donald served his nation and the people of New Jersey's10th congressional district with intelligence, tact, and honor. America's teachers, workers, students, and employers lost a strong advocate earlier this month, and I know I speak for all my colleagues on the committee when I say Donald will be deeply missed.

Now, as I know Secretary Solis' time is limited here today, I will turn to the issue of the day. On February 13, President Obama released his fourth budget proposal since taking office.

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I couldn't agree more. The reality of the president's budget is disturbing. Among its flaws, it contains:

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One year ago, more than 150 of the nation's leading economists called for immediate action to rein in federal spending to support economic growth and private-sector job creation. It is clear that with this budget, the administration has again chosen to ignore the urgent plea for fiscal responsibility. Regrettably, the president's budget is less of a serious plan to help get the economy back on track than a partisan, political document.

As Secretary of Labor, you are well aware of the difficulties facing the nation's workers and employers. With gas prices rising, consumer confidence falling, and job creation largely flat, it is now more important than ever to ensure the federal government is not standing in the way of economic growth and job creation.

The modest improvement we've experienced in recent months is a testament to the strength and enduring optimism of the American people that as a nation we always overcome adversity. However, a budget that simply doubles down on the failed policies of the past is a disservice to the country and will undermine the progress we have made. Working families cannot prosper under the crushing weight of this much debt, and no "economy built to last" can be constructed on massive tax increases and explosive federal spending.

Quite frankly, the president's budget embraces the wrong priorities and reflects a failure of leadership. The policies and priorities for the Department of Labor, for example, present a clear example of the flawed policies that are hurting job creation and restricting our economic recovery.

The department's use of taxpayer dollars sends a strong message to employers that they have an adversary in the federal government, not an ally. For example, in policies governing workplace safety and wage and hour standards, punitive enforcement actions take precedent over efforts to help employers understand and comply with the law.

The department is also advancing costly regulatory schemes that are creating even more uncertainty for job creators, such as crafting an injury and illness prevention plan that would burden employers with more mandates but do little to improve workplace safety. And while employers face more punitive measures, union leaders continue to enjoy less transparency and accountability over how they spend workers' dues.

Despite this misguided agenda, I remain committed to finding common ground on real solutions that will help our economy grow and create jobs. We have found areas of agreement in the past, including expanding free trade and extending tax relief. It is vital that we build on these past efforts.

One area in which I hope we can work together is reform of our nation's job training system. I commend the president for highlighting in his State of the Union address the confusing maze of job training programs spread across the federal government. And while I appreciate the response you provided to our request for additional information, I'm afraid it still leaves important questions unanswered.

Where is the plan to create one program for job seekers and how does it fit into the president's call for more programs? Your letter described two new initiatives as "short-term investments."

How "short-term" will these investments be and how do we ensure they don't add to the confusion already facing workers? These are questions I hope we will explore later today and we look forward to your testimony.

Mr. MILLER. Thank you, Mr. Chairman, and thank you for recognizing Congresswoman Marcia Fudge, who is rejoining the committee. She first joined the committee in 2009 and made a very strong mark on behalf of children's nutrition and education, and generally, in children's health, where—she has also doubled down on that effort with her service on the—on the House Agriculture Committee and trying to—to make sure that we can avoid these childhood diseases that are presenting themselves to us because of the nutritional habits of—of many of our children and families.

And so welcome so much back to the committee, Marcia. We are happy to have you.

Secretary Solis joins us at a turning point for our nation's workers and families. The Wall Street financial scandals and the resulting 2008 global financial crises threw our economy into a tailspin. The resulting recession was long and deep and in January 2009, the month that President Obama took office—the month President Obama took office—the economy lost 839,000 jobs.

When Secretary Solis first appeared before the Education and Labor Committee 2 years ago the unemployment rate stood at 10.6 percent. More than 8 million workers had been laid off and millions more were rightfully concerned that they could be next. This country was going through the worst economic downturn since the Great Depression.

Fortunately, things have begun to turn around, and while much work remains to be done the economy is beginning to heal and we are in a much better place today than we were when Secretary

Solis first joined us in February of 2010. But this wasn't a matter of luck. The crisis was turned around in large part because of the actions taken by the Obama administration, the previous Congress, and the Federal Reserve.

Economists across the ideological spectrum agree that bold action laid the groundwork for the economic recovery. By working together for the good of the economy we stopped the hemorrhaging and laid the tracks for a return to economic growth.

The facts are indisputable. Today the unemployment rate is dropped to 8.3 percent. There have been 24 straight months of private sector job growth and 3.9 million new jobs have been created. In fact, private sector job growth is at its fastest rate since early 2006, back when the housing bubble was driving the economy.

Over the last 2 years the economy added 429,000 manufacturing jobs after years of sector decline, and the American automobile industry and its extensive network of suppliers throughout the country have been rescued along with millions of good, middle class jobs. Small Business Optimism Index has seen 6 consecutive months of gains in confidence as the recovery builds, and the markets are up nearly 27 percent since Secretary Solis' first appearance.

While we are headed in the right direction there is no question that more work remains to be done if we are to fully rebuild our middle class economy and reignite the American dream. And Secretary Solis has been in the forefront of these efforts.

By statute, the mission of the Department of Labor is to foster, promote, and develop the welfare of wage-earners in the United States, to improve their working conditions, and to advance their opportunities for profitable employment. This mission expresses an important American value. Not only do we value hard work and entrepreneurial spirit, our nation also values a job that is safe. It values the careers that treat workers fairly and compensate them according to the law. Upholding these values creates more jobs and more business opportunities.

Another piece of the agency's mission is to advance the opportunities for profitable employment, and central to this is the millions of workers and local businesses who utilize the Workforce Investment Act employment and training services each year. A modern workforce investment system must rise to meet the needs of the country's labor market and create opportunities for Americans to step into the middle class.

Now is not the time to gut its mission, as some are proposing, but the fact remains that the current system needs improvement. It needs to better align education and training programs so that workers have the skills for the in-demand careers.

It does no good to provide training to jobs that don't exist. That is why Congressman Tierney and Congressman Hinojosa and I introduced a bill yesterday to modernize the workforce investment programs.

It will do this by encouraging the innovative programs that connect workers with in-demand industries, streamlining access to important services, and increasing the accountability for those services. WIA must be doing more to encourage the private sector partnerships and connect employers and labor unions, community colleges, workforce boards, local governments to meet the local workforce needs.

I join you, Mr. Chairman, in recognizing that this is something that this committee can and should be working on together right now. It would modernize and introduce real accountability to a system of—a system in desperate need of it.

In the process, it will help give millions of Americans the opportunity to climb into the middle class. A bipartisan panel of governors delivered that exact message when they testified before the committee earlier this year. They asked us to put aside those issues that divide us and work together where we could find consensus, like reforming the Workforce Investment Act.

It is my hope that we will heed their message, especially during these times of crises for so many American workers and employers, that Congress would be working together to benefit all of them. The country deserves a Congress that solves its problems and I look forward to working with you on the reauthorization of WIA, and I want to thank Secretary Solis for her appearance here today and look forward to her testimony.

[The statement of Mr. Miller follows:]

Prepared Statement of Hon. George Miller, Senior Democratic Member, Committee on Education and the Workforce

WASHINGTON.—Secretary of Labor Hilda Solis testified today before the House Education and the Workforce Committee emphasizing efforts that she and the Obama administration are taking to improve employment opportunities and ensure that all Americans can benefit from the economic recovery.

"At stake is the very survival of the basic American promise that if you work hard, you can do well enough to raise a family, own a home and put enough away for retirement," said Sec. Solis. "The best way to continue moving our nation forward is to work with Congress in a bipartisan manner to support meaningful policies that help our economy grow."

While the 2008 Wall Street financial scandals and subsequent recession resulted in the worst economic crisis since the Great Depression, the economy is headed in the right direction. There have been 24 straight months of private sector job creation culminating in 3.9 million new jobs. Despite the good news, Democrats agreed with Secretary Solis that more needs to be done and urged Congress and the Obama administration to work together to continue to grow the economy.

"Economists from across the ideological spectrum agree: Bold action laid the groundwork for the economic recovery. By working together for the good of the economy, we stopped the hemorrhaging and laid the tracks for a return to economic growth," said Rep. George Miller (D-CA), the senior Democrat on the committee. "While we are headed in the right direction, more work remains to be done if we want to fully rebuild our middle class economy and reignite the American Dream."

Miller and other members including Reps. Ruben Hinojosa and John Tierney pointed out the need to work together to reform and modernize the Workforce Investment Act in order to better align education and training programs so that workers have the skills for in-demand careers. Yesterday, the lawmakers introduced the Workforce Investment Act of 2012 (H.R. 4227), legislation to strengthen the existing system by streamlining and increasing access to training, promoting innovation, and ensuring accountability and transparency.

"The Democratic bill develops a 21st century delivery system for workforce training and adult education that leads to career pathways, increased educational and workforce training opportunities and economic self-sufficiency for our nation's workers," said Rep. Hinojosa.

Rather than modernizing the Workforce Investment Act to meet the needs of workers and businesses looking for qualified employees today, House Republicans are instead pushing forward on a budget proposal that would cut back these important services.

Chairman KLINE. Thank the gentleman.

Pursuant to committee rule 7(c) all committee members will be permitted to submit written statements to be included in the permanent hearing record. Without objection, the hearing record will remain open for 14 days to allow statements, questions for the record, and other extraneous material referenced during the hearing to be submitted in the official hearing record.

It is now my pleasure to introduce our distinguished witness. And again, this is one of those cases where she probably needs no introduction, but let me just briefly say that—remind my colleagues that the Honorable Hilda Solis was confirmed as secretary of labor on February 24, 2009. Boy, that was very quickly done.

Prior to her confirmation, Secretary Solis served as a member of Congress, representing the 32nd district in California from 2001 to 2009, and many on this committee had a chance to serve with her not only in Congress but on this committee. She graduated from California State Polytechnic University and earned a master of public administration from the University of Southern California.

It is really nice to have you back. My script here now tells me I am supposed to explain our lighting system. I don't think I am going to need to do that. It hasn't changed in many years. It is still green, yellow, red.

Secretary SOLIS. All right.

Chairman KLINE. And with that, Madam Secretary, you are recognized.

STATEMENT OF HON. HILDA L. SOLIS, SECRETARY, U.S. DEPARTMENT OF LABOR

Secretary SOLIS. Thank you very much, Chairman Kline. It is a pleasure to be here with you and my colleagues.

And to Ranking Member Miller and members of the committee, I want to thank you for inviting me here this morning to testify to you about what we are doing at the Department of Labor. It is always a pleasure to come back and see so many friends and colleagues.

But I want to take also a moment to pay tribute to a dear friend, also, and colleague and member of this committee, and that was the fabulous Congressman Donald Payne, somebody that I got to know sitting there with you on the dais talking about issues relating to workers, and children, and disadvantaged communities. He indeed was a true champion for working people and did so much to improve our nation's workforce.

I think the last time I had the chance to really see him and work with him was at an Aspen Institute retreat that I attended with him in Cancun before the hurricane, and I remember our conversations and I believe some of the committee members were also in attendance. But just to hear his passion and his commitment to people around the world and the struggles that people were suffering and how important that was and bringing it home here to this committee and how we could help make efforts change working through bipartisan support.

So I say that I would hope that we could move forward in his memory working together on bipartisan direction and matters that will help to improve our nation and hopefully correct those many things in the world that he saw that needed improvement that I think all of us can agree on. So I thank you for the opportunity to say that.

Since I last came here and testified before you more than a year ago many economic indicators show we are moving on a path to long-term economic recovery. Just 3 years ago we had upwards of 10 percent unemployment and now it stands at 8.3 percent, the lowest since the Recovery Act was passed. The African American unemployment rate has dropped from over 16 percent to 14.1 percent; and the Latino unemployment rate, which was well over 13 percent, to 10.7 percent.

In 2009 there were seven unemployed Americans for every job opening. Today that ratio is under four-to-one.

However, you and I know we still have a lot more work to do because we realize there are 12.8 million people that are still looking for work; they remain unemployed. And 43 percent have been out of work for longer than 6 months.

And I believe to create an economy that is built to last President Obama has laid out a blueprint that emphasizes strengthening American manufacturing, growing our energy sector, and improving job training skills for our workers. To do our part, the Department of Labor is supporting the president's $8 billion Community College to Career Fund to forge new partnerships between community colleges and local entrepreneurs and integrate that in our workforce system.

Last September, as you know, we awarded $500 million in the Trade Adjustment Assistance community college and career training grant program. And just last month I had the privilege to be joined with Vice President Biden and Dr. Jill Biden to announce a second round of $500 million for these grants.

My department's Green Jobs Training Grants are preparing workers for careers in renewable energy fields. These grants have reached nearly 83,000 workers and more than 51,000 have completed training. Of these, 87 percent have received a credential such as a certificate or degree and 20,000 have entered into new employment with 81 percent of them in green training-related jobs. Keep in mind that many of them were incumbent workers and were able to keep their jobs or move up the ladder at their current job site.

We are also pushing ahead to modernize, streamline, and reform our job training program. We have proposed a universal core set of services to help all displaced workers find new jobs. We are establishing one program, one Web site, and one place, and an American job center network that will unify the workforce system and better connect job seekers with employers.

We are also supporting workers through our Center of Faith-Based and Neighborhood Partnerships, who is working with job clubs and career ministries across the country. The connections formed here can help job seekers expand their professional networks and get to other critical support.

I recently visited one of the largest job clubs close to Washington, the McLean Bible Church Career Network Ministry, in Vienna, Virginia. The group has many success stories and I would like to say hello and welcome them—we have some of them here in the Career Network Ministries who are here with us today.

And, Chairman Kline, you may be interested to know that just last month we hosted a job club symposium at the Temple Israel synagogue in Minneapolis. One of the panels featured Catherine Byers Breet, who leads the Easter Lutheran Church Job Transition Support Group in Eagan. It is a model group that is helping individuals get back to work and help those displaced professionals and especially returning veterans.

And to assist our veterans we have launched a new Web site called "My Next Move for Veterans" to help them discover jobs where their skills can be translatable. I have also developed the Veterans Gold Card, which allows post-9/11 veterans to get 6 months of intensive job counseling and personalized case management services. This builds upon existing programs to help veterans find work.

However, our role to support and train workers doesn't just stop with adults. I recently joined President Obama to announce our Summer Jobs-Plus Initiative. It is a call to action for businesses, nonprofits, local mayors, and government entities to put our young people to summer youth employment.

We have also secured commitments from more than 200,000 summer work opportunities. Our goal is to reach about 250,000. This is all volunteer.

Also, the department Job Corps program, YouthBuild programs, continue to provide work opportunities and training for our most vulnerable youth. In fact, some of our local D.C. YouthBuild participants are here in the audience.

We have also had many Job Corps success stories that I would like to talk about, but one in particular I would like to share that may be of particular interest to Congressman Kildee. Last March Nate Ford graduated from our Flint Job Corps Center in Michigan. He did great work through the center learning carpentry skills.

After graduating from the Job Corps program Nate got an internship as a youth construction supervisor with Habitat for Humanity, where he taught other youth volunteers how to use various tools of the trade and other construction basics. He stayed in the position for 3 months and then was hired full time to interview and instruct new members of the different Habitat for Humanity products.

Nate happens to be here today and I also want to welcome him and congratulate him for a job well done. So I want to point that out. Thank you.

Another area where we continue to focus is helping America's women earn equal pay for equal work, and as we commemorate Women's History Month we are reminded that almost 50 years after the passage of Equal—the Equal Pay Act a stubborn wage gap is consistent. Women earn, on the average, about 80 cents on the dollar for men doing the same jobs. The impacts are not only against women but also their entire families; they rely upon their earnings and the gap is even more pronounced when you talk about women of color.

DOL is partnering in President Obama's Equal Pay Enforcement Task Force that is bringing agencies together to address that pay gap. The department continues to protect the rights of American workers and help level the playing field for employers who do play by the rules.

The Occupational Safety and Health Administration and the Mine Safety and Health Administration are on the front lines protecting workers from workplace hazards and injuries. Almost 2 years ago the Upper Big Branch mining tragedy in West Virginia claimed the lives of 29 miners.

Our investigation found that this terrible incident was a result of intentional and systematic efforts to avoid compliance with MSHA standards and regulations. We recently completed our internal review of MSHA's actions at the Upper Big Branch Mine prior to the explosion, and of course, we are committed to continuing improvements at MSHA and to additional corrective action because we know that workers should not have to risk their lives for their livelihood.

OSHA is also on the forefront of our efforts to ensure workplace safety. We understand that most employers want to do the right thing but we know some insist on taking shortcuts. That is why OSHA continues to aggressively enforce our health and safety laws, and we will continue to support the employers in your districts who do play by the rules and run safe workplaces.

But we also remain committed to securing the incomes and benefits of all workers. Our Employee Benefits Security Administration, EBSA, protects the retirement security and health benefits of workers and retirees and their families. Recently EBSA finalized a rule improving the transparency of 401(k) fees to ensure that workers' hard earnings are not eroded.

The work of the Wage and Hour Division is also critical to working families and women. Last year we secured over $220 million in back wages for well over 275,000 workers, the largest amount in the division's history. Wage and Hour has also undertaken initiatives to protect flight crews and in-home caregivers.

I believe that programs and policies of the Department of Labor are making a difference in American lives. The economy is improving and we are seeing broad employment gains. As our recovery continues my department will continue our critical work to give Americans the job training, skills, and opportunities so that they can lead safe lives at work and also be a part of the middle class.

Thank you again, Mr. Chairman, and members of the committee, and I am happy to respond to your questions.

[The statement of Secretary Solis follows:]

Prepared Statement of Hon. Hilda L. Solis, Secretary, U.S. Department of Labor

Chairman Kline, Ranking Member Miller and Members of the Committee, thank you for inviting me to testify about the work we are doing at the Department of Labor (DOL). As always, it is a pleasure to be back among my friends and former colleagues. This is now my third time testifying before this committee. I think you have a good understanding of where I come from and what our priorities are at the Department. However, I always appreciate having the opportunity to update you on the Department's work and receive feedback from the Members of the committee so we can continue to work together to move America forward.

Since I was here over a year ago, much has changed and there are many indications that we are on the path to long-term economic recovery. It is useful to remind ourselves what a long way we have come. Before President Obama took office, 4.4 million jobs had been lost since the beginning of the recession. From the onset of the recession in December 2007 until the Recovery Act passed, we were losing an average of almost 370,000 per month; just under 820,000 jobs alone were lost in the month before the Recovery Act was passed in February 2009.

The national unemployment rate now stands at 8.3 percent, down from its October 2009 peak and the lowest since the Recovery Act was passed. Importantly, the recent drop in unemployment has been driven by employment gains, not workers leaving the labor force. We have created 3.9 million jobs in the private sector over the last 24 consecutive months.

America's labor market grew stronger in 2011. We created over 2 million private sector jobs, and the unemployment rate fell in 48 states. Additionally, the number of mass layoffs continued to decline, with 12 of 19 industries reporting a decrease in new claims associated with mass layoffs over the year. Now we are seeing sustained job growth across almost every industry. Similarly, the number of people starting new claims for unemployment benefits has been declining since last September and has receded to March 2008 levels. In 2009, we saw seven unemployed Americans for every job opening; that ratio is now under four to one. This is due to a combination of more hiring and a decline in layoffs.

There are other positive signs of our growing economic recovery. We have seen ten straight quarters of GDP growth. Private investment grew faster in 2011 than in the year before, and durable orders in the manufacturing sector have been trending upward. Also, the housing market is improving with building permits increasing sharply during the last six months, while personal spending continued to grow above pre-recession levels. We are creating jobs on a consistent basis, but we will not be satisfied until everyone who wants a job can find one. We know that 12.8 million Americans are unemployed and, of those, 43% of them are long-term unemployed. We also know that the recession hit some groups particularly hard and that the recovery has only recently started to reach many of these groups.

The unemployment rate of African Americans peaked at 16.7% as recently as August 2011, while the Hispanic unemployment rate peaked at 13.1% in November 2010. But over the past six months, as the national unemployment rate has fallen, the African American unemployment rate has dropped to 14.1% and the Hispanic unemployment rate to 10.7%. Despite these improvements, the unemployment rate is still high, and there is still much work that needs to be done.

To create an economy that is built to last, the President laid out a blueprint for growth that emphasizes strengthening American manufacturing, American energy, education, and skills training for workers in a way that is consistent with American values. Now is a make or break moment for the middle class and those trying to reach it. At stake is the very survival of the basic American promise that if you work hard, you can do well enough to raise a family, own a home, and put enough away for retirement. The best way to continue moving our nation forward is to work with Congress in a bipartisan manner to support meaningful policies that help our economy grow.

This Administration strongly supported a bipartisan extension of the payroll tax cut and emergency unemployment insurance benefits. Unemployment insurance is a critical lifeline for those without a job. Since the beginning of the recession and through the recovery, the extension of unemployment benefits is estimated to have helped 17 million workers and this year's extension will help another 4.3 million unemployed workers and an additional 8.1 million people living with them. But the extension of unemployment benefits and payroll tax cuts is not just the right thing to do for these families but also the smart thing to do. We know that for every dollar put in the pockets of the unemployed, about two dollars ripple through the economy, benefitting all of us. For the typical family, the payroll tax cut means an extra $40 in every paycheck.

These two programs make a huge difference in helping families meet their daily responsibilities to feed and clothe their children, heat their homes, and pay for gas and transportation costs. The bipartisan extension legislation adopted several proposals that were included in the President's American Jobs Act, such as providing greater flexibility in the use of unemployment benefits to help the unemployed get back to work, funding reemployment services, and giving states the flexibility to use unemployment funds to help individuals establish their own businesses.

In addition, this Administration has also stood with auto workers and the communities whose economies depend on the industry. The resurgence of the American automobile industry is seen in the fact that we've added roughly 200,000 new auto-related jobs over the past two and a half years. I am proud that the Department's Office of Recovery for Auto Communities and Workers (ORACW) has played an important role in coordinating the Federal response to help automotive communities and workers whose lives have been disrupted.

Investing in a Competitive Workforce

The President has laid out proposals for ushering in a new era of American manufacturing, with more good jobs created and more products stamped "Made in the USA." We are seeking new tools that help American small businesses compete and lower tax rates for companies that make products and create jobs in the United States. Our students and workers must receive critical skills training so our workforce is aligned with the increasingly technical needs of American manufacturers. For these reasons, we are forging new partnerships between community colleges, businesses and the public workforce system to train and place skilled workers in high-wage, high-growth jobs.

Community colleges understand the needs of local employers. The Administration's new $8 billion Community College to Career Fund, which we would co-administer with our colleagues at the Department of Education, will better enable our community colleges to partner with industry and develop training programs for workers to enter high-growth and high-demand industries that meet the needs of local employers. The Fund will also allow federal agencies to partner with state and local governments to help businesses that want to invest in America train the local workforce that best meets their skill needs. We are helping employers match what's taught in the classroom with their needs in an office or on the factory floor. This program will also support entrepreneurship training for workers and entrepreneurs. Altogether, the Community College to Career Fund will train up to 2 million American workers by 2015.

When I last came before you, we had just announced the grant competition for the Trade Adjustment Assistance Community College and Career Training (TAACCCT) program. Last September, we awarded $500 million to educational institutions that partnered with employers in every state. Last month, I was excited to visit Roane State Community College (RSCC) in Harriman, Tennessee, the recipient of a $2.86 million TAACCCT grant. I am sure Congressman DesJarlais can attest to the good work they are doing there. With this funding, RSCC is launching the Advanced Materials Training and Education Center with the mission of helping workers get back on their feet through training, and building partnerships with a number of local industry and economic development partners. Roane State also has partnered with Oak Ridge National Laboratory in an effort to develop a low-cost, low-density carbon fiber that can replace heavier steel used in airplanes, autos, and boats. The workers enrolled at the Center are being trained for good-paying advanced manufacturing jobs that can ultimately help reduce our dependence on foreign oil.

RSCC was one of the many strong applications we received. Last month, I joined Vice President Biden and Dr. Jill Biden at Davidson County Community College in Thomasville, North Carolina, to announce a solicitation for $500 million in TAACCCT grants for FY 2012. We plan to make available $500 million in additional funding over each of the next two Fiscal Years. This program will help advance our national goals to have every American obtain at least one year of post-secondary education and have the highest proportion of college graduates in the world by 2020.

We need to further advance these new skills to match the new challenges of our 21st century economy. In his State of the Union address, President Obama drove home the point that it's unacceptable that American companies have millions of unfilled job openings at a time of high unemployment. We must do more to help job-seekers acquire the skills to land jobs that already are open. Right now, there are high-growth industries that cannot find skilled labor to fill open positions, and we need to train our workers immediately to fill them.

One way we are addressing this challenge is through our H-1B Technical Skills Training Grant Competition, which has awarded $342 million in grants to 79 public-private partnerships serving 31 states and the District of Columbia over the last 9 months. These grants will provide American workers with education, training and job placement assistance in high-growth industries and occupations where employers are currently using the H-1B nonimmigrant visa program to hire temporary foreign workers to respond to workforce shortages. Industries served by this program include advanced manufacturing, energy, health care, and information technology.

I was happy to see Congress pass some key Administration priorities in legislation extending the payroll tax cut, providing businesses tax credits for hiring our veterans, extending unemployment insurance benefits for the long-term unemployed, providing incentives for states to run short-time compensation programs so employees can avoid being laid off, and authorizing the use of emergency unemployment insurance funds to help the long-term unemployed participate in self-employment assistance programs. Additionally, the President's FY 2013 budget proposes a $12.5 billion Pathways Back to Work Fund to provide employment opportunities for low-income adults and youths and to make it easier for the long-term unemployed and low-income workers to remain connected to the workforce and gain new skills for long-term employment.

The Department is also actively supporting policies and initiatives that don't require congressional approval to ensure our economy continues on the path to full recovery. We continue to develop new partnerships with the public and private sector to leverage their combined expertise. One such collaboration is our Social Jobs Partnership with Facebook. We have teamed up with the social media site, the National Association of State Workforce Agencies, the DirectEmployers Association, and the National Association of Colleges and Employers to provide employment resources to a large group of job seekers who utilize social networking. This initiative is providing immediate, meaningful and ready-to-use information for job seekers and employers, and a modern platform to better connect them with career opportunities.

I also understand the impact high energy prices have on middle class families. This is why the President has made clear we need an all-of-the-above approach to energy policy, one that makes strategic investments in a clean energy future. The transition to a clean energy economy will reduce our dependence on foreign energy while also spawning a new industry of sustainable green jobs in the United States. The President presented a vision for a new era in American energy fueled by homegrown and alternative energy sources designed and produced by American workers.

In June of last year we awarded $38 million through the Green Jobs Innovation Fund to help existing training programs leverage additional resources to build sustainable green career pathways. And through the Recovery Act, the Department invested nearly $500 million in 189 green job training programs to help train workers for careers in solar, wind, biofuels, and other renewable energy sources available throughout the United States.

These grants are helping train workers for the jobs of tomorrow and retain employment today. Our Recovery Act green job training grants have served and are still serving nearly 83,000 workers. Over 51,000 have completed training and of these, 87% have received a credential, such as a certificate or degree. Despite tough economic times, almost 20,000 training completers have now entered new employment with 81% of them in green training-related jobs. It is important to note that of the 83,000 number, almost 39,000 were incumbent workers. We estimate that at least 90% of these workers who received green jobs training retained employment because of the skills upgrades they received, with the remaining workers finding new positions. These were smart investments that are preparing Americans for the clean energy jobs driving our 21st century economy, and it is important to remember that some of the programs will not be finished until 2013. These grants have already helped thousands of people and they continue to help more people every day. This is important because a report last year from the Brookings Institution, in collaboration with the Battelle Technology Partnership Practice, entitled Sizing the Clean Economy: A National and Regional Green Jobs Assessment, estimated that 2.7 million Americans are employed in positions related to the "clean economy." And although much smaller in size than traditional industry sectors, green energy is growing rapidly: these sectors grew at a rate of 8.3% between 2003 and 2010—almost double the growth rate of the overall economy during that time.

I am particularly proud of our partnership, led by our Center for Faith-based and Neighborhood Partnerships, with job clubs and career ministries across the country. While we do not provide any funding to the job clubs, they are a valuable component of the workforce investment system. The personal connections within a congregation or community can help job seekers expand their professional networks and get other support critical to employability. This support includes emotional and even spiritual support through a process that—as anyone who has had to search for a job can attest—can often be isolating and emotionally draining. Employers that have worked with job clubs have successfully met their hiring needs by building trust with job club leaders and members. Through these strategic partnerships, job clubs also offer a nice community complement to the workforce investment system to serve more job seekers in an efficient manner.

I recently visited one of the largest job clubs in the country, the McLean Bible Church Career Network Ministry in Vienna, Virginia. This group draws between 100 and 250 people every Tuesday evening. They have hundreds of success stories from the past two years, including Karen McCann, who showed up at her office one day in December 2010 to learn that her position was being terminated through no fault of her own. She was out of work for nearly nine months. During this time, she attended the ministry to learn how to become a better networker and how to more effectively market her skills and experience. The camaraderie of the group meetings helped her maintain a positive outlook during the job search process. As a result, she landed a new management position with a technology firm.

Chairman Kline, you may be interested to know that in your own Congressional District there are a handful of job clubs hosted by local churches that are providing invaluable support to job seekers—or as the clubs like to call them, people in transition. Last month, we hosted a Job Clubs Symposium at the Temple Israel Synagogue in Minneapolis. One of the panels featured Catherine Byers Breet, who leads the Easter Lutheran Church Job Transition Support Group in Eagan, a model group that is helping a range of individuals get back into the workforce, from dislocated professionals to returning veterans.

The Department also continues to use National Emergency Grants (NEG) to help those communities that have been hit hard by disasters or large layoffs. In 2011, the Department made available over $265 million to 34 states and Puerto Rico. We all remember the devastating impact Hurricane Irene had on the East Coast and Puerto Rico. To help with the clean-up and recovery in these communities, we have made available over $50 million in NEG funding to New Jersey, New York, North Carolina, Pennsylvania, Puerto Rico, and Vermont. I know that there are Members on this Committee whose districts were hit hard and you have my commitment that the Department will continue to work with those communities to provide all the assistance and support we can.

We also all remember the horrific images of the City of Joplin, Missouri after it was hit by a tornado in May of last year. The Department was one of the first agencies on the ground to help the affected families. To date, we have provided almost $20 million in NEG funds to help dislocated workers and support clean-up and humanitarian efforts. Our Occupational Safety and Health Administration (OSHA) personnel were also on the ground to provide vital health and safety advice and guidance to responders. I am proud of the assistance the Department of Labor provided as part of the larger effort to help Joplin rebuild.

Also last year, communities in Illinois, Missouri, Kentucky, and Tennessee felt the impact of storms that spawned several tornadoes. Once again, the Department used nearly $30 million in NEG funds to help families in many of these states. Finally, I hope committee Members from Tennessee are aware of the support the Department is giving to the workers and families affected by the closure of the Goodyear Tire and Rubber Company in Union City. DOL has made available nearly $3.5 million in NEG funds to help nearly 850 job seekers to search for new employment.

Modernizing the Workforce System

The Department believes we can provide a ladder to higher-paying careers for more Americans with the reauthorization of the Workforce Investment Act (WIA). WIA reauthorization presents a unique opportunity to promote innovation in the public workforce system, build on its strengths, and address its challenges. Through the reauthorization process, the public workforce system can be positioned to help even more workers gain a foothold in the middle class by ensuring they have skills to succeed. It also can assist more American businesses by giving them the highly qualified human capital that will help them succeed in the 21st century global economy. WIA has helped many individuals find work during one of our country's most challenging economic times. During Program Year (PY) 2009 and PY 2010, 1.57 million WIA assisted adults and dislocated workers entered employment. In PY 2010, nearly 70% of individuals receiving training services became employed within one quarter after program completion and over 85% retained employment in both the second and third quarters after program completion.

In Congresswoman Foxx's home state of North Carolina, David Waugh experienced the power of WIA programs in helping unemployed workers get back on their feet. After many years in the construction industry, David suddenly found himself unemployed. But through the Jobs Now Program funded by WIA, David reinvented himself as a welder for a machinery manufacturer. He received career counseling and a scholarship through WIA-funded DavidsonWorks in Lexington to study welding and take math and computer courses. When he graduated, David entered an on-the-job training program where he sharpened his skills for his new career. He was subsequently offered a full-time welding job with a local machinery manufacturer and was promoted into a supervisory position with the company. David said the training he received through the program helped define his career path and gave him the skills necessary to succeed.

I remain committed to working with this Committee and Congress to support a bipartisan reauthorization proposal that includes the streamlining of service delivery, one-stop shopping for high quality services, engaging employers on a regional and sectoral level, strengthening accountability, and promoting innovation. The workforce proposals put forth by the President go hand in hand with these principles, and I share the commitment to building a public workforce system for the 21st century that is more efficient and responsive to the challenges of this economy and the labor market. Reforming the workforce system is an important goal, and the Administration seeks to work with the Congress to achieve this goal.

The Department supports establishing "one program, one website, and one place" for workers to receive employment support. We seek to streamline, reform and modernize the way our job training system helps laid off workers get training to transition to new careers. In this increasingly global economy, it will be difficult to distinguish between trade, technology, outsourcing, consumer trends and other economic shifts that cause displacement. Therefore, as mentioned earlier, the FY 2013 budget proposes a universal core set of services to help all displaced workers, including workers who lost jobs in trade-impacted industries, find new jobs. Under the President's proposed Universal Displaced Worker program, up to a million workers a year would receive high-quality job-search assistance, together with access to critical skills training for high-growth and in-demand industries or, for older workers, the option of wage insurance—a significant improvement on the current system.

We also plan to launch a new website and a single phone number that can be used by job seekers and employers to link to all available employment and job training resources. The FY 2013 budget proposes to strengthen One-Stop Career Centers and increase public awareness and use of the public workforce system. This budget request reflects an anticipated uptick in the use of the public workforce system by Post-9/11 veterans returning home and seeking intensive services under the Department of Labor's "Gold Card" initiative, which is discussed in further detail below. For this reason, the President's proposal also calls for the creation of an American Job Center Network to unify all Federally-supported One-Stop Career Centers and electronic resources. We seek to expand access to workforce services by partnering with libraries and other entities to offer more convenient hours, and create better online tools that offer personalized services that reach the unemployed sooner and on a continuous basis. In addition, we propose to extend online and personalized services to better serve employers through our American Job Center Network.

We have also implemented a number of administrative reforms to ensure that the workforce system is able to meet the needs of job seekers and businesses during this economic recovery. These include increasing innovation in workforce service delivery; improving reemployment strategies; strengthening connections between unemployment insurance and the workforce system; promoting industry recognized credential attainment; and making labor market and credential information more accessible to job seekers and employers.

Supporting Our Youth

Our role to support, train, and prepare workers doesn't stop with adults. Our national youth unemployment rate currently stands at 16.5 percent for youth ages 16 to 24. That number is better than the April 2010 peak of 19.6 percent, but it's still unacceptably high. Youth summer unemployment has almost doubled since before the recession. Last July, the youth unemployment rate stood at 17.4 percent compared with 10.5 percent in the summer (July) of 2007.

Minority youth have had an especially difficult time finding summer employment. Last July, the unemployment rate for African American youth was 31 percent and 20.1 percent for Latino youth. Job opportunities are not only important for the youth themselves; in these tough economic times, many young people share their earnings with their families to help them make ends meet.

It is more important than ever that our youth have opportunities that prepare them for the future and that encourage their growth and enrichment. That is why we announced President Obama's Summer Jobs Plus initiative, a call to action for American businesses, nonprofits and government entities to put our young people to work this summer. I've heard from countless employers about the value they have found in hiring young summer workers. These opportunities create lasting personal connections that build loyalty and add value to a company. They help companies build a pipeline of highly qualified local talent—something critical to building strong communities.

In 2009 and 2010, the Recovery Act helped around 368,000 young people to find summer work opportunities. Unfortunately, we have not had additional funding to fully continue this effort. In 2011, I traveled to communities across the country and challenged employers to make a commitment to summer jobs. A number of major corporations, nonprofits, local governments and others signed on and together we opened up 80,000 summer job opportunities for America's youth.

We are building on this momentum in 2012. We have already secured commitments for more than 180,000 positions and our goal is to reach 250,000 work opportunities before the beginning of summer. To help meet that goal, we will soon be launching a Summer Jobs Plus Bank, a one-stop online search tool being built with help from Google, AfterCollege, LinkedIn, and Internships.com. These efforts will allow young people to access opportunities in their local communities.

Our Job Corps program does just that by helping prepare disadvantaged youth for a brighter future. For PY 2010, the last full time period for which we have complete data, 84% of graduates entered employment, the military or enrolled in postsecondary educational training. More than 20,000 students earned a high school diploma or GED and more than 33,000 completed their career technical training and received a Career Technical Training certificate. Since July 2010, Job Corps has opened three new centers in Pinellas, Florida, Milwaukee, Wisconsin, and Ottumwa, Iowa. These centers are already up and running and making a huge difference in the lives of our youth.

As you know, Job Corps also is focused on training and preparing our youth for the jobs of tomorrow. Our new green training programs have resulted in over 29,000 "green graduates" since PY 2009 in fields such as electronic health records, overhead linesman training, weatherization, solar, and smart grid technology. Job Corps also has developed an interim credentialing program with the Office of Apprenticeship designed to provide apprenticeship opportunities to graduates.

We have many Job Corps success stories, but I'd like to share one that may be of interest to Congressman Kildee. In March of last year, Nate Ford graduated from our Flint/Genesee Job Corps Center in Michigan, working through the center's carpentry training area. Through the Work-Based Learning program, Nate worked with a local insulation company, Retrofoam, where he applied his training skills on a daily basis. After graduating from Job Corps, Nate got an internship through AmeriCorps as a youth construction supervisor with Habitat for Humanity. His responsibilities included teaching the youth volunteers about construction basics. He stayed in this position for about 3 months and because his work was exceptional, he was hired full time. He now interviews and instructs new members for different Habitat for Humanity projects.

Our 2013 Budget also proposes reforms to improve the Job Corps program. While most centers meet program standards, some centers have been persistently low-performing based on their educational and employment outcomes, and have remained in the bottom cohort of center performance rankings for many years. Especially in a constrained budget environment, and given the resource intensiveness of the Job Corps model, it is neither possible nor prudent to continue to invest in centers that have historically not served students well. The populations previously served by these Job Corps centers will be eligible to attend higher-performing centers. Job Corps will also make changes to its strategies and approaches based on the findings of program evaluations, strengthen the performance measurement system, and report center-level performance in a more transparent way.

I'd also like to briefly update you on our YouthBuild program. Since 2007, 22,950 participants have been enrolled into the YouthBuild program. Since this time, a total of 7,887 participants have been placed into employment and 12,530 have received an industry-recognized certificate, credential or high school diploma. We expect more positive news as more youth finish their service in the YouthBuild program. We are proud of the success of our youth programs in helping to turn around the lives of youth who face difficult barriers to employment.

Honoring Our Veterans

We also are working hard to do the same for our nation's veterans. We ask so much of our military personnel. They often put their careers on hold, leave their loved ones behind and embark on dangerous missions across the world to protect our daily freedoms.

Our returning service members deserve a hero's welcome and a chance to utilize their unique skills to help rebuild our economy. By promoting priority of service for veterans in the One-Stop Career Center system, we ensure that veterans receive the training and employment assistance they need to obtain good jobs. Our homeless assistance programs help nearly 18,000 veterans in their efforts to reintegrate into the workforce. We provide transition assistance to 144,000 service members and spouses as they move from the military into civilian careers.

The Department of Labor has launched a number of new initiatives in the past year to assist veterans return to the civilian workforce. A new website called My Next Move for Veterans allows our veterans to enter their military occupation code and discover civilian jobs where their skills translate. They can browse more than 900 career options. We have also developed the veterans' "Gold Card," which gives Post-9/11 veterans increased access to six months of intensive job counseling and personalized case management services at one of the approximately 3,000 One-Stop Career Center locations across the country. These services include career assessments, direct referrals to open jobs, interview coaching, resume assistance, and training referrals.

Many veterans have already downloaded the Gold Card since its creation last November, increasing the number and quality of services to veterans over and above the 1.8 million served through the workforce system in PY 2010. Additionally, our Veterans' Employment and Training Service (VETS) has embarked on a number of partnerships to connect veterans with jobs and training. Our partners include the U.S. Chamber of Commerce and the Departments of Defense and Veterans Affairs. We will continue to work with our partners at the federal level and in the private sector to increase employment opportunities for our brave service men and women and their families.

What makes me proud are stories like that of Navy Veteran Glen Williams of Illinois, who has a passion for helping his fellow veterans and especially those like himself, who have a disability. But when he found himself out of work, Glen turned to VETS for assistance. After researching the federal job hiring process and struggling to navigate it, he wrote an email to VETS and asked for assistance to better understand the process and his rights and benefits as a veteran.

VETS worked with Glen to refine his resume and showed him the general protocol on replying to job leads. He received a Linked-In message seeking someone who was familiar with the government, military and human resources recruiting companies, leading him to a position as a disability and military outreach community recruiter. He began the job last year and now works to connect veterans and individuals with disabilities to employment opportunities.

We also are strengthening our enforcement and affirmative action initiatives for veterans. We continue to educate about and enforce the provisions of the Uniformed Services Employment and Reemployment Rights Act and VETS has engaged in an aggressive public outreach campaign, aimed not only at our service men and women, but also at employers, attorneys, and human resources professionals as well. Since the passage of the Veterans' Benefits Improvement Act of 2008, which imposed a 90-day deadline for USERRA case investigations and a 60-day deadline for USERRA case referrals to DOJ or OSC, case processing times have diminished. We attribute this to increased scrutiny on investigative procedures, ensuring that case investigations are completed in a timely manner. VETS' USERRA Quarterly Reports to Congress measure VETS' compliance with the 90- and 60-day investigation and referral time limits, and reflect that VETS continues to meet its deadlines. Additionally, last summer we proposed updates to the Vietnam Era Veterans Readjustment Assistance Act (VEVRAA) that would require federal contractors and subcontractors to conduct more substantive analyses of recruitment and placement actions taken under VEVRAA.

Through our Jobs for Veterans State Grants, last year DOL provided services to nearly 589,000 veterans and 201,000 veterans found jobs. The grants fund two types of veterans' employment specialist positions in the states: (1) the Disabled Veterans' Outreach Program specialist, who provide intensive services to those veterans most in need, and (2) Local Veterans' Employment Representatives, who provide outreach to employers and engage in advocacy efforts to increase employment opportunities for veterans.

An important program aimed at assisting veterans as they transition back into the workforce is the Transition Assistance Program (TAP), which provides Employment Workshops and direct services for separating service members, including members of the National Guard and Reserve. In FY 2011, over 144,000 transitioning service members and spouses attended a TAP employment workshop at one of 272 locations worldwide. VETS has taken steps to provide demobilizing members of the guard and reserve services in the event they are not located near any of the locations where TAP is normally provided. Moreover, our State Directors for Veterans' Employment and Training are part of the planning process when units in their area demobilize. Supporting veterans and their families is part of our larger effort at the Department of Labor to provide equal opportunity for all workers. We also are in the process of completely overhauling TAP for the first time in 19 years to help veterans translate their military experience into full-time civilian employment. The redesign is based on established best practices and will create solutions for a successful transition from military to civilian life. We are now in the midst of deploying the Workshop at pilot sites across the services so that we can refine and finalize this curriculum based on feedback and evaluation.

Progress has also been made in implementing Executive Order 13518, "Employment of Veterans in the Federal Government," signed by President Obama in November 2009. The Executive order created the Veterans Employment Initiative with the goal of helping Federal agencies identify qualified veterans, clarifying the hiring process for veterans seeking employment with the Federal government, and helping them adjust to the civilian work environment once they are hired. Veterans were 28.3 percent of total new hires in the Federal Government in FY 2011 based on preliminary data obtained by the U.S. Office of Personnel Management, which is one of the Department's strategic partners in implementing the initiative. This increase is approximately 4.3 percentage points over the FY 2009 total of 24.0 percent and approximately 2.7 percentage points over the FY 2010 result of 25.6 percent.

Equal Opportunity for All Workers

As we observe Women's History Month, it is important to note that the number of women in the military is growing rapidly. Women are now 20% of recruits, 14% of the current military population, and make up 18% of the National Guard and Reserves. But today, over 12 percent of our Post-9/11 female veterans are unemployed. We can and must do better. The Department of Labor is committed to making sure these women have better access to jobs and job training to help them transition back into the civilian workforce.

Too many women who once proudly wore our uniform now go to sleep in our streets, under our bridges and in vacant homes. The Department is addressing issues that lead to increasing rates of homelessness among women veterans, shedding light on the challenges of homelessness, and creating solutions that bring about positive change. That is why our Women's Bureau hosted a series of "Women-to-Women Stand Downs" around the country for female veterans. In local communities, service providers and businesses came together to provide homeless female veterans with a variety of free services that ranged from employment counseling, job training, housing vouchers, mental health screening, and child care. The Women's Bureau has also created a new online publication entitled "Trauma-Informed Care for Women Veterans Experiencing Homelessness: A Guide for Service Providers." The guide gives service providers—like social workers, mental health practitioners and community organizations—the tools to assess the specific traumas suffered by female veterans and make them conscious of their unique experiences and needs.

Women's History Month also reminds us that almost 50 years after passage of the Equal Pay Act, a stubborn wage gap continues to impact women and their families who rely upon their earnings. On average, women, who now comprise almost half of the workforce and work full-time, still earn only about 80 cents for every dollar a man earns. The gap is even larger for African American women who earn about 70 cents and Hispanic women who earn about 60 cents for each dollar that white males earn. Over a woman's lifetime, this wage gap adds up and grows over time. By age 65, the cumulative gap in earnings can be hundreds of thousands of dollars.

An America built to last is a nation where every man and woman is paid equally for equal work. And while we continue to struggle to achieve that fundamental promise, we are making steady progress in our pursuit. President Obama created the National Equal Pay Task Force, bringing together DOL and other Federal agencies to address this problem in a more coordinated way. Since the Task Force was founded in January 2010, through the end of 2011, DOL's Office of Federal Contract Compliance Programs (OFCCP) has closed 41 compliance evaluations with financial settlements remedying compensation discrimination on the basis of gender and race, totaling $1,547,427 in back pay and salary adjustments to 549 workers.

Multiple agencies within DOL are working hard to help women workers and eliminate the wage gap. We are increasing our enforcement against employers who discriminate, and leveling the playing field for those who follow the law. We have launched a competition to develop a pay equity software application that is intended to educate users about the gender pay gap so that women have the information they need to negotiate better with their employers and to help them identify cases of discrimination. OFCCP is also considering a proposal to collect compensation data with respect to gender, race and national origin from federal contractors and subcontractors. We can't solve the problem of pay inequity until we can see it, count it and put a dollar figure on it.

The Women's Bureau has also been instrumental in this regard. They are developing educational materials for both employers and working women, including information to help employees identify potential wage discrimination and resources to assist employers in complying with all applicable equal pay laws. Recently, they also released a guide entitled "Why Green is Your Color: A Woman's Guide to a Sustainable Career," which is designed to help women find and keep higher paying jobs in the clean energy economy.

We are also working to create more opportunities for workplace flexibility so that workers have more options to help care for their families without being penalized. The labor force has changed significantly during the last few decades, including an increase in the number of working women. The demands of work and personal life, including family care-giving and personal health or education, require that employers adapt to the changing needs of its workers.

Policies that support the realities of work-life balance are critical to workers and to our economy as a whole. Promoting work-life balance, including flexible workplace polices, is one of the many ways the Department of Labor will improve working conditions and promote economic security for all working women.

As the economy begins to recover, we also must ensure it provides opportunities to all Americans who want to work—including people with disabilities. The Office of Disability Employment Policy (ODEP), which celebrated its 10 year anniversary in December, continues to develop and influence disability employment-related policies and practices. The Office helps individuals with disabilities get the tools they need to improve their employment outcomes and helps businesses find talented workers with disabilities.

To assist small businesses—including those in minority communities—access the talent of adults and youth with disabilities, ODEP continues its Add Us In initiative. Through this initiative, ODEP funds eight grantees across the nation to develop innovative models for small business to increase disability hiring. The Disability Employment Initiative (DEI), a joint initiative between ODEP and the Employment and Training Administration (ETA), supports the public workforce system in providing effective integrated employment services to people with disabilities. Funding for this program started in 2010 and last year we provided over $21 million to seven states for the DEI.

Finally, ODEP continues to partner with the Department's Office of Workers' Compensation Programs (OWCP) to help federal workers who are injured or become disabled on the job return to productive employment. Both agencies will continue to support the Protecting Our Workers and Ensuring Reemployment (POWER) Initiative by conducting research to document best practices that get folks back to work safely and as soon as is possible. These efforts on behalf of the disability community are critical—for workers and employers—and we are proud to be making them.

Protecting American Workers

Equally important are the efforts we are making to protect American workers. We know that workers need protection more than ever during difficult economic times. It is in these periods—when workers fear losing their jobs—that they may be more reluctant to complain about unsafe conditions.

Our worker safety and health agencies—the Occupational Safety and Health Administration (OSHA) and the Mine Safety and Health Administration (MSHA)—are on the front lines protecting workers from workplace hazards. Since these agencies were created, we have made significant progress in protecting workers. It is estimated that in 1970 around 14,000 workers were killed on the job compared with more than 4,500 today. But 4,500 workplace deaths and over almost 4 million serious injuries are still far too high. There is still much work to be done.

Year	Workers Killed
1970	14,000
2012	4,500

Almost two years ago, the Upper Big Branch (UBB) disaster, the worst coal mining disaster in 40 years, claimed 29 lives and injured two miners. We pledged to do everything within our power to make sure such a tragedy would never happen again. This deadly explosion shook the foundation of mine safety and caused us all to take a deeper look at the weaknesses in the safety net expected to protect the nation's miners. Our investigation found that this terrible incident was, in fact, preventable. It was the result of intentional and systematic efforts by Massey Energy to avoid compliance with MSHA safety and health standards and regulations. Those 29 miners did not have to die.

We know that the dangers of mining are well documented. But we also know that mining can be both safe and profitable, and the compliance records of many mine operators are a testament to this fact. However, too many mine operators still do not make safety their number one priority, and we need the tools to promptly address mines that disregard the law and put miners in harm's way.

We recently completed our internal review of MSHA's actions at the Upper Big Branch mine prior to the explosion. At the time of the accident, I personally committed to performing the most thorough review ever, and I believe that we did that. The internal review team made a number of recommendations, which we are committed to implementing, for improvements in MSHA's enforcement policies and procedures, training programs, and regulations. Immediately after the tragic accident, Assistant Secretary Main had begun implementation of a number of program improvements at MSHA to make the most of the tools we already have to strengthen miner safety and health.

In April 2010, MSHA began conducting impact inspections across the country, focusing on mines with poor compliance histories or particular compliance concerns. To date, we have conducted more than 400 impact inspections, yielding over 7,000 citations, many for obvious violations of basic and necessary safety standards. As a result, some mine operators have worked to clean up their practices. Unfortunately, some mine operators still choose to blatantly disregard the law. Last December, for example, on an impact inspection at a mine in Kentucky, MSHA issued an imminent danger order when an inspector observed a coal pile 5 feet high and 10 feet wide on fire, just feet away from an unsecured explosives storage magazine.

MSHA Impact Inspections	Citations Issued
400	7,000

Impact inspections alone are not enough to sufficiently address the worst offenders. A number of mine operators seem to believe that citations and the associated fines are simply part of the cost of doing business. In October 2010, MSHA began using new screening criteria for the pattern of violations program to more accurately identify mines with chronic and persistent health and safety violations. Those mines that chronically fail to maintain safe working conditions can be subject to additional sanctions through the pattern of violations process. MSHA has worked to make this process transparent and created an online tool that enables mine operators, miners, the media, and the public to see how a specific mine matches up with the criteria for a potential pattern of violations. To further enhance the use of its available tools, MSHA recently announced a reorganization that will allow it to better manage, support, and coordinate special enforcement actions.

MSHA recently began the third phase of its "Rules to Live By" initiative, using this opportunity to educate miners and mine operators about the most common causes of mining deaths. Some of these problems cannot be addressed without solving the backlog of cases before the Federal Mine Safety and Health Review Commission. Together, the Commission, the Office of the Solicitor and MSHA have been working at reducing the backlog of contested violations. I appreciate the support Congress has shown for these efforts and we will continue to work tirelessly to not just address the current backlog, but to also prevent future backlogs of cases before the Commission.

MSHA's work to protect our nation's miners is a combination of inspections, enforcement, education and improved regulations. Recently, we finalized a rock dust rule that will help prevent coal mine dust explosions. This rule responds to one of the many lessons we have learned in the past two years.

Our efforts are beginning to have an impact. In 2011, we saw the second-lowest numbers of mining deaths since statistics were first recorded in 1911. This was accomplished while employment in the mining sector increased. Several of the larger coal producing states experienced zero mine fatalities in 2011. But 37 fatalities is still 37 too many.

I believe that more can be done to protect workers in our nation's mines. They are the backbone of our economy. No worker should ever have to sacrifice their life for their livelihood. And no family should ever worry whether they will lose their loved one for a paycheck. In order for MSHA personnel to effectively protect miners and prevent another tragedy like Upper Big Branch, we need to be able to deal with the small percentage of mine operators that believe miner injuries, illnesses, and deaths are just part of the cost of doing business. They absorb the "cost" of fines and temporary work stoppages and risk their workers' lives. Thus, I urge you to pass legislation that would provide MSHA with stronger enforcement tools to ensure mine operators meet their responsibility to protect their workers.

We all agree that good jobs should also be safe jobs. OSHA works hard to ensure employers have the knowledge and tools to live up to their responsibility to ensure safe workplaces for their employees. We have seen the results of our hard work. In FY 2011, OSHA set a goal of removing 475,000 workers from hazards—and exceeded it by 20 percent, actually removing over 625,000 workers from hazards through inspections.

However, OSHA only has the ability to reach a small number of workplaces each year. Therefore, the best way to promote safe and healthy workplaces is to ensure that workers can raise concerns to their employers—or to OSHA—about unsafe working conditions without fear of reprisal.

In addition to protecting worker's health and safety rights, the agency has also been given responsibility to administer 20 other whistleblower laws that protect employees. For that reason, over the past year, we have made the improvement in our whistleblower program a top priority.

Responding to recommendations from the Government Accountability Office, DOL's Inspector General and OSHA's own internal study, we have improved training for the investigators, restructured the office to raise its priority within the agency, implemented pilot projects to increase consistency and improve customer service, improved the investigation tracking system, and published a Whistleblower Investigations Manual that provides further guidance and helps ensure consistency and high-quality investigations. The agency has recently hired 25 new investigators and will be further increasing the staff as a result of the increase the program received in the FY 2012 budget.

It is also our duty to help both workers and employers know their rights and responsibilities. We are continuing our active compliance assistance program so that all workers understand the hazards they face and their rights under the law. We are providing that same kind of compliance assistance and education to employers, ensuring they have access to important information and that they understand how to comply with the law.

Additionally, even amidst tough economic times, we are protecting increased levels of funding for our free small business consultation program. This program provides funding to every state so that small employers can call for a free onsite consultation visit without risk of receiving citations. This program provided services to almost 28,000 small businesses during FY 2011, removing over 3.6 million workers from hazards.

Another way OSHA is promoting the culture of safety is by reaching out directly to vulnerable workers. Last year, together with partners around the country, we launched a campaign to educate workers and their employers about the hazards of working outdoors in the heat, spreading the simple message of "water, rest, and shade" in both English and Spanish.

Businesses Receiving Services from Small Business Consultation Program	Workers Removed from Hazards
28,000	3.6 Million

We also know that OSHA inspectors save lives directly. Last year, OSHA's Rick Burns was performing a worksite inspection on a deep, unprotected trench Mercerville, Ohio, when he detected conditions that indicated collapse was imminent. He directed a worker to exit the trench, less than five minutes before the trench collapsed, burying the area where the worker had been with six to seven feet of soil. "The actions of the compliance officer likely saved this worker's life," said David Wilson, assistant area director in the Columbus area office.

OSHA has continued the process of streamlining and simplifying regulations in order to reduce the burden on employers. Under the Standards Improvement Project, OSHA reviews and eliminates outdated and duplicative regulations. The latest rule issued under this project saves employers $43 million annually and eliminates almost 2 million annual hours of paperwork burdens. In addition, the modifications to OSHA's current Hazard Communication rule that will allow it to harmonize with the global system of labeling chemicals will be published soon.

We understand that most employers want to do the right thing and make their workplaces safe. But there are still some who insist on taking shortcuts when it comes to safety. Americans were reminded of that in January 2011 when OSHA cited two companies for the suffocation deaths of three workers in a grain silo. Two of these workers were teenagers—just 14 and 19 years old. These deaths could have been prevented if the employer had followed the law. The American people cannot tolerate such disregard for the lives and health of our citizens. We will continue to aggressively enforce our safety and health laws against those employers who choose shortcuts and profits over people. And we will continue to work with the employers who play by the rules and run safe workplaces. As we continue to advance our progress on the issue of worker protection, we remain committed to securing the incomes and benefits for all workers.

Securing Americans' Incomes and Benefits

The Department of Labor's Employee Benefits Security Administration (EBSA) is continuing this important work to protect the security of retirement and health benefits for America's workers, retirees, and their families through a combination of compliance assistance, regulations, and enforcement.

Recently, EBSA finalized a rule improving the transparency of 401(k) fees to ensure that workers' hard-earned savings are not unwittingly being eroded by undisclosed fees. For the first time, workers will be provided with a simple and comprehensible schedule of what fees apply to what retirement investment options in a way that allows for an easy apples-to-apples comparison. A related effort enhances disclosures to fiduciaries responsible for sponsoring and operating retirement plans about the fees they pay to plan service providers. This will be especially useful to small businesses as they review their 401(k) plans in helping them understand the relative costs of the investment choices they offer their employees.

The agency is also working to enhance the protections that apply when participants and beneficiaries, business owners, and retirement savers in pension plans and IRAs receive advice regarding their retirement investments. Today, more and more individuals are responsible for making their own decisions about how to invest for retirement. As a result, a growing number of individual brokers and businesses are offering financial services, including advice as to what retirement products and services to choose and where retirement assets should be invested.

The financial professionals who offer advice for a fee should be required to place the interests of those they are advising first and avoid conflicts of interest. That's exactly what the law currently provides. However, there are regulatory loopholes that advisers can use to avoid accountability. This is what EBSA's effort to update its fiduciary definition is all about—making sure that those who provide investment advice on retirement savings do so in a way that is unbiased and free from conflicts of interest.

In addition to these critical initiatives, EBSA has had tremendous success in protecting employee benefits through both civil and criminal enforcement actions. EBSA's enforcement and participant assistance efforts achieved total monetary results in FY 2011 of more than $1.3 billion, and EBSA closed 302 criminal investigations. Additionally, EBSA's criminal investigations, as well as its participation in criminal investigations with other law enforcement agencies, led to the indictment of more than 100 people.

Civil Monetary Results FY 2011	Criminal Investigations Closed	Indictments
$1.38 billion	302	100

In 2011, our Benefits Advisors, who provide assistance, and education and outreach for workers, retirees, and their employers, closed more than 230,000 inquiries, helping informally resolve the complaints of 173,164 individuals and recovering over $478 million through informal dispute resolution. We also conducted 1,831 outreach activities reaching more than 155,000 individuals.

Inquiries Closed	230,000
Complaints Resolved	173,164
Money Recovered Through Informal Dispute Resolution	$478 Million
Outreach Activities Conducted	1,831
Individuals Reached	155,000

Recently in New York, a middle-aged woman with breast cancer had her health claims denied because of mistakes made by her husband's former employer and its insurance company. Michelle Khalife, a benefits advisor with EBSA, discovered that the husband routinely had paid for extended health coverage under COBRA. However, the employer's insurer had failed to activate his coverage on time, causing his ill wife to fall under a pre-existing condition exclusion. As the bills mounted, the family approached Khalife for help. Khalife gathered all of the parties in one meeting to hammer out the details, resulting in reinstatement of the woman's coverage, and the insurance company paying the family $42,000 in medical bills.

It can be easy to forget, but in the midst of tough economic times, merely having a job is not always enough. Workers need good jobs that pay fair wages, keep them safe, and provide basic benefits.

The work of the Wage and Hour Division (WHD) is critical to achieving this goal. These investigators are committed not only to informing workers of their rights, but also to informing employers of their responsibilities in the workplace. Detecting and remedying labor violations protects law-abiding employers from unfair competition against those who flout the law and cut corners by paying workers less than they are owed. This commitment on behalf of my staff is important to the success of workers, and the businesses that employ them.

WHD has made great strides in ensuring that workers are respected and that their rights are protected. The Division has also worked to ensure that employers who break the law do not keep an unfair advantage over the vast majority of employers who do play by the rules. Under my leadership the Wage and Hour Division has secured impressive amounts of back wages for workers across the country. This is important, especially as our economy continues to recover.

In FY 2011, Wage and Hour investigators collected more than $220 million in back wages for American workers—the largest amount collected in a single fiscal year in the Division's history. These back wages were collected on behalf of more than 275,000 workers, including nearly 90,000 who had not been paid the minimum wage for all of the hours they had worked. This unprecedented back pay represents the rightful return of hard earned wages to the pockets of America's workers. Further, it means more direct spending on goods and services, stimulating our economy and helping to create new jobs.

Back Wages Collected in FY 2011	$220 Million
Number of Workers Impacted	275,000

Much of this impact is felt at the local level. When an employer in your district violates the Fair Labor Standards Act by not paying the required minimum wage or overtime, that employer is taking money out of the pockets of your constituents. Consider that WHD was able to recoup over $45 million in back wages for over 40,000 workers in the state of New York since 2009. In North Carolina, WHD's work on over 2,600 cases resulted in nearly 23,000 workers receiving $18 million in back wages. And, under this Administration's tenure, WHD has recouped nearly $600 million in back wages in over 85,000 cases—impacting more than 720,000 workers nationwide.

Total Back Wages Collected 2009-2012	$600 Million
Total Number of Workers Impacted	720,000

I want to make it clear that our work is about more than just the numbers. It is driven by a passion for the people we seek to help every single day. Because much our focus is on low wage and vulnerable workers, the amount we collect per individual may seem small, but it can—and does—make all the difference for that worker and his or her family.

For example, a cable installer in Minnesota had been paid less than minimum wage by his employer. This worker was facing foreclosure of his home, but one of our investigations resulted in him receiving $3,000 in back wages, allowing him to pay his mortgage and keep his home. And after an investigation in South Dakota recouped $5,500 for a construction worker, he and his wife were able to buy back the wedding rings they had pawned in order to pay rent and avoid eviction.

Beyond the agency's enforcement efforts, WHD has undertaken a number of important initiatives and rulemakings to protect workers and employers. We have proposed a rule that would expand military family leave provisions under the Family and Medical Leave Act (FMLA) and incorporate a special eligibility provision that would ensure the eligibility of flight crew employees. All interested parties are invited to review and submit written comments on the proposed rule. We also have a proposed rule under Fair Labor Standards Act (FLSA) that would extend minimum wage and overtime protections to many of the nearly two million in-home caregivers across America—protections that are currently denied.

Protecting youth on the job and enforcement of our child labor laws has always been a top priority of mine. After issuing a Final Rule in 2010 designed to protect youth employed in nonagricultural occupations, the WHD began work on updating and revising the safety requirements for young workers employed in agriculture.

The Department has engaged federal and state agencies in an effort to end the practice of misclassifying employees as independent contractors. Improperly classifying workers deprives those employees of many of the rights and benefits they are legally entitled to, including the minimum wage and overtime and makes it difficult for law-abiding employers to compete. We have signed Memorandums of Understanding with the Internal Revenue Service that will allow us to share information with them about our enforcement efforts, and also with thirteen state labor agencies, from Minnesota to Massachusetts and California to Hawaii, that will allow us to share information and coordinate misclassification enforcement. All of these efforts will help the Department of Labor protect workers and level the playing field for the vast majority of responsible employers who are playing by the rules.

Increasing Effectiveness and Accountability

To create an economy that is built to last, we have to do more to live within our means and restore fiscal accountability and responsibility. This means increasing the effectiveness of our current programs and investing in innovation for the future. We are building evaluation into everything we do, which helps ensure accountability and efficiency. We have performance measures for every agency, which were in many cases non-existent prior to my arrival. This tracking allows us to know how each agency is performing against its goals and what we can do to best allocate our resources.

We continue to invest in the Department's Chief Evaluation Office, which is working to implement, manage and coordinate the Department's evaluations. This investment provides the Department with valuable intelligence about strategies and approaches that work for the benefit of all America's workforce. Through this effort, we are supporting the Administration's goal of building a transparent, high-performance government.

Our Chief Evaluation Office is working jointly with our Chief Economist's Office to create a centralized website on the evidence-based best practices. Many evaluations exist that inform us about which programs work, but the information is dispersed and does not always reach policy makers and practitioners. Readily available information will allow us all to make better-informed decisions.

Thanks to Congress's support, we have made available approximately $98.5 million through the Workforce Innovation Fund to invest in projects that demonstrate and evaluate innovative workforce investment strategies, particularly to serve vulnerable populations. We look forward to a new Workforce Innovation Fund competition in FY 2013. The mission of the public workforce system is to find good jobs for everyone. These grants will significantly enhance the capacity of our public workforce system by identifying, evaluating and expanding successful programs. In addition to providing technical assistance to grantees throughout the life of the grants, the Department will share program evaluation results and best practices with both grantees and stakeholders in workforce, education, and human services systems.

We are also well underway into an evaluation of the WIA Adult and Dislocated Worker programs. Previous, non-experimental studies show that reemployment services and training provided through WIA increases employment and earnings after participation in this program, especially for adults. However, this random assignment evaluation will help us ascertain the impact and cost-effectiveness of WIA programs for the individuals we serve. The evaluation is beginning enrollment of participants at selected sites and we expect final results in 2017 with an interim report in 2016. Ultimately, this information will help us minimize duplication and maximize efficiency. I know these are goals upon which we can all agree and I sincerely hope we can work together to make improvements where they are needed.

Conclusion

We are on the right track and we believe the programs and policies of the Department of Labor are making a difference for American families. The economy is improving and we are seeing broad employment gains. But we cannot stop now. We must continue to innovate and build upon what we know works, because we will not be satisfied until every American who wants work can find a job. Creating an economy built to last requires good jobs that pay well, fair and safe workplaces for our workers, a level playing field for businesses, and help for American workers to provide for their families and keep the pay and benefits they earn.

The President has put forward proposals that invest in our country and will help prepare Americans with the skills they need today, for the jobs of tomorrow. Together, we can accomplish our goals for our country by moving forward on these common sense measures that ensure good jobs for American workers. We will not always agree on how we get there, but we cannot delay action on important initiatives that will keep our economy growing and our nation moving in the right direction.

Thank you again for inviting me today. I am happy to respond to any questions that you may have.

Chairman KLINE. Thank you, Madam Secretary.

We will go on the 5-minute clock now, my colleagues. I announce that in a futile effort to—every time.

Madam Secretary, I appreciated you talking about the importance of protecting the rights of workers, but picking up where we were last year in your hearing, I would like to talk for just a minute about the Office of Labor Management Standards. As you know, Madam Secretary, it is the only federal agency responsible for establishing safeguards for union democracy and union financial integrity. You didn't mention it in your written testimony or oral testimony—I missed it.

We have kibitzing going on up here. I am sorry.

The number of enforcement personnel at OLMS is now down to its lowest level in 10 years. Since fiscal year 2008 OLMS's staffing level has dropped by 27 percent. In fact, OLMS is the only enforcement agency at DOL to decrease enforcement staff under this administration.

Last year you explained OLMS's staffing decrease by referring to OLMS as a, quote—"leaner, meaner machine," that is capable of doing more with less. But this Office of Labor Management Standards, under this administration, is actually trying to do less.

The fiscal year 2013 goals, which they have set for themselves, will have OLMS investigating fewer delinquent and deficient financial integrity reports and conducting fewer compliance audits than it did in the past. How do you explain that?

Secretary SOLIS. Mr. Chairman, I did make that statement the last time I was here because we also were looking at changes in our budget, but I remain committed to fully supporting the role of OLMS, and we know that historically they have had a strong enforcement record. And if you look at our figures from 2007 and 2010 and compare them to 2011 we have actually done more work in terms of indictment, and also in convictions and election investigations. We have fewer people on the ground but we are being more strategic in our work.

And I would say that in the past, in fiscal year 2011 we proposed an increase for OLMS. Not only did Congress not approve the increase, but two cuts in the C.R. reduced funding for the agency. So much of that occurred outside of my control.

But nevertheless, I do remain committed. We continue to investigate where there are abuses that occur with collective bargaining, and especially in the area of elections. I have to tell you that that is probably one of the most exciting parts of what I am seeing happening right now with OLMS, where we are going in and actually investigating where there have been corruption or typical, say, fraudulent activities occurring when elections occur at particular union sites. And that is something that we can be proud of and it is because we are using the taxpayer dollars more effectively.

So I would say that overall, while you can see that our budget has decreased our commitment to these investigations has not deterred what our enforcement capabilities are. We are trying to do the best we can.

Chairman KLINE. I thank you for the answer and I appreciate your attention to establishing safeguards for union democracy and for elections. But union financial integrity is also important, too. You are the organization that makes sure that those dollars are being watched and safeguarded. There is nobody else, really, that is doing that.

And we know that many, many union leaders are behaving perfectly well, like many, many, and most employers are behaving perfectly well, but not all of them do. And so it is important that these workers—these union workers—have the visibility and the transparency.

So I would appreciate your attention to that, and I can assure you, of course, we will continue to watch that closely because this is the only place where we have got that. And so I am concerned when you have a decrease, and I am always for leaner and meaner—leaner and meaner as we go forward in these tough budgetary times. But it is really, really important, I think, to those workers that somebody there is looking out for them.

And then I have one more question—going to have to answer it quickly. You addressed it, but I just—I am still confused by the approach towards job training where you mention we are trying to go to renaming, apparently——

Secretary SOLIS. Rebranding.

Chairman KLINE [continuing]. Rebranding. I am not exactly sure why that is necessary, but we are rebranding and trying to refocus, and yet it seems to me like we are not really reducing programs and we are spending a lot more money. I would like to hope that we are making this effort simpler, and I am looking forward to working with my colleagues here and, frankly, Madam Secretary, with the department as we go forward in the WIA reauthorization and looking at how we get out these 47, or 48, or 49, or maybe it is 50 now, different job training programs and try to make that more effective.

And I see my time has expired, and because I am going to insist that others stay within the time I will now yield to Mr. Miller.

Mr. MILLER. I was going to ask unanimous consent that you have an additional minute or whatever. [Laughter.]

Chairman KLINE. I would object.

Mr. MILLER. But you would object. I figured that you would probably object, so——

Welcome, Madam Secretary, to the committee, and thank you for your service on behalf of working men and women and their families in our country. To follow up on the discussion here on going forward on worker training programs and the reauthorization of WIA, my—one of my district offices is right next to our veterans service center and I spend a lot of time talking with veterans as they come and visit that center, and employment obviously continues to be a big problem with respect to our returning veterans—and veterans more general, especially those who are returning and transitioning back to civilian life.

And concerns have been expressed by my local veteran service agencies and—by Disabled American Veterans and the American Legion on the questions of the consolidation that are reflected in Ms. Foxx's bill. And again, we are trying to streamline these programs and we are trying to consolidate them in a manner that is rational, but we know that there are hard to serve populations and that—we have disproportionate number of people that are unemployed in those populations. And I just wonder if you could speak to that so that we can continue to focus the necessary resources and attention on our returning vets.

Secretary SOLIS. Well, the whole issue of dealing with the vets is very complicated because we are also dealing with trying to provide service to a military that are still enlisted, so we have a program that you are aware of called the TAP program, the Transition Assistance Program. We are revamping that; we are trying to make it more efficient so that we can actually capture those individuals before they leave so they understand where the one-stop centers are where case management will be available. If they have issues—post-traumatic stress—or if they are at risk of becoming homeless because they may not secure employment, we want to provide them readily—them and their families—with this kind of information.

With the whole rebranding of our one-stops, our WIA program, we want to make sure that everybody understands that regardless of where you go city to city or state to state you know what a one-stop center is supposed to do, and that is why the president has urged us to rebrand and put a name on where you can go and shop for a job, find assistance—counseling that you might need, resume writing, and hook up with employers so you can identify where that job place is at. So that is the rebranding part of it, but it is also part of what we do with veterans.

Now, if we were to look at proposals that would somehow consolidate these programs and cut them back because they would be block-granted, there would be fallout because many of these programs are identifying certain populations with different needs, and while we have programs that deal with homeless veterans we also have the WIA workforce investment programs that deal with veterans that are coming from their communities, so they are not necessarily homeless but we have different entry points for them, and especially for homeless veterans. And that number continues to go up, and with respect to women veterans and homeless women veterans it is astronomical. And we are barely, in my opinion, touching the tip of the iceberg there, but we have attempted to try to bring these programs to work to consolidate and to provide better standards of efficiency, and I think that is where we are going in our budget.

We know we have to do a better job of employment placement, and that is why we are working aggressively with the chamber of commerces. We have already done 100, I think, over 100 fairs with the national and local chamber of commerces and we want to do more. That is why the president is asking us to also set aside new tools, one of them called the Gold Card Standard, that would allow for any veteran that is coming out of war to be able to utilize 6 months of intensive services. That is unprecedented and we know that the success rate for those veterans is much higher when they have the ability to receive those services and they don't fall out of the system. They get assessments, diagnostic treatment, and whatever they need.

Mr. MILLER. Thank you. Just if you could quickly, in the time remaining—and I have seen some of this consolidation driven by the economy and budget cuts that—in one of my counties, where I think it is a much more efficient office than it was before, in fact, because people are now in a central location, they are—the specialists are talking back and forth across——

Secretary SOLIS. Right.

Mr. MILLER [continuing]. You know, to help these populations.

But the other question I have is this constant discussion in the nation about the mismatch of jobs available but skills not in that geographical location, apparently, and we see different publications—in my own area it would be machine tool operators would be in short supply in Northern California.

Secretary SOLIS. And I believe that some proposals from WIA that you all are working on that I have seen recently and also in the Senate are addressing the issues of sectors and looking at how we can better identify sectors regionally so that we can focus our dollars in retraining individuals that match up with those manufacturers and businesses that are there or that want to locate in an area, and that—and Silicone Valley is a very good example of that. Out in Florida we have NASA but we also have a good group of individuals there who are going to be transitioning. We have got to find out what other manufacturing or scientific industries we can begin to grow.

And that is what we are doing with—we are doing that right now with the TAA Community College Fund. That is why that is so important. That is why they are—also the renaming of the community college career program overall, I believe, we have learned some great things with the TAA community college program but we know we can build it out.

We are hearing very, very positive feedback from businesses and entrepreneurs because they have told me, “Hilda, Secretary Solis, we don’t necessarily need a Ph.D. or we don’t need someone with a master’s. What we need is a technician. We need someone who can get a 1-or 2-year credential at a community college that we can train. They can be trained even on our assembly floor or in our lab and then also get that certificate and move up creating, then, another slot for someone new to come in.” And I have seen it; I have heard it as I have traveled around the country.

These are positive gains that we have seen and I am sure that—I would be happy to share a lot of that through my ETA program, our assistant secretary who is here, Jane Oates, right behind me to help fill you in on what other opportunities there are.

Chairman KLINE. Gentleman’s time has, indeed, expired.

Mrs. Biggert?

Mrs. BIGGERT. Thank you, Mr. Chairman.

And thank you for being here, Madam Secretary. And thank you for withdrawing the fiduciary rule. I appreciate it.

And to that end, you have solicited, I know, a significant amount of information from the investments sector, and I have heard from various industry groups that compiling the data that you have requested can be a very labor intensive process and there is the fact that it could compromise investor privacy. So is it really possible for the firms to retrieve this data? I know that it was very broad and they are not exactly sure what was supposed to be within it, and are you concerned that the investor privacy could be compromised?

Secretary SOLIS. Well, thank you, Congressman Biggert. I know that we have heard much from the community, from the Congress as well, and we have taken note of that and that is why we are reproposing this particular regulation, and we do require more information. In fact, we asked particular groups that were involved in collecting data and when we asked them to provide that information they have been reluctant in giving us that information. And it is not as though, in my opinion, that we would be somehow——

Mrs. BIGGERT. Well, I think that you had a——

Secretary SOLIS [continuing]. Abusing—abusing——

Mrs. BIGGERT [continuing]. There was a meeting with the EBSA, and—to go over what—what the data was supposed to be and wanted assurance that the participant confidentiality would be looked at.

Secretary SOLIS. We certainly would be happy to continue our conversations, and my assistant secretary, Phyllis Borzi, is actually doing a lot now since I think I last came to this committee to actually get more information from the industry, to actually talk to individual stakeholders and really try to get the most competent, more efficient information as soon as possible. But I will say that we did attempt to work with a consulting firm—you probably know the firm, Oliver Wyman—and they were reluctant in passing along some information, and I understand they were actually doing a study on this rule.

Mrs. BIGGERT. Right. Well, Assistant Secretary Borzi has indicated that the reproposal now—is going to be issued in May?

Secretary SOLIS. At this time we are still collecting data, so I am not quite sure what she meant, but I can certainly get back to you on that.

Mrs. BIGGERT. Okay. She also said that it is—that they will seek to greatly expand liability for the companies that provide services to IRAs and pension plans?

Secretary SOLIS. I would only tell you that one of the things that we are looking at in terms of the rule is to make sure that we have a balance and that individuals understand that when they seed information and advice that it—that there is a difference when someone has a conflict of interest and they are making suggestions and informing individuals, and there is, how could I say, a clear line that someone is getting advantage because they are giving information and there is a conflict, then we do have—we do have an issue, and that is why we are looking at this rule in that manner. But we are collecting more data and we would be happy to sit down with you further and with any individuals that you think that we have somehow missed in our discussions with stakeholders.

Mrs. BIGGERT. I would appreciate that.

And then, it is my understanding that the SEC intends to issue a request for information in the coming months to ensure close coordination with the investment community as they work to comply with Section 913 of Dodd-Frank, so we are kind of back to where we were in the beginning. Do you plan to coordinate with the SEC as you work——

Secretary SOLIS. Absolutely.

Mrs. BIGGERT [continuing]. Towards the——

Secretary SOLIS. Yes. Yes.

Mrs. BIGGERT [continuing]. Reproposed rule?

Secretary SOLIS. Absolutely.

Mrs. BIGGERT. Do you plan to incorporate SEC's RFI findings into your proposal?

Secretary SOLIS. Well, I think at the appropriate time we will have those meetings with my assistant secretary and representatives not only from the SEC but also with the CFTC, as well.

Mrs. BIGGERT. Well, you have issued joint RFIs before with the Treasury Department. In order to ensure there is no misunderstanding about the degree to which your department is working with the SEC would you consider a joint RFI with the SEC?

Secretary SOLIS. If it is a practice that we have used in the past I don't see why we would deviate, so I know that those consultations will be occurring.

Mrs. BIGGERT. And you would put it into a joint RFI?

Secretary SOLIS. I couldn't say at this point because I don't have all that material and, you know, we are currently in this process so I know I can only speak on this issue with limitation because of the Administrative Procedures Act.

Mrs. BIGGERT. In just a minute that I have, could you tell us how the new proposed regulation will be significantly different from the one that you——

Secretary SOLIS. Well, since we are in the rulemaking process I am not privileged to be able to get into all those details, but I would be happy to, after a point, be able to either sit down with you myself or have—my assistant secretary is more appropriately informed on this issue.

Mrs. BIGGERT. Thank you so much. I yield back.

Secretary SOLIS. Thank you.

Chairman KLINE. Mr. Kildee?

Mr. KILDEE. Thank you, Mr. Chairman.

Secretary Solis, it is good to have you back here. You mentioned the Job Corps. I am very proud of the Job Corps facility we have in Flint, Michigan. It is one of the state-of-the-art Job Corps. We have a child care center, where many women who ordinarily would find it very difficult to get further training naturally come and live there with their children in an up-to-date child care center that meets all the criteria that the state of Michigan requires for such child care centers. So it has really changed people's lives. You mentioned Nate Ford.

Nate, are you—can you just—stand up, Nate.

Now, Nate illustrates that these are not just numbers.

Thank you, Nate. Thank you very much.

These are real people whose lives have been changed, and I often go down to the graduations for the—at the Job Corps, and you find a great deal of happiness, and joy, and expectation, hope because they have picked up skills—specific skills in welding, and electrical, food service, and still just in work habits that the Job Corps does. The truck plant in Flint, Michigan now has a third shift going. We haven't had a third shift going at that plant in most people's memory—my memory, I go back a long time, 82 years, but it is—and they need skilled people.

The day used to be that you could graduate—or quit school on a Wednesday in Flint and go to work for General Motors on Thursday. Those days are gone forever. You need skills, and those skills—one good thing about the Job Corps is that the flexibility is there, what the need may be, what skills might be needed in that area served by that Job Corps or in our country, that you aren't static; you are dynamic, and I really appreciate that very much.

And what more can we be doing with the Job Corps to really reach more people and touch more skills?

Secretary SOLIS. Congressman Kildee, you hit it right on the nose. It is about getting—drilling down on providing better training either through apprenticeships, also that are offered at the Job Corps programs, or credentialing—better credentialing. And what that means is that the Job Corps programs also have to enlist the support of local employers and making sure that those connections are there, but not just employers but also the communities where they are fixed, because they also provide jobs for people who live in those communities.

So there are many valuable things that are learned that can be ingrained, and obviously this young man here is obviously doing great work now, but there are so many that are still attempting to try to find exactly where they are going to be best suited. And that is the good thing about Job Corps, because it allows you to go through a series of training that can last anywhere from 6 weeks to 6 months, but nevertheless, in a 2-year period you can gain credentials as you start to move around at that center, so you may start out interested in being a truck driver or getting a license to do that but you may end up soon looking at what transportation jobs are available, say, with the local state department of transportation, or TSA, or any other entities that involve transportation security.

I have seen that work effectively. I have also seen a new emergence in areas like I.T. and health care, so now we are also training up people in ambulatory care for health. That is the area that continues to grow, whether it is a pharmacist assistant, LPN, nursing, looking at some higher placed areas that are going to provide a better wage for these individuals, because many of them do have children. Some are parents—single parents; some have obligations.

And it is really intriguing to me, when I get a chance to go out to visit the Job Corps centers—I think I have spent the most time of any secretary that I know of at the Department of Labor that has visited most of her Job Corps centers. I think I could say that with the exception of maybe Alaska and Hawaii; I have not been to those places. But genuinely visiting even the chairman's state, I have had the luxury of meeting many of our Job Corps students as well as our YouthBuild students.

And I am really excited that we are focusing in on renewable energy. So that is another part. It is conservation; it is restoration of housing, commercial buildings. I have also seen the diversity factor because you see a lot of diversity in terms of our student population.

Mr. KILDEE. Thank you, Madam Secretary. You know, what I have noted, too, sometimes someone will go to Job Corps just to get some good work skills and very often will find their vocation there. And there is a—they see so many other things going on that they really find themselves and find a vocation. So that flexibility you find in the Job Corps is very——

Chairman KLINE. The gentleman's time has expired.

Mr. KILDEE. Thank you, Mr. Chairman.

Chairman KLINE. Mr. Thompson, you are recognized.

Mr. THOMPSON. Thank you. Thank you, Chairman.

Madam Secretary, thanks for—it is good to see you again. Thanks for being here.

I know, you know, I appreciate you being here because I know you must—you are busy, and one of the reasons I know that because I think the last—first time you were here I had posed a question on project labor agreements that I want to address here first and it took 14 months to get a response. So I attributed that to a very busy schedule.

February 2010 I asked you about a project labor agreement imposed on construction of a Job Corps center in Manchester, New Hampshire, and I asked why the bid process was mysteriously canceled in November 2009, and you indicated—the department followed up with my office—2011, a year later, you were here for an annual budget hearing and still I hadn't heard back and you agreed to provide an answer in writing, and I always say, better late than never. I finally did receive a response 395 days after the initial request.

Now, the administration contends that project labor agreements control cost and the president put forth an executive order encouraging PLAs. However, in areas like New Hampshire or my state of Pennsylvania this removes about 85 percent of the eligible firms from bidding on those projects—firms that, frankly, provide some really great jobs.

Now, I learned from your response that the department was taking time to reevaluate PLAs, so we fast-forward to 2012, the Job Corps center in Manchester has gone to bid again with another PLA. Now, this is another 2 years later—2 years that could have been a prime employment opportunity for hundreds of workers. Now, I don't represent the Granite State, but I don't want to see this happen nationwide.

The president said in his State of the Union that he wants to reduce red tape. Well I ask, then, is the Department of Labor just flirting with the idea of job creation or has the administration learned something from New Hampshire and begun to reconsider the executive orders on project labor agreements?

Secretary SOLIS. Thank you, Congressman Thompson, and I apologize if we did not get back to you in a timely manner, but this has been a area of, obviously, great concern to the Department of Labor, and while we are speaking right now you must know that there has been a bid protest filed with the GAO on the New Hampshire solicitation, so I am awaiting a determination on the protest by GAO right now. So I can't go into much detail because I am precluded while this investigation is ongoing.

But I will tell you that the reason for looking at the PLA to begin with was we had a study—an extensive study—done. As you know, you laid out the course of what happened initially, and so we withdrew the first proposal that went out there and then we did our study and we looked at how this possibly could be redone, and we put it out again, and now as a result we have a—contest—protest bid at this time. So I can't get into much detail.

But nothing could be further from the truth that I want to see jobs created. I want to see that these actually two centers that we are looking at—Manchester as well as in Wyoming—that we continue because they add to the local economy. There are local hires, obviously; there is staff that is brought in. And then the service that is provided there for the long term are all valuable. So I certainly want to see how we effectively use our tools.

But also, when the president has asked us to look at these projects that are over a certain amount of money then I am also responsible for carrying out and implementing his policies, and obviously wanting to keep in mind and be mindful of the welfare of those treasury funds that I am able to apply. So yes, we look at these things very seriously. We want to also help the local community in their economic development because any time that we put together a project or proposal that goes out we obviously want to help locals obtain those jobs because we know we are in a very tough market.

Mr. THOMPSON. Right. Though, I have to say, I am just—I am appalled by the president's policies who—you know, we have almost 14 million Americans who are unemployed, and yet at, you know, just the little bit of narrative I offered there, the president seems to be concerned about creating union jobs. But we should be just creating jobs, and then if unions are involved that is great in an open and free market of bidding and getting the best return on investment for the precious taxpayer dollar.

I have a data question just real quick, because my time is just about out: There is 8 percent—over 8 percent unemployment, 14 million Americans, yet a lot of employers I talk with have good-paying jobs that are sitting open, and largely because of what I call the skills gap. You know, they can't find qualified and trained employees.

Does the Department of Labor have data—do you collect data on the number of jobs that employers have been unable to fill with a qualified and trained worker?

Secretary SOLIS. Well, you know, the information that we do get obviously changes and fluctuates but we do know that there are a number of jobs that are out there, and as I said earlier, there are a number of employers who are saying that there is a mismatch.

Mr. THOMPSON. But do you collect that data?

Chairman KLINE. Sorry. The gentleman's time has expired and we will—I am sure we will ferret out the answer to that here——

Mr. THOMPSON. Actually, I would just ask for a response——

Chairman KLINE. For the record?

Mr. Andrews?

Mr. ANDREWS. Thank you, Mr. Chairman.

Thank you, Madam Secretary. Welcome home. Thank you for the role that you played in turning around a situation where from the bottom of the recession the nation's employers have created 3.9 million private sector jobs, most of which, I would note, are not union jobs, and we appreciate your role in that.

I want to walk through some of the criticisms we have heard about your department and the administration this morning and then look at the facts. We have heard about the explosion of federal spending. My understanding is that the budget you proposed this year is lower than the budget that you operated under last year, that you had $10.673 billion last year, it is $10.4 billion this year, so your proposal is $273 million less than last year. Is that correct—that you are going to be operating under?

Secretary SOLIS. Yes.

Mr. ANDREWS. We appreciate that example that you are setting.

We have heard some criticism about the Office of Labor Management Standards. My understanding is that in a budget where you propose a $273 million overall cut in your budget you have proposed a nearly half million dollar increase in the budget of the Office of Labor Management Standards. Is that right?

Secretary SOLIS. I don't have that in front of me, but I am sure—I am certain the figure is correct because we have made——

Mr. ANDREWS. And my understanding is that Congress gave you less money than you asked for last year in that category by the time the appropriations were done. Am I correct about that?

Secretary SOLIS. Yes.

Mr. ANDREWS. I also see that the activities of the office have been rather substantial. My understanding is there were 321 criminal investigations launched by that office last year, 461 union audits, and combining 155 investigation of union elections. Is that reflective of the activities of the office?

Secretary SOLIS. I have that information in front of me that I read off to you.

Mr. ANDREWS. Yes.

Secretary SOLIS. Our numbers have, I think, overall improved, and in areas of election investigations, where there was—there had tended to be fraud, we have actually upped that significantly.

Mr. ANDREWS. And my understanding is that the criminal investigations are actually greater than that of the administration that came in before you.

I know one thing that you haven't done. There have been a lot of legends floating around about the proposed youth agricultural rules that you proposed earlier and have since withdrawn and are reconsidering, and I know that what you have focused on there is the issue of the disproportionate number of young people dying in work-related injuries on farms.

My understanding is that if you look at work-related fatalities for workers between the ages of 15 and 18 that in 2010 53 percent of the young people who died on the job died in agriculture, but a—obviously a much lower number of young people employed are in that field. Is it correct that a disproportionate number of fatalities for teenage employers come in agriculture relative to other occupations?

Secretary SOLIS. Well, the figures that you are citing are accurate, and that is why we are moving in the direction of trying to provide more protection, because as you know, back in 2009 15,012 children were injured on farms, and I am not talking about just—we are talking about serious injuries and a cost to the industry overall——

Mr. ANDREWS. I know what you are not talking about is, you know, battery-powered screwdrivers.

Secretary SOLIS. Right.

Mr. ANDREWS. Or abolishing 4-H programs. Am I correct about that?

Secretary SOLIS. Absolutely.

Mr. ANDREWS. Those are wild exaggerations and inaccurate.

The other thing I wanted to say is that—and I thank our friend from Illinois for pointing this out—one of the so-called job killing regulations that was under consideration was the new fiduciary rules. Now, I think there were many good things in those rules. I would like to see them revisited.

But you withdrew that, didn't you, and you are reconsidering it because what you heard from industry?

Secretary SOLIS. Right.

Mr. ANDREWS. And why did you do that?

Secretary SOLIS. We received a number of comments and letters from the House and from members of the Senate, and obviously from the community and stakeholders, and we are looking to see how we can actually create a better process. But we don't want to be rushed, also, into a situation where we are not actually doing our due diligence.

Mr. ANDREWS. And then finally, I am glad we share this commitment to job training. I know it is sincere and important.

Across the building today the Budget Committee is marking up a Republican budget that has a 48 percent cut by one measure in job training funds. What do you think that would do to the economic recovery?

Secretary SOLIS. I haven't actually reviewed everything, but what I have seen so far and read in the press I know that it would have a devastating effect in terms of the vulnerable populations that we spoke about earlier—veterans, obviously, dislocated workers, and youth. And in particular, it would have an impact in terms of our ability to even conduct our enforcement efforts. So literally pulling back on some of the gains that we have made in the last 3 years.

Mr. ANDREWS. Thank you——

Chairman KLINE. Gentleman's time has expired.

Dr. Roe?

Mr. ROE. I thank the chairman, and I also thank the secretary for being here. And I want to associate with your remarks about Don Payne. I very much appreciate it and I associate myself with those remarks.

And just a couple of things. I was reading your testimony, and it—just a source of a little irritation for me was that we created over 2 million private sector jobs. I would say that the private sector employers did that and took risks, as I did as a private employer, to go out and borrow money and create jobs. So just a point—maybe you didn't mean that the government did. The government didn't create those jobs; private entrepreneurs like myself went out and took the risk and signed their name to a note, and entrepreneurs did that. So just a comment.

On regulation—and I am going to just mention these just as a, again, a private business person. I visited a surface silicon mine and they got a MSHA ding for a toaster plug—two-prong plug instead of a three-prong—nobody feels any safer in that mine because of that. A friend of mine—a very good friend of mine—had an OSHA ding because he had to stop building a bridge across a river because he didn't have a boat in the river, and of course, as you know, you are tethered to a cable when you are working on there and a climbing harness, and the only problem with it was if you would have fallen in this river you would have died on the rocks because the river wasn't as deep. So he had to stop, go buy a boat, drag it across the rocks, tie it off to a tree, and then go back to work.

I can go on and on and on about just OSHA things that I have seen that just—that don't make workers any safer. Clearly you want a safe work place, but when you get that kind of minutia it is—I have seen a ding with a hand sanitizer being out of date.

Well, the active ingredient in hand sanitizers is alcohol, and from the state of Tennessee where I am from usually it gets better with age, not worse, so——

[Laughter.]

Just a comment.

Very quick comments on the veterans. On the HUD-VASH vouchers one of the holdup on those—because I am on the Veterans Affairs Committee—is the number of caseworkers, so that is holding it up some for you all. I know Mr. Miller made a point about that and the V.A. is trying to get those caseworkers. We have the vouchers; it is to get the caseworkers to manage the cases for the homeless veterans.

I would like to—and one final comment: I certainly wish the Department of Labor had come along with those farm things when I was raised on a farm because I might have avoided a lot of work when I was a kid. I think that is maybe meddling beyond comprehension when you are on a family farm and that is how those folks—you start out as a child feeding the animals, cultivating the property, driving machinery. I learned how to drive on a farm when I was 10 and 11 years old. So I think you need to really relook that family farms are struggling today to survive and you may make it impossible with these regulations for them to survive.

I want to go back to Mrs. Biggert and the fiduciary rule. I served as a—on our—in our medical practice as the—in the retirement part, the pension part. With the fiduciary rule, what problem with small investors are you trying to fix? Because it is not clear to me—and the chairman and I wrote you a letter, and I am going to go through all of the incredible amount of material that your department asked for from private industry. So what problem are we trying to fix?

I understand the big banking crisis and all that, but with small investors—like my daughter just got a small IRA in her first job—what problem are you fixing?

Secretary SOLIS. Congressman, what we are looking at in that particular rule is protecting the retirement savings for Americans overall. The law currently says that if a person provides investment advice for a fee then that advice has to be unbiased. And what we have found is that there have been conflicts of interest so we are trying to clarify that.

So if someone is also gaining some type of fund or making money because they are giving advice then that is a particular category——

Mr. ROE. But here I have got these pages—I mean, I would be worried about just, for myself personally, I have an IRA, and the amount of information—personal information—you have asked for—and it is pages of things here, and you have seen it. I mean, you know what it is. Why do you need that?

Secretary SOLIS. Well, I will tell you. Unfortunately, we do, through EBSA, our Employees Benefits Security Administration, get cases where individuals were being told where to make investments and were misled and their savings is gone. And we have actual cases, and I would be happy to share those with you and be happy to have——

Mr. ROE. I would like to see those because an actual one or two or three cases—yes, you have got crooks out there——

Secretary SOLIS. Entire savings, Congressman——

Mr. ROE. We have laws against robbing banks and people still do it, so dishonest people are going to do dishonest things.

Secretary SOLIS. Right.

Mr. ROE. But most of these brokers, the ones I have dealt with, are not dishonest people. They are trying to give you a—to share a small investor some advice so they can invest their $10,000 or $15,000 or $20,000——

Chairman KLINE. Gentleman's time has expired.

Mr. ROE. I thank the chairman.

Chairman KLINE. Mr. Hinojosa?

Mr. HINOJOSA. Thank you, Chairman Kline.

Madam Secretary, thank you for your testimony on the Department of Labor's budget priorities for fiscal year 2013. It is always a pleasure to have you testify before our committee.

While our economy is moving in the right direction and we are creating jobs in the private sector I continue to have serious concerns about the unusually high unemployment rates in minority communities, among our young people, and for our nation's veterans. Madam Secretary, yesterday I joined my colleagues, Ranking Member George Miller and John Tierney, in introducing legislation to reauthorize the Workforce Investment Act.

Unlike Chairwoman Foxx's bill, H.R. 3610, the Streamlining Workforce Development Programs Act, which calls for consolidating WIA programs, our Democratic bill develops a 21st century delivery system for workforce training and adult education that leads to career pathways, increased educational and workforce training opportunities, and economic self-sufficiency for our nation's workers. What are your views on H.R. 3610 and the consolidation of WIA programs?

Secretary SOLIS. Well, first of all, Congressman, thank you for the opportunity to speak to you about issues regarding disparities with respect to minority populations and the issue of unemployment, because we know that especially the Hispanic community and as well as African American community they have higher rates of unemployment, and for young people it is even higher. That is why I think the initiatives that we are undertaking and proposing in our budget are going to help provide them the tools, the education, the training that they are going to need to be competitive and hopefully get that assistance at a local community college or through our workforce investment programs.

One of the things that you need to know is that our workforce investment programs overall, the Dislocated Program—Worker Program in 2010 helped to serve over 500,000 African Americans. In our Job Corps, in our YouthBuild programs that some members have spoken about already, we have served well over 2,300 Hispanic students enrolled in the YouthBuild program where they traditionally get a certificate to get into construction, and now we are focusing on expanding that. With respect to enrollment in Job Corps, it is about 8,000 of the total number that are Hispanic in the Job Corps program, and that is a very good program for many of our young people to get to.

With respect to your other issue, getting American back to work, the bill that you introduced here—Mr. Tierney, Mr. Miller, and yourself—I have had a chance to look at just a summary of what the bill contains and I would say that much of your ideas in this bill replicate what we are proposing in our budget. So I do believe we are on the same path but I also note that the Senate—both bipartisan—Republican and Democrat—are also integrating much of what you are presenting here, so——

Mr. HINOJOSA. I am glad to hear you say that. Can you talk about the impetus behind the agriculture child labor rules, what led the Department of Labor to issue them and how long it has been since they have been updated? I heard my colleague talk about owners of small farms having their children work. I have no problem with that. My father did that with seven boys including me, and we all worked as children.

But I am talking about families that take their children out into the field because they have no daycare to take care of them while they are harvesting crops and doing that. That is what I am concerned about.

Secretary SOLIS. First of all, Congressman, this particular regulation hasn't been looked at since 1970, so it is about 40 years old that it hasn't been looked at. And you know farming has changed dramatically, and I am not just talking about family farms; I am talking about business-owned farms.

And what I want to make clear here is that we are not talking about kids who are 16 years and older who are employed on farms, because there is a big difference there, whether they are family farms or big corporations. We are not talking about kids who are working for their parents or on a family farm, because we realize that is an important relationship to continue. We are not eroding that.

And obviously we will be looking at much—many of these items as we expand the proposal here of this rule. So I can't go into a lot of detail, but I will say we have heard a lot from a lot of folks—from businesses and from families—that believe that this is an important aspect to have.

But I will say that there are injuries and we have to be in a position where we are preventing that because they can also have an injury in terms of the businesses overall. We know that according to the academic—Academy of Pediatrics that injuries cost society an estimated $1.4 billion per year when we look at agricultural——

Mr. HINOJOSA. Would you, as secretary of labor, recommend that we look into this problem?

Chairman KLINE. Gentleman's time has expired.

Secretary SOLIS. We are charged to do that, sir.

Mr. HINOJOSA. Thank you.

Chairman KLINE. Dr. Bucshon?

Mr. BUCSHON. Good morning and thanks for being here.

The workforce participation rate—so 63.7 percent, ballpark—is at a 30-year low. You know, we frequently quote, not only politically but in the national press, about the unemployment rate, but this number is something you don't hear about very much, and so I would—the question I have is, do you have an estimate—is there a way to estimate the number of people that, although you can't—

you are not finding them based on unemployment applications, that have quit looking for employment? Because clearly with the workforce participation rate at a 30-year low—the unemployment rate itself is not, in my view, a solid indicator of the number of people that really are in trouble out there.

Secretary SOLIS. Congressman, I would tell you that we have in the last 3 years, I think, seen unprecedented constraints in our economic recovery overall, and I know that structuring of our jobs because of outsourcing and incentives to move jobs out over the last 30 years has had an impact, and while there are some businesses that are doing well because they have taken that approach that are—there are many jobs that are just not going to come back here that we have lost. So we have a lot of—large number of people who were trained maybe to work in one industry for 10 or 15 years now find themselves with no other source of income.

So we do need to provide continued training and assistance.

Mr. BUCSHON. Sure.

Secretary SOLIS. The best thing I can tell you is we need to do more with actually on-the-job training. We have actually invested money so we can allow for businesses to hire people that will help subsidize part of that wage so they can have on-the-job training, and hopefully that business will——

Mr. BUCSHON. And I think that some states have done that, and that is, I think, a good idea. That also comes into the issue of the number of underemployed individuals, which you just touched on, I think. And is there a way the Department of Labor can estimate or does—or have you estimated and have the data on the number of people that are underemployed or the number of people who are not participating in the workforce and they are not applying for unemployment insurance so you can't track them that way, so that we can get a handle on the total number of people out there right now in our economy who not only are unemployed but have quit looking—have—their unemployment has run out, their insurance has run out, and the number of people who are underemployed? Those numbers are the ones that I would—if you have data I would like that to be provided to the committee.

Secretary SOLIS. I would very much like to have my commissioner—acting commissioner for Bureau of Labor Statistics provide any information that perhaps isn't readily or easily available. But everything comes to the Bureau of Labor Statistics, and there are several reports that they compile to gauge how the economy is doing in all those representations that you just talked about. And——

Mr. BUCSHON. Sorry to interrupt, but the reason is is because the unemployment rate that is frequently quoted, you know, in the national press and others is—would you admit that that is a relatively poor indicator of overall employment? Considering the underemployed and the people that have quit, with the workforce participation rate at a 30-year low it seems to me that a better number would—to report would be not only the unemployment rate but the people who have quit looking and the number of people who are dramatically underemployed.

Secretary SOLIS. Well, much of this area has been researched for the—and been in place for the last 72 years, so I can't assume that

I could, as labor secretary, quickly change what the Bureau of Labor Statistics has provided for the last——

Mr. BUCSHON. No. What I am saying is can you report it, rather than when you release your unemployment reports you release an overall report on the unemployment rate but I never see a number that is estimating these others.

I want to move on to another area. Thank you for your—but we will look into that——

Secretary SOLIS. Be happy to have the Bureau of Labor—our commissioner get back——

Mr. BUCSHON. It would be important for those numbers to be reported, also. I am looking at your——

Secretary SOLIS. We typically don't carry—we don't cover that information now—the Bureau of Labor Statistics. They don't do that. But certainly I have often asked them questions about things——

Mr. BUCSHON. Sure.

Secretary SOLIS [continuing]. That they could be looking at. But we have—they have to get consensus, and in many cases it isn't just our own country. There are standards that are set, and treaties and I don't want to——

Mr. BUCSHON. I want to move on to another area here. I am looking at your budget request and the Office of Coal Enforcement and Office of Metal and Nonmetal Enforcement seeing increases in—you may not have those numbers but I have them here—increases in the enforcement area, and a little bit further up my list here I have the Federal Compliance Assistance, which is—you are requesting a decrease in the funding level for that. And from what I am hearing from employers out there is there has been a shift in how not only Department of Labor but other agencies in our federal government are going away—towards aggressive enforcement and less with helping with compliance, and you can submit that for the record. My time is expired.

Thank you.

Secretary SOLIS. Thank you.

Chairman KLINE. Thank the gentleman.

Mrs. McCarthy?

Mrs. MCCARTHY. Thank you, Madam Secretary. Thank you for coming in again. And thank you for all the work that you have been doing. I know that when you started your new job there was an awful lot on your plate, so we appreciate everything you have done and certainly I know you are not going to give up until we have the economy back to where it needs to be and certainly have the majority of Americans that are out of work back to work.

I know that there has been critical work done under your tenure, and again, as I said, I appreciate that. And I am looking forward to doing whatever we can, certainly, here, building on some of the department's successes and hoping to be able to do that for our economical recovery.

That said, and a number of my colleagues have brought this up on both sides of the aisle, I wanted to talk to you about the department's efforts to update its fiduciary definition under ERISA. There is no doubt that the economies of the day have changed greatly since ERISA was enhanced, as you said, in 1974, and by those standards I do not oppose the department taking a fresh look at it. However, I am sure that you know my concerns lie more in the process by which the department has conducted its work on this proposal rather than the general ideas behind it.

Many of us, including myself, are pleased the department withdrew their original proposal on fiduciary. There are several issues to point out, but one in particular was the department's rule which would—I happen to be on Financial Services, also; we worked on this.

So there is a conflict with the Dodd-Frank Act objectively of the uniform standard for care of the investors, and I know that the president had put out an initiative to have departments working together when there is going to be a crossover on a piece of legislation. So we sent you a letter this past November—myself, and Mr. Neal—Richie Neal—and Mr. Himes—asking the departments what are some of the remedies of the glaring issues in the original proposal? Unfortunately, that was in November and we have not received a response yet. So hopefully—there are probably about 30 members that have signed onto this. We would appreciate if you could get that——

Secretary SOLIS. I will have my assistant secretary call, if you would like, to set up a meeting with the three of you, if you would like——

Mrs. MCCARTHY. That would be great.

And if I could offer the letter into testimony I would appreciate it, Mr. Chairman.

[The information follows:]

U.S. Department of Labor

Assistant Secretary for
Employee Benefits Security Administration
Washington, D.C. 20210

DEC 19 2012

The Honorable Carolyn McCarthy
U.S. House of Representatives
Washington, DC 20515

Dear Congresswoman McCarthy:

Thank you for your letter to Secretary Solis regarding the Department's decision to repropose its proposed regulation defining when a person who is paid to provide investment advice to a plan, plan fiduciary, plan participant or IRA owner will be considered an investment advice fiduciary under the Employee Retirement Income Security Act (ERISA).

As you know, EBSA announced on September 19, 2011 that it will repropose its rule on the definition of a fiduciary. A copy of the news release is posted on EBSA's website at http://www.dol.gov/ebsa/newsroom/2011/11-1382-NAT.html.

The reproposal will take into account the thoughtful comments and testimony we received during the extensive public comment period. It will also include a more robust economic analysis. The reproposal will continue to reflect the fundamental premise that employers and consumers are entitled to receive unbiased investment advice that puts their financial interests ahead of their adviser's.

We appreciate your interest in this important consumer protection initiative and your input on this key retirement issue affecting the benefit security so important to millions of America's workers and their families. A similar letter is being sent to your colleagues who co-signed the incoming letter.

Sincerely,

Phyllis C Borzi

Phyllis C. Borzi
Assistant Secretary

Chairman KLINE. Without objection.

Mrs. MCCARTHY. You mentioned in your testimony that much progress has been made in implementing the executive order, and I thank you again for that. But the progress that has been made in the regard of the president's executive order regarding increased interagency cooperations, when we have asked different people, "Have you been talking,"—and I am talking about the SEC, certainly your department, you know, we are told e-mails are going back and forth. And I think, you know, as we are hearing—you know, as you are asking for more information to come from those of interest sometimes they are only getting a day's notice to get back to you, or to get back to the department I should say.

So I think that is, you know, poor timing, especially since the SEC has no timeline. And yet, Department of Labor is putting out a timeline sometime this spring or summer to get all the information out before they put a rule out.

So I think it is time, to be very honest with you, for many of us that are members of Congress to really sit down with the heads and try and figure out how we are going to go on this when you have that information. I think it is really, really important because it has been dragging on now for quite a long time.

Secretary SOLIS. Right.

Mrs. MCCARTHY. It is not good. Businesses need to know what they are going to be doing, and certainly we—many of us here on this particular committee, many on the Financial Services Committee—would like to work together and see if we can come to some resolution in the near future.

Secretary SOLIS. Well, I don't disagree. I think we have been working with the other agencies involved and I know that my assistant secretary has informed me about those meetings face to face. So it isn't all just e-mails; they do meet. Because of the enormous response that came out about this particular rule we have now reproposed it, so we are taking that input and we want to get as much as we can.

But we did ask for the expertise by a group that was actually looking at the rule, and when we asked for that information they haven't been able to provide it. So we are open. We will meet with whoever we need to and be happy to see how we can accommodate this, because we want to have a fully fleshed out rule, but—and I certainly am not in a hurry to push things quickly until we have and feel comfortable that all parties' concerns and we feel we have done a good job.

And I can't get into too much detail because we are in that process now where I am not able to because of restrictions and administrative procedures. So I will do what I can but I will have my assistant secretary meet with you and other members of the committee ifthey are interested.

Mrs. MCCARTHY. With that being said—and I don't want you to say who the—who you have been working with as far as working on the rule on the outside, but if you would share that with me I would like to know only because I certainly will give a push, also, to get their recommendations in.

Chairman KLINE. The gentlelady's time has expired.

Mrs. MCCARTHY. Thank you.

Chairman KLINE. Mr. Walberg?

Mr. WALBERG. Thank you, Mr. Chairman.

And, Madam Secretary, thank you for being here. We appreciate the opportunity, and probably my first couple issues will be more of a statement since we have had the privilege of having some of your undersecretaries and deputies in front of a subcommittee that I chair.

But I did want to talk to you about the companionship services issue. Yesterday my Subcommittee on Workforce Protections held a hearing on the proposed rule. We appreciate Ms. Leppink being there with us and addressing issues of concern.

At the hearing one of my constituents explained that a similar change to Michigan's law back in 2006 drastically changed, and I quote—"his companion care business, negatively affecting his caregivers and the seniors they serve." My constituent also explained that there has been widespread dissatisfaction with the law change in Michigan.

As you may know, 21 states and the District of Columbia have, in varying degrees, extended wage and hour coverage to caregivers. It seems to me that a close examination of the impact in these states would go far to inform the department's proposed rule-making.

Unfortunately, it is my perception—and it is my perception—the department has failed to analyze the practical and economic effects of changing the law in each of these states. And so I would ask you, Madam Secretary, what assurances can you give the committee that you will take these concerns into consideration before moving forward?

Secretary SOLIS. Thank you, Mr.—Congressman Walberg. I know that my director did come before your subcommittee yesterday and I understand that there was a good conversation, at least, explaining what the Department of Labor is doing in this area.

As you know, the rule is intended to help provide support for the 2 million individuals who work in this industry, mostly—90 percent—women, low-wage workers, low-skilled, and we are——

Mr. WALBERG. That give amazing, amazing service.

Secretary SOLIS. Absolutely.

Mr. WALBERG. We have experienced it in my own home.

Secretary SOLIS. And clearly, as you said, 16 states already provide minimum wage and it varies—and overtime. And what we have noted in our analysis is that in terms of cost over time there is the notion—and I would be happy to have my staff provide more information—that there is a cushion available to allow for overtime pay, and it would help—actually help to provide more jobs for people in this growing industry. We can't find enough people in the industry.

Mr. WALBERG. I just beg to differ on that issue because sound economics does not say that adding more costs will ultimately provide more services for caregivers, more jobs.

Let me move on. But I just ask that you will seriously look at the impact of other states—negative impacts to jobs and caregivers.

In the issue of I2P2, it appears that your department is taking a very adversarial approach to working with employers to ensure the safety of employees in the workplace. There is a great deal of concern about OSHA's work on a new Injury Illness and Prevention Program, otherwise known as I2P2. A recent study by the Rand Corporation concluded that a similar program—one operated by California OSHA—showed no demonstrable improvement in safety with the use of an I2P2-like regulation.

I would just ask again, can you give this committee an assurance that this will not become one-size-fits-all, inflexible government mandate on our states' programs?

Secretary SOLIS. Congressman, right now we are in the early drafting stages of the standard and we are hearing from our stakeholders, which include small businesses, both large and medium sized, and we are listening carefully in terms of drafting the standard. So we are taking every comment very seriously and I would be happy to make sure that you know that our intent is not to double-site a facility, because that is not what we want to do.

What we want to do is try to bring conformity so that we know that employers are helping to maintain safe workplaces. That is really what we are trying to achieve. I know it is a laudable goal, but it is one that is a work in progress.

Mr. WALBERG. Well, thank you.

Finally, in a letter to Senator Tom Harkin the America Farm Bureau Federation expressed some concerns about the new proposed youth worker rule, and they quoted from the proposed rule. Any activity involving physical contact with all machines, equipment, implement operated by any power source other than human hand or foot power, and the DOL has explicitly stated this includes batteries—now I don't know if it includes battery-driven screwdrivers, drills, or anything like that—but power equipment will be prohibited for youth.

Now, while applauding the Jobs Corps successes I am concerned about our agricultural youth being impeded by the Department of Labor. And remember, there may be disproportionate injuries but there is a disproportionate number of non-farm youth that are working so of course there will be more injuries related to farm work.

My concern is that until after the rulemaking process had commenced and completed with the rule—proposed rule being put forward, according to a letter received from your deputy director at a request of Chairman Kline and myself there was no opportunity for a listening session to agricultural community—not agriculture worker advocates and all of the rest, but actual agricultural community—farmers. And then a hearing was given in October when my farmers were in the fields harvesting. So I am concerned that—that we have had the opportunity from the ag community to talk about why this is so much different for youth workers on a farm situation that feeds the world in comparison to the rest of the work situations——

Chairman KLINE. The gentleman's time has expired.

Mrs. Davis?

Mrs. DAVIS. Thank you, Mr. Chairman.

And, Madam Secretary, it is wonderful to see you and to feel the enthusiasm that you have, I think, for your job, for making sure that workers can go to work, and be safe, and come home and be with their families. I think that is what we all want and we all value.

And I know that everyone believes that. I mean, we all want people to be safe at work, and the reality is, as I understand it as when you came into this position you found that there was little enforcement going on. And so I think, you know, we might all want to actually pick apart any one issue that has been raised, but overall I think that it is important for people to believe that at work there is going to be enforcement for all those safety standards—for OSHA, whatever that may be.

Perhaps you might want to just give us one example of where, in fact, something had been going on for a long time affecting workers, and yet nobody had taken the time to really take a look at it.

The other thing I just wanted to mention quickly is that you have done an awfully lot in terms of veterans, and I really am pleased to hear that. The issue that I think is a little difficult at times is the coordination and knowing what is it that is really making a difference for veterans in these programs? Because one of the things that I hear is, you know, the tie with a mentor, the tie with someone who is really available to be helpful and to be helping to be a champion, and a coach, and a real nudger, I think, for someone who needs somebody there.

So I am hoping that you can maybe share a little bit about how we are looking at the value of these programs, and what are the themes that make a difference? And along with that, just the issues—and I think Secretary Duncan maybe here next week to talk about the G.I. bill and how that plays into the kind of education and certification programs the people are getting and to be sure that they are getting the best bang for their buck in regard to that. So I have thrown out a few issues and I wonder if you could just address that—the OSHA issue and—then the veterans problems.

Secretary SOLIS. Well, I would go, again, to some of the efforts that we have undertaken under the VETS division in Department of Labor to try to really transform our TAP program. And I think when I served in the House with you I remember the TAP program not really able to show as much results, and there has been a lot of criticism about that.

So we have revamped this program that has now been in existence for almost 20 years to actually follow, monitor, assess and make sure that we are in contact at every point with that veteran before they are even released from the military, and then continue it once they leave and instituting programs like new tools, like helping veterans through our DOL Internet programs to make sure that they can get information about where training, whatever it might be, wraparound services, but more importantly, employment, and getting them to understand that there are tools available through the Department of Labor that can actually help them identify the skill set that is transferable to a job.

That is the biggest barrier right now for a veteran who is coming home who may have been in charge of a battalion, may have been a mechanic, but knows how to handle machinery, welding, and all kinds of things. How does that credential or how could that code that the military gives you for that job translate into a particular occupation that is easily accessible and understood?

We have revamped our program to do that so we are going online in that way, but we also need to do more because there are so many that are not finding that—particular age group that is very young, the ones that are just coming back from Iraq and Afghanistan——

Mrs. DAVIS. Madam Secretary, is it possible for the Department of Labor to also identify typical programs that have been useful? I think you don't necessarily identify certain schools, per se, but one of the frustrations I hear is that they don't know enough about those programs and get involved and give out—get out their G.I.—you know, G.I. dollars to schools that don't——

Secretary SOLIS. I think that is why we are also asking our state veteran representatives that—actually, the states receive funding for our programs to help them better work and understand exactly the kind of assistance. It isn't just about showing them, "There is the job," it is actually tracing it, monitoring them, giving the feedback that they need, the coaching, the resume-writing, and also just getting them involved with other—a network of other veterans so they feel some self support. That is really important.

Those things work, and we can indicate, even in our own results that when people do receive more intensive services—that is case management—they are successful. That is why we created this Gold Standard Card that for the first time is going to allow for that tracking for 6 months.

Now that costs money, and those things are very intensive, and a lot of our states have to be ready to do this. And we are asking people to step up but we certainly want to work with people on this committee as well as the Veterans Committee to see how we can foster a better relationship. And we are doing that with Secretary Shinseki—I enjoy working with him in the Department of Defense—and our other friends and agencies like OPM, because we want to make sure that we can also hire these veterans for jobs.

We find that there are some barriers there and we are also working and focusing in on that to make it easier for them to also come back and get the job that they left originally. That also requires funding and we find that there is a tremendous need to focus our attention in those areas.

Chairman KLINE. Gentlelady's time has expired.

Dr. Foxx?

Ms. FOXX. Thank you.

And, Madam Secretary, it is good to see you. You are looking very well. It appears your job is agreeing with you and we are glad to have you back in the committee.

Secretary SOLIS. Thank you.

Ms. FOXX. I want to first associate myself with some comments the Congressman Roe said. I think it is very troubling to me to hear so many people in this administration blame the shortcomings of the administration on the previous administration and on Republicans in the Congress but then quick to take credit for what the private sector does despite the administration, and particularly the Department of Labor. So I will say that coming here and taking credit for the private sector jobs that have been created is quite a stretch.

I would like to also say that in the bill that we have proposed that would revamp the WIA programs you say—Mr. Miller, I think, asked about cuts—there may be cuts in the budget that has been proposed, but certainly in the bill that we have put forward doesn't make any cuts whatsoever in the program. And I would like to know what you can point to as accomplishments in any WIA program. Give me numbers.

I want specific numbers on something that, as a result of a program covered by WIA, that has created a positive effect. Because in the 47 programs only five have any kind of evaluation, and even those evaluations—I have looked at them—can't show a positive—a cause and effect.

And I am very big on accountability. We are taking money from hardworking taxpayers and spending that money, from people who are already working. So show me one—give me one positive impact, if you will.

Secretary SOLIS. Okay. Thank you, Congresswoman.

I would share with you that under our July 1, 2010 through June 30, 2011 the WIA Adult Dislocated Worker Program served 8.4 million participants and nearly 6.2 million exiters—those are program completers. The figures represent an increase of 300,000 recipients and over 400,000 exiters in program year 2009.

The Dislocated Worker Program completers received training, showed nearly a 25 percent increase compared to those who did not receive training at all. That is a 77.7 percent versus 52.6 percent, respectively——

Ms. FOXX. Okay. Let me stop you there. What in the program made the difference? That is what I want to know.

Secretary SOLIS. I will tell you. We have really revamped our program since I have taken over, and part of it is more accountability, more feedback directly—you have my assistant secretary here, Jane Oates, who you may know, who is spending a lot of time——

Ms. FOXX. We have met.

Secretary SOLIS [continuing]. Conducting webinars and direct calls. I have made myself available with the directive that we now have to ask our workforce investment boards to do a better job of working with our employers and making sure that we are not just saying that the WIA boards have the onus of trying to create jobs. It is about really making investments——

Ms. FOXX. Can you——

Secretary SOLIS [continuing]. And coupling our federal dollars——

Ms. FOXX. Can you prove that the—and I hate the word training, so can you prove that the materials presented and the guidance given resulted in a person getting a job in the field in which they were educated? Can you prove that?

Secretary SOLIS. I would say that we have rigorous evaluation for all of our programs and we can show——

Ms. FOXX. Will you give me copies of those?

Secretary SOLIS [continuing]. We can show not just attestation that they are receiving certificates but we could also show that they are receiving jobs. And I would say——

Ms. FOXX. Okay. I would like to see that, and I——

Secretary SOLIS. Yes. We do have it. We do——

Ms. FOXX [continuing]. I would like to see the numbers of how their income is increased.

The other quick question I have to ask you—and this is very quick—you stated a little bit ago that the numbers of people who would be affected by the cuts in the budget were astronomical. You are very good at using hyperbole.

Tell me what an astronomical figure is in terms of women homeless veterans. How many women homeless veterans—or any other astronomical figure that you have—would be affected by the budget cuts.

Secretary SOLIS. I have——

Chairman KLINE. Gentlelady's time has expired. If we could get that for the record?

Ms. FOXX. I would expect that in writing——

Chairman KLINE. For the record.

Ms. FOXS [continuing]. And I don't want to wait 15 months.

Secretary SOLIS. Certainly. Certainly.

Chairman KLINE. Thank you. The gentlelady's time has expired. Ms. Fudge?

Ms. FUDGE. Thank you, Mr. Chairman.

And thank you, Ranking Member Miller. It is a pleasure for me to be back on the committee.

Certainly my friend and mentor, Donald Payne, does leave behind an impressive legacy of protecting workers' rights and improving educational opportunities for our children. I hope I can live up to that same standard. Thank you so much.

Madam Secretary, thank you for being here. And I do want to at some point talk with your staff about the TAP program. It is still a major problem. I had a meeting just last week with some returning veterans and all of the agencies that are supposed to serve them. I would like to at some point have you—have someone from your staff interact with my staff.

Secretary SOLIS. Absolutely.

Ms. FUDGE. First question, over the last year many of the media outlets have released reports on the difficulty of unemployed persons having problems getting jobs just because they are unemployed. Many of the long-term unemployed do face the reality that jobless people need not apply. What is your agency doing about that problem?

Secretary SOLIS. Well, that is a very sensitive issue with me because we know in our meetings that I have had throughout the country we have heard individuals who are frustrated because in some cases there are employers that actually advertise jobs saying if you have been unemployed, period, we don't—we are not even going to bother to look at your resume. So we know that that is an issue and I have my staff—my solicitors office also working with White House staff and other agencies that have jurisdiction over this, because we think it is wrong.

And I know that some states have actually taken on this as a major incentive to try to get employers not to list that on their postings. And we are hoping to work that out. I know I will have my assistant secretary meet with you more, if you would like, to give you an update on this, as well. Jane Oates would be happy to meet with you, our employment training administrator, because we have heard firsthand from people who are, how could I say, sick and tired of not being able to get even into the door to get interviewed.

And it is highly competitive, but I will say that there are more people, or how could I say, there are fewer people now competing for that one job. When we first started in this recession there were seven people per one job; now it is four. But it is still tough competition. That is why we need to have more employment training, credentials, and we need to make that match occur better.

And if we can use tools through the U.I. program like on-the-job training to incentivize businesses to bring people on and we help to subsidize, chances are they are going to end up staying on that job.

Ms. FUDGE. Madam Secretary, the other thing I just want to say about that is that if we don't get a handle on this those people who have been employed become the long-term unemployed. They may never work if we don't find some way to keep them from being discriminated against in the workforce.

My second question is that, you know, over recent years, as productivity gains have been made wages have actually gone down. You look from 2002 to 2007, productivity grew by 11 percent but the hourly compensation of the typical high school or college educated worker actually fell.

Now, you know, they have a lot of reasons that they say this is happening. One is that, you know, they say overseas competition and declining union density is to blame for the disconnect. What is, in your opinion, the problem here?

Secretary SOLIS. It is a hard question to answer, but there are multiple things going on. I think there was a—just reading an article yesterday in the Washington Post about the fact that some economists say that American workers are the most productive and that what is happening in the workforce is that many businesses are not hiring more people because our workforce has either become more mechanized or that they are so efficient at their jobs that they are not—they are reluctant to hire up the next slot.

What I see happening is that there are global factors at play here, and a lot of jobs that we lost overseas. But I think the real focus has to be in creating good manufacturing jobs. That is why the president has talked about insourcing jobs, bringing those jobs—some—not all of them will come back but a good majority will.

Take as an example what happened in the automobile industry. With that assistance now you see 200,000 jobs in the last 2 years created not just solely around developing automobiles but also the other subsidiary industries that go with that. So you can look at almost a million jobs created because now you have a restaurant going up, now you have——

Ms. FUDGE. Madam Secretary, those jobs are much lower paying than the jobs that people lost, so the job creators may be hiring people but they are giving them lower wages.

Secretary SOLIS. I would say that wages have been stagnant, and that is something that obviously we want to incentivize businesses to do the right thing and hopefully spur more growth by making those investments in areas—renewable energy, things that we know are going to have a long-lasting impact in our economy. We do have to have some major restructuring because it hasn't happened in the last 30 years.

Ms. FUDGE. Thank you.

Mr. Chairman, I yield back.

Chairman KLINE. Thank the gentlelady.

Dr. DesJarlais?

Mr. DESJARLAIS. Thank you, Mr. Chairman.

And thank you, Secretary Solis, for being here today.

I think I am going to be fairly brief. It will depend on how long your answer is, but I was at the Rutherford County's annual farm bureau legislation luncheon this past Friday and one of their big concerns was the child labor laws. And given this great opportunity today to alleviate some of their fears on what their farm kids can and can't do, could you just maybe give me an update of where that stands and where it is headed?

Secretary SOLIS. Well, we are looking at the parental exemption status, so I can't go into a lot of detail. But I said earlier to the committee what we are attempting to do and what it isn't. And first of all, I have to tell you again, reiterate that this is a rule that has been around for 40 years.

What we are trying to do here is we are not talking about kids who are currently employed, so if there is an employee relationship, you know, we do—we care about if there are kids 16 and older that are working on a farm and they are exposed to maybe equipment that could be harmful. We are talking about grains; we are talking about equipment that can be injurious.

And I said earlier that there was a high rate of injury in this area, so we want to protect them. We want better training. We obviously want to allow for the 4-H and education programs that we know have been around to also bring up their standards, because with 40 years gone by there have been people that still think it is done the old way, and in the old way you have more injuries and it costs businesses more money.

But we are saying if it is a family farm then that is different and we are not going to intrude on that. If it is a farm where there is a relative we are looking at that as something that is wholesome, fine. But when we are talking about a business relationship with a business entrepreneur, and that is different, then they have an obligation, and that is where we are going.

But I can't really say a whole lot except to say we are listening very carefully. We have gotten a lot of concerns, comments, many thousands of paper on this. So I know that my acting director now for Wage and Hour will be continuing to meet with stakeholders and going out.

So as much as we can do and learn we are willing to do that, but without compromising the safety of these young people.

Mr. DESJARLAIS. But as far as farm kids, say 12, 13, 14, it is not uncommon for them to drive the tractor——

Secretary SOLIS. If they do chores—chores is chores.

Mr. DESJARLAIS [continuing]. Driving the tractor down the hayfield. There were some concerns about moving irrigation lines. Somebody said that, you know, that could be considered dangerous—excuse me—dangerous to the point that, you know, they might even restrict them from standing in the front yard with garden hoses. Now, you know, that sounds like——

Secretary SOLIS. Those are extreme.

Mr. DESJARLAIS [continuing]. That is an exaggeration, but nonetheless, how intrusive is this going to be in terms of——

Secretary SOLIS. Well, I can't talk definitively about it because we are proposing it, but I can tell—I can assure you, as I said, the idea that somehow we would be regulating the use of a battery-powered screwdriver is not my may of rationalizing how we want to protect people. We are talking about tractor-trailers when people are not appropriately trained, and we are talking about a difference in terms of relationship. If it is a child whose family owns a farm that is a different relationship; I am talking about an employer relationship.

Mr. DESJARLAIS. Tennessee has the largest farm bureau in the country and I know they are very interested in this, so I would encourage——

Secretary SOLIS. We would be happy to meet——

Mr. DESJARLAIS [continuing]. Further dialogue.

Secretary SOLIS [continuing]. We would be happy to talk to them.

Mr. DESJARLAIS. That would be great.

Secretary SOLIS. Thank you.

Mr. DESJARLAIS. I am losing my voice so I will yield back.

Secretary SOLIS. Okay.

Chairman KLINE. Thank the gentleman.

Mr. Holt?

Mr. HOLT. Welcome back, Madam Secretary. We are always proud and have been proud for years to call you colleague, and I am pleased to acknowledge all the good work you are doing at the department. It is gratifying to note that under your leadership the department has taken strong action to protect the health and safety of mine workers; that under your leadership the Wages and Hours Division has recovered more than $200 million in back wages on behalf of hundreds of thousands of workers; that under your leadership the workforce system has served 1.7 million veterans, as you have discussed, and helped tens of thousands of youth get high school diplomas.

There is so much that you do. Let me just give you three questions, quickly. I think they can all be answered briefly, but maybe you will want to provide more information, then, later.

First, with respect to the Workforce Investment Act, I am pleased to join our colleague, John Tierney, and others in proposing a good reauthorization. I am also pleased to acknowledge the good work of Jane Oates in that.

As you know, I support the use of more online training under WIA and also support fuller inclusion of libraries——

Secretary SOLIS. Right.

Mr. HOLT [continuing]. Public libraries—into WIA. Can you say that your plans for WIA include a greater role for libraries and increased online training?

Secretary SOLIS. Right. Absolutely.

Mr. HOLT. And I would like to turn to a couple of other questions.

Secretary SOLIS. Yes.

Mr. HOLT. With respect to the fiduciary rule, after our previous discussions you withdrew the draft rule for—so-called fiduciary rule, and I want to thank you for soliciting——

Secretary SOLIS. We heard you.

Mr. HOLT [continuing]. More data to inform a better understanding of the problem before reproposing the rule. I am a little concerned, however, that the department is asking the wrong questions, and in requesting more data you won't get the data that will actually get to the issue of how employees make decisions, and whether—what you can do to help employees make decisions that will leave them better prepared for retirement, how we can increase access to investment advice.

So the question I have is, are you finished asking for additional data? I hope not because——

Secretary SOLIS. No. We are not finished. That is why it is open. And we definitely want to hear from stakeholders and your comments, and obviously hear from the public overall. So we are not in a hurry to do this.

Mr. HOLT. And if you could state at some point, you know, publicly that your goal here is to provide greater access to advice so people—so that people—this is a joint goal—so that people will be better prepared for their non-wage earning years. It is not advice for its own sake; it is advice so that people can be better prepared.

Secretary SOLIS. Absolutely. We don't have disagreement with that.

Mr. HOLT. You may know that Representative Petri and I have introduced a bipartisan bill, the Lifetime Income Disclosure Act, also directed at helping people be better prepared for their non-wage earning years. It would provide clearer information about how well their savings would cover their monthly expenses. And it is my understanding that the department and Treasury—that your department and Treasury are close to finalizing a lifetime income rule.

Will you call for clearer information to help people plan better for retirement so that they have an understanding of what their retirement package might mean for them day to day, month to month, so that they will have a sense of——

Secretary SOLIS. I don't——

Mr. HOLT [continuing]. How well prepared they are?

Secretary SOLIS. Right. I don't disagree that we are on the same wavelength, so to speak, because we do want to see more information, more transparency so people do have choices. So I think we are moving in that direction.

And to the extent that we are asking for more public comment and meeting with stakeholders, if there are individuals that you think that we need to hear from please help us facilitate that. And I know Phyllis Borzi has met with you over the last 2 years on this issue, and she cares very deeply, as I do and this administration, in making sure that we get the most ample and very open process so we hear from everybody. So I will take that back.

Mr. HOLT. I certainly appreciate that. And I think she does understand, and I hope—I just want to emphasize and make sure everyone understands——

Secretary SOLIS. And I want to thank you for your leadership——

Mr. HOLT [continuing]. That the goal here is to help people be better prepared, to get them access to information so that they can make good decisions. I thank you very much.

Secretary SOLIS. Thank you.

Chairman KLINE. The gentleman's time has expired.

Mrs. Roby?

Mrs. ROBY. Madam Secretary, thank you for your time today and answering our questions.

I want to talk about health care. You, in one of your answers a few minutes ago, referred to the small businesses that are a result of larger business that creates jobs. The private sector creating these jobs then often leads to more job creation surrounding an industry, and you referenced that by mention of restaurants.

And I want to talk specifically, because early on for me in Congress I had the opportunity to sit down with an owner of a Pizza Hut in Headland, Alabama, who explained to me that once implemented the government mandate that would require him to purchase health care—government approved health care—if he had over 50 employees would be devastating to his bottom line with all of his other expenses relating to owning that franchise. So I want to ask you specifically, because of the cost associated—the penalty that would have to be paid, the $2,000 per employee after the 30-employee exemption, the $42,000 that would come directly out of a small business that hires one additional employee to get over the 50-employee threshold, how in the world can we expect small business, which drives this economy, to be incentivized by that tax to create jobs?

Secretary SOLIS. Well, obviously my role in the Health Care Act is more with overseeing the implementation of the plans, and Phyllis Borzi, who heads my Employee Benefits Security Administration has been my representative working with HHS and Treasury to help formulate and put the regulations out. And I know we are looking at how we can better provide more opportunities so small businesses and their employees aren't just thrown out and that they have some potential coverage. So we are going——

Mrs. ROBY. But certainly in your position, Madam Secretary, as the secretary you certainly have an opinion on whether or not that threshold and that penalty will help job creators, because certainly it will not. We know that this is going to cause these small businesses in some instances to have to close their doors. And I reference back to the Pizza Hut franchise owner in Headland, Alabama, who has stated just that.

Secretary SOLIS. Well, there are several studies that have been done that actually have an opinion on this, and I would point you out—and I can certainly give those to you, but what I am hearing, like, as an example, from Thomson Reuters Consulting, they say that, quote-unquote—our clients, none of them have alluded to dropping coverage and would not have heard from a client. So I know that there has been a recent CBO study——

Mrs. ROBY. I think there would be—we would need to know the specifics around what those businesses look like, because in the case of this gentleman, different businesses have different overhead costs, and when you add the cost of the health care mandate on top of that it is going to severely hurt small business job creation throughout the country.

Secretary SOLIS. Well, I know that there is an effort to get our states to begin to look at exploring the exchanges that would be developed so that small employers can attach themselves if they don't currently have health care coverage and be able to allow, also, for a more ample opportunity for people to choose what kind of health care is out there. And that could also help to be a softening blow and actually help many small employers because they——

Mrs. ROBY. But you agree it is a blow. It——

Secretary SOLIS. Well, I don't agree with that because I agree with the Affordable Health Care Act, that it is providing coverage to many people who aren't being covered right now—not just——

Mrs. ROBY. But if the employer can't afford on its bottom line to cover those individuals then they are going to pay the penalty, but in order to get out from under the penalty they are not going to add more jobs so they can stay under that 50-employer threshold, and that is the point, is that it is not an incentive to small business creation.

One other thing real quick, because it has been referenced on more than one occasion throughout this hearing, is the regulation amending the definition of fiduciary. And 54 of my colleagues—we all signed on to a letter and we have yet to receive a direct response as it relates to that letter and the criteria that we would like for you to consider in promulgating that definition, so I would hope that there would be a more formal response as it relates to those specifics.

Secretary SOLIS. I know that we had received letters from members of the Senate and the House, and when they came in at one point our period had already closed for comment, but that is not to say that what was included in your letter wasn't already submitted by other individual stakeholders that had the same type of——

Mrs. ROBY. Well, we didn't receive the response that was given to the other stakeholders, so if you would provide that information to us we would appreciate it.

Secretary SOLIS. I am certain that we will do what I—what we can on that.

Mrs. ROBY. Okay. Thank you very much.

I yield back.

Chairman KLINE. Thank the gentlelady.

Ms. Woolsey, you are recognized.

Ms. WOOLSEY. Thank you very much, Mr. Chairman. Mr. Chairman, I would like to ask unanimous consent to enter into the record the economic situation—Employment Situation Summary that goes along with each month's employment report that the gentleman from Indiana referred to, that actually reports long-term unemployed, the—those who are discouraged workers, and the part-time workers——

[The information follows:]

U.S. BUREAU OF LABOR STATISTICS

Economic News Release
Employment Situation Summary

Transmission of material in this release is embargoed USDL-12-0402 until 8:30 a.m. (EST) Friday, March 9, 2012

Technical information:

Household data: (202) 691-6378 * cpsinfo@bls.gov * www.bls.gov/cps

Establishment data: (202) 691-6555 * cesinfo@bls.gov * www.bls.gov/ces

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THE EMPLOYMENT SITUATION—FEBRUARY 2012

Nonfarm payroll employment rose by 227,000 in February, and the unemployment ratewas unchanged at 8.3 percent, the U.S. Bureau of Labor Statistics reported today.Employment rose in professional and businesses services, health care and socialassistance, leisure and hospitality, manufacturing, and mining.

Household Survey Data

The number of unemployed persons, at 12.8 million, was essentially unchanged inFebruary. The unemployment rate held at 8.3 percent, 0.8 percentage point belowthe August 2011 rate. (See table A-1.)

Among the major worker groups, the unemployment rates for adult men (7.7 percent),adult women (7.7 percent), teenagers (23.8 percent), whites (7.3 percent), blacks (14.1 percent), and Hispanics (10.7 percent) showed little or no change in February.The jobless rate for Asians was 6.3 percent, not seasonally adjusted. (See tablesA-1, A-2, and A-3.)

The number of long-term unemployed (those jobless for 27 weeks and over) was littlechanged at 5.4 million in February. These individuals accounted for 42.6 percent ofthe unemployed. (See table A-12.)

Both the labor force and employment rose in February. The civilian labor forceparticipation rate, at 63.9 percent, and the employment-population ratio, at 58.6 percent, edged up over the month. (See table A-1.)

The number of persons employed part time for economic reasons (sometimes referredto as involuntary part-time workers) was essentially unchanged at 8.1 million inFebruary. These individuals were working part time because their hours had been cutback or because they were unable to find a full-time job. (See table A-8.)

In February, 2.6 million persons were marginally attached to the labor force,essentially unchanged from a year earlier. (The data are not seasonally adjusted.)These individuals were not in the labor force, wanted and were available for work,and had looked for a job sometime in the prior 12 months. They were not counted asunemployed because they had not searched for work in the 4 weeks preceding thesurvey. (See table A-16.)

Among the marginally attached, there were 1.0 million discouraged workers inFebruary, about the same as a year earlier. (The data are not seasonally adjusted.)Discouraged workers are persons not currently looking for work because they believeno jobs are available for them. The remaining 1.6 million persons marginally attachedto the labor force in February had not searched for work in the 4 weeks precedingthe survey for reasons such as school attendance or family responsibilities. (Seetable A-16.)

Establishment Survey Data

Total nonfarm payroll employment rose by 227,000 in February. Private-sector employmentgrew by 233,000, with job gains in professional and business services, health care andsocial assistance, leisure and hospitality, manufacturing, and mining. (See table B-1.)

Professional and business services added 82,000 jobs in February. Just over half ofthe increase occurred in temporary help services (+45,000). Job gains also occurred incomputer systems design (+10,000) and in management and technical consulting services(+7,000). Employment in professional and business services has grown by 1.4 millionsince a recent low point in September 2009.

Health care and social assistance employment rose by 61,000 over the month. Withinhealth care, ambulatory care services added 28,000 jobs, and hospital employmentincreased by 15,000. Over the past 12 months, health care employment has risen by360,000. In February, social assistance employment edged up (+12,000).

In February, employment in leisure and hospitality increased by 44,000, with nearly allof the increase in food services and drinking places (+41,000). Since a recent low inFebruary 2010, food services has added 531,000 jobs.

Manufacturing employment rose by 31,000 in February. All of the increase occurred indurable goods manufacturing, with job gains in fabricated metal products (+11,000),transportation equipment (+8,000), machinery (+5,000), and furniture and relatedproducts (+3,000). Durable goods manufacturing has added 444,000 jobs since a recenttrough in January 2010.

In February, mining added 7,000 jobs, with most of the gain in support activities formining (+5,000). Since a recent low in October 2009, mining employment has increasedby 180,000.

Construction employment changed little in February, after 2 consecutive months of job gains. Over the month, employment fell by 14,000 in nonresidential specialty tradecontractors.

Overall, employment in retail trade changed little in February. A large job loss ingeneral merchandise stores (-35,000) more than offset an increase in January (+23,000).Employment in motor vehicle and parts dealers continued to trend up in February.

Government employment was essentially unchanged in January and February. In 2011,government lost an average of 22,000 jobs per month.

The average workweek for all employees on private nonfarm payrolls was unchanged at 34.5 hours in February. The manufacturing workweek edged up by 0.1 hour to 41.0 hours,and factory overtime was unchanged at 3.4 hours. The average workweek for productionand nonsupervisory employees on private nonfarm payrolls edged up by 0.1 hour to 33.8hours. (See tables B-2 and B-7.)

In February, average hourly earnings for all employees on private nonfarm payrolls roseby 3 cents, or 0.1 percent, to $23.31. Over the past 12 months, average hourly earningshave increased by 1.9 percent. In February, average hourly earnings of private-sectorproduction and nonsupervisory employees rose by 3 cents, or 0.2 percent, to $19.64.(See tables B-3 and B-8.)

The change in total nonfarm payroll employment for December was revised from +203,000to +223,000, and the change for January was revised from +243,000 to +284,000.

Chairman KLINE. Without objection.

Ms. WOOLSEY [continuing]. So that it is clear we already have that information. Thank you.

And then I also need, before I talk to our wonderful secretary of labor, clear up something that the gentleman from Michigan, Mr. Walberg, stated that he has—that we have corrected once and we need to correct again, and that is the Rand report about the costs of prevention for our workers. The Rand draft did not say—and Rand has corrected this—they did not say anything about it costing more; in fact, they said when inspectors investigate further and found failures to comply with provisions to train workers to identify and abate hazards and investigated injury causes the average injury rate at targeted businesses declined more than 20 percent. The cost did not go up; the cost went down. So we need to keep reminding the other side of the aisle that that is exactly what is happening.

Madam Secretary, thank you for being here and I think we have been amiss in not saying to you how we were thinking of you during your loss when—the loss of your father who was so proud of you and had every right to be, and you just added to that today.

My question is about OSHA, and we have a backlog of over 2,000 whistleblower investigations. Some have been in line and languishing for 2.5 years. And since whistleblowers are actually proven to be essential to our society in protecting lives and property, because of fear of losing their jobs they don't always come forward and—like at the Upper Big Branch miners were afraid to call MSHA about unsafe conditions, that Enron accountants were afraid to report the Ponzi scheme until it was too late and billions in retirement savings were lost, and we all know that if big rig drivers are afraid to refuse to drive trucks that have unsafe brakes we are all in jeopardy.

So I ask you, in this year of—whether our OSHA's budget, which has stayed flat but has proposed an increase of $5 million for the whistleblowers, is this enough? Are we going to be able to serve the needs of the whistleblowers? And would you like to expand on that?

Secretary SOLIS. Thank you, Congressman Woolsey. I know that this is of great interest to you and OSHA, I think, has done a tremendous job, given our budget situation. And you are correct in saying that our fiscal 2013 request for $565 million is up a bit, thank goodness, but our request obviously—you know, the focus is on expanding our responsibilities that you all gave us—that the Congress laid out for us in terms of providing help for the whistleblower program, and every—I mean, there have been changes in that and we definitely needed more support to help with the regulations and also enforcement. The GAO report stated that very clearly and we know that we have an obligation, and that is why we moved forward in actually putting the responsibility of the whistleblower programs under—directly under Dr. David Michaels, of OSHA, so that we could help elevate and make it an important area and function of the Department of Labor.

Ms. WOOLSEY. Is there a cost to not supporting the whistleblowers?

Secretary SOLIS. Well obviously, I mean, you outlined some of those already. And they are detrimental, and in many cases if you don't act on these cases right away you can lose the ability to do your investigation and go through the litigation process. And of course, the harmful effects and also the adverse effects that some employees go through, being harassed and going through a whole slew of bad activity that occurs once they do come forward and make a complaint.

So we know we have an obligation. I feel very strongly about this. I know this committee does and I know members on your side of the aisle have been very important in helping us to structure this program.

Ms. WOOLSEY. Thank you very much.

Thank you——

Chairman KLINE. The gentlelady's time has expired.

Mr. Goodlatte?

Mr. GOODLATTE. Thank you, Mr. Chairman.

Madam Secretary, welcome.

Secretary SOLIS. Thank you.

Mr. GOODLATTE. We are glad you are here today. I would like to follow up on some questions about OSHA, as well.

Yesterday OSHA published its Global Harmonization Regulation. Can you tell us what, quote—"hazards not otherwise classified," means in this regulation?

Secretary SOLIS. Well, this is an exciting announcement that was made yesterday, and I was very proud to be able to do this because this is exactly what the president has been asking us to do is to help to harmonize and bring criteria together. This has been an ongoing process now, as you know. It is not easy to get different countries to come together, and——

Mr. GOODLATTE. I understand, but when you try to bring people together if you want to accomplish something you have got to have an understanding of what it is, and one of the catch-all phrases in that so-called Global Harmonization Regulation is "hazards not otherwise classified." How are employers to quantify this in order to comply with the regulation? How will they know what "hazards not otherwise classified" means?

Secretary SOLIS. Well, my understanding is that what we are trying to do is make sure that employers and employees, more respectively, are aware that when there are chemicals, as an example, that are harmful, that we have a system that actually provides better harmonization of how you articulate and explain that to a worker, say, from another country——

Mr. GOODLATTE. I understand the objective, but I don't know how you get to that objective if you categorize something as "hazards not otherwise classified." How do you know what they are? How do you know how to structure your business operation to avoid hazards that are not identified and are not classified?

Secretary SOLIS. We hadn't heard many individuals that were opposed to this. In fact, I would say the industry—in particular, the chemical industry—Dow and others—came forward and many in chamber of commerces around the country were also supportive of this particular rule. So it is something that has been being worked on now for several years. So this is something that I know has been out there for some time, so I am reluctant to give you any more information other than I will make available my OSHA assistant secretary to clarify for you——

Mr. GOODLATTE. It would be helpful if you could help to clarify the meaning of that phrase.

Another OSHA issue, a little over a week ago OSHA issued a memorandum to field enforcement personnel that was critical of employer safety incentive programs, which I would think are a good thing. Currently there is no law or regulation forbidding the use of these programs. Does OSHA intend to start issuing citations to employers that use employer safety incentive programs?

Secretary SOLIS. No. You know, we typically—when there is an investigation it is because there has been an inquiry. Someone has actually called to ask for us to go out there. So I would say that that is what we are attempting to do.

Mr. GOODLATTE. But if an employer is using an employer safety incentive program to try to encourage safety in the workplace you are not intending to issue citations notwithstanding the fact that a memorandum was sent out to field personnel just 8 or 9 days ago criticizing——

Secretary SOLIS. I don't know about that particular case, but I will certainly ask the—my assistant secretary to respond to you. But typically there are businesses that are involved in our compliance programs—there are VVP programs as they are noted—and many cases some employers fall behind and that may have been what happened here and someone may have lodged a complaint and said, "Well, they are not really keeping up to par with what the program said that they should be at." So that is—it may have happened. I don't know, but I will get back to you on——

Mr. GOODLATTE. That also would be helpful if the committee could be informed about what was intended by a memorandum that criticized these programs.

Lastly, let me ask you about an issue that the subcommittee I serve on held a hearing on yesterday, and that is related to the DOL's proposed rule on companionship services. As you know, the Office of Management and Budget's circular A-4 requires the Department of Labor to examine the proper extent of state and local discretion in the rulemaking context and to consider alternatives such as leaving regulatory issues to state and local authorities.

In the context of companion care these are extremely important considerations, given that states can differ greatly in how they regulate care and reimburse for care under government-funded programs such as Medicaid. To what extent did DOL consider the fact that the rule would preempt the states' ability to design regulations to its local care market? Did the department consider the advantages of leaving the regulation of care to state and local authorities under OMB circular A-4, and if not, what assurances can you give the committee that you will take these concerns into consideration moving forward? We had a very good hearing yesterday on which——

Secretary SOLIS. Right.

Mr. GOODLATTE [continuing]. A lot of concerns were raised about this initiative by the department.

Chairman KLINE. The gentleman's time has expired, but we would appreciate an answer in writing on that.

Secretary SOLIS. Sure.

Chairman KLINE. It is an issue that has been raised again and again, as you know, Madam Secretary, this morning. I appreciate the gentleman from Virginia raising it, and we really would like some more feedback. A lot of concern yesterday in the subcommittee hearing and today.

Mr. Tierney?

Mr. TIERNEY. Thank you, Mr. Chairman.

Thank you, Madam Secretary. It is nice to see you here again.

First, I want to start off by thanking you and your staff. As you know, Mr. Miller, Mr. Hinojosa, and I were working on the Workforce Investment reauthorization and we received a lot of very valuable technical assistance and advice, and we do appreciate that significantly on that basis. We are interested in so many different things in that bill, but a number of which I think sort of overlap with some direction from the White House and from your office, as well, particularly the Community College and Career Fund. I wonder if you will talk a little bit more about that specific piece that happens to be in our bills as well, but what you anticipate from it and how it will help people as they get back to work.

Secretary SOLIS. Congressman Tierney, maybe before you walked in the room I spoke about the TAA Community College Fund that has now been in existence, and we are now at the second portion or part of the phase. We are now going to be rolling out the other $500 million. We have already rolled out $500 million. Those grants went all over the state. Some states competed very well in consortiums, and I know your state did very well and so did the state of California, I might add.

But also, what we are doing there is really looking at things in terms of innovation, but I like to say innovation-slash-reform, because we are really asking community colleges to step up to the plate and not just teach for the sake of teaching but teach for a credential, or a license, or whatever it might be that would actually lead to the job. So now we are asking for measures of that, and that is what I think is different about this new program that the president has talked about. He is willing to put aside funding for K-12—$4 billion—and $4 billion for community colleges.

The same things that we have learned in the TAA Community College program will be applied but on a broader scale, and we found some very good evidence to show that we are actually seeing more investments in manufacturing, in I.T., in health care, and industries where we—we actually need to continue to have people getting into jobs like welding, like apprenticeships, because we are finding that there is a big shortage in manufacturing of those very highly skilled individuals—journeymen, as an example. I know you and I share our concern for some of these jobs that are out there but there is a great need to have a continual pool of people that are cycling into these kinds of jobs.

Mr. TIERNEY. Well, we have such a variance just in my district alone, as you know—everything from the type of job you just described also to very technically oriented jobs, whether it is in the health care field and technology there, and radiology technicians, right on down the line. We have a program in Lynn in the GE site, obviously which brings in high precision——

Secretary SOLIS. Right.

Mr. TIERNEY [continuing]. Manufacturing on that, and——

Secretary SOLIS. And your bill talks about sectors——

Mr. TIERNEY. Sectors.

Secretary SOLIS [continuing]. And that is exactly what we have been able to do with the TAA Community College Fund. So we know that it works. I mean, I am very excited to see that you and your colleagues here, but also in the Senate, have the—the same kind of idea or concept that we need to be looking to push out incentives to regionalize and look at sectors that are growing and help to incentivize that.

And right now, as you know, many of our states are strapped. They are cutting their education budgets. So this is a shot in the arm for many of those programs that have been stagnant, especially in manufacturing, in bioindustry, in I.T., and health care.

Mr. TIERNEY. Well, so much has changed since 1998 when we first did this law and the types of new industries that weren't even thought of at the time, so the flexibility that we are trying to provide in the bill, and we received help with as well, in allowing people to go to a new area and then be flexible. Yesterday we spoke with one employer in my district while we were on a conference who used some of the resources to actually train incumbent workers——

Secretary SOLIS. Right.

Mr. TIERNEY [continuing]. Because he was losing his business and he shifted from doing high precision medical devices and other types of work to the aerospace type of industry. And with the assistance of the workforce investment board partnering with a provider like the community college moving on that he was able to get his people certified and credentialed and now half his business is in that area. He would have had to lay those people off and move in a different direction.

So your office is helping and helping us grapple with the innovation idea, the idea of being flexible on that, the partnershipping in the sectors. All of that, I think, is important, and no less so than the accountability aspect on that.

And I just wanted to wrap up by—I wish Ms. Foxx was still here because my information is some 162,458 jobs, if you want to be exact, adults received training services, which I think is a pretty incredible number. And 69.6 percent—70 percent—actually entered employment the first quarter after that. That is a marked fact that we could give Ms. Foxx and she could take it home. The same thing—almost 130,000 Americans got training services through WIA Dislocated Workers Program, and well over 66 percent of those got jobs.

So those are the kind of metrics that we want to be able to show on a regular basis, and unless we can show them we won't be able to continue the program and shouldn't.

Secretary SOLIS. Right.

Mr. TIERNEY. So the whole idea is the accountability wrapped in with the other aspects we talked about. I want to thank you for your work and your staff, again, for their great work.

Secretary SOLIS. Thank you. Thank you.

Chairman KLINE. I thank the gentleman.

Looks like all members have had an opportunity to ask questions. I certainly want to thank the secretary for being here with us today and giving so much of your time. I would like to recognize Mr. Miller for any closing remarks he may have?

Secretary SOLIS. Thank you.

Chairman KLINE. I thank the gentleman.

And again, Madam Secretary, thank you. This was a hearing about the president's budget and particularly about the Department of Labor's portion of that budget.

I do want to note that just a moment ago in responding to Mr. Tierney you pointed out that many states were strapped. I would argue that the federal government is strapped as well, and the president's budget reflecting, again, another $1 trillion deficit, so when we talk about setting aside billions for in many cases new programs many of us have a concern. We appreciate your addressing those concerns and we will continue the dialogue as we go forward.

Again, thank you very much for being with the committee today.

There being no further business, the committee stands adjourned.

[Additional submission of Mr. Miller follows:]

U.S. CONGRESS,
Washington, DC, March 21, 2012.

Hon. JOHN KLINE, *Chairman,*
Committee on Education and the Workforce, 2181 Rayburn House Office Building, Washington, DC 20515.

DEAR CHAIRMAN KLINE: I am pleased to report that the House Democratic Caucus has assigned Congresswoman Marcia Fudge to the Education and the Workforce Committee. Congresswoman Fudge will be joining the Subcommittee on Early Childhood, Elementary, and Secondary Education and the Subcommittee on Workforce Protections. With her addition, the composition of the subcommittees should be as follows:

SUBCOMMITTEE ON EARLY CHILDHOOD, ELEMENTARY, AND SECONDARY EDUCATION

Dale E. Kildee, Michigan
Ranking Minority Member)
Robert C. "Bobby" Scott, Virginia
Carolyn McCarthy, New York
Rush D. Holt, New Jersey
Susan A. Davis, California
Raúl M. Grijalva, Arizona
Mazie K. Hirono, Hawaii
Lynn C. Woolsey, California
Marcia Fudge, Ohio

SUBCOMMITTEE ON WORKFORCE PROTECTIONS

Lynn C. Woolsey, California
(Ranking Minority Member)
Dennis J. Kucinich, Ohio

Timothy H. Bishop, New York
Mazie K. Hirono, Hawaii
George Miller, California
Marcia Fudge, Ohio

If you have any questions, please contact me or direct your staff to contact Megan O'Reilly at 202-225-3725.

Sincerely,

GEORGE MILLER,
Senior Democratic Member.

[Additional submissions of Secretary Solis follow:]

[The Bureau of Labor Statistics Jan. 6, 2012, news release may be accessed at the following Internet address:]

http://www.bls.gov/news.release/archives/empsit_01062012.pdf

[The Bureau of Labor Statistics Feb. 3, 2012, news release may be accessed at the following Internet address:]

http://www.bls.gov/news.release/archives/empsit_02032012.pdf

[The Bureau of Labor Statistics Mar. 9, 2012, news release may be accessed at the following Internet address:]

http://www.bls.gov/news.release/archives/empsit_03092012.pdf

[Additional submission of Mrs. Roby follows:]

U.S. Department of Labor

Assistant Secretary for
Employee Benefits Security Administration
Washington, D.C. 20210

JAN 18 2012

The Honorable Martha Roby
U.S. House of Representatives
Washington, DC 20515

Dear Congresswoman Roby:

Thank you for your letter to Secretary Solis regarding the Department's decision to repropose its proposed regulation defining when a person who is paid to provide investment advice to a plan, plan fiduciary, plan participant or IRA owner will be considered an investment advice fiduciary under the Employee Retirement Income Security Act (ERISA).

As you know, EBSA announced on September 19, 2011 that it will repropose its rule on the definition of a fiduciary. A copy of the news release is posted on EBSA's website at http://www.dol.gov/ebsa/newsroom/2011/11-1382-NAT.html.

The reproposal will take into account the thoughtful comments and testimony we received during the extensive public comment period. It will also include a more robust economic analysis. The reproposal will continue to reflect the fundamental premise that employers and consumers are entitled to receive unbiased investment advice that puts their financial interests ahead of their adviser's.

We appreciate your interest in this important consumer protection initiative and your input on this key retirement issue affecting the benefit security so important to millions of America's workers and their families. A similar letter is being sent to your collegues who co-signed the incoming letter.

Sincerely,

Phyllis C. Borzi

Phyllis C. Borzi
Assistant Secretary

[Questions submitted for the record and their response follows:]

U.S. CONGRESS,
Washington, DC, May 18, 2012.

Hon. HILDA L. SOLIS, *Secretary,*
U.S. Department of Labor, 200 Constitution Avenue, NW, Washington, DC 20210.

DEAR SECRETARY SOLIS: Thank you for testifying at the Committee on Education and the Workforce's March 21, hearing on "Reviewing the President's Fiscal Year 2013 Budget Proposal for the U.S. Department of Labor." I appreciate your participation.

Enclosed are additional questions submitted by Committee members following the hearing. Please provide written responses that answer the questions posed no later than June 1, 2012, for inclusion in the official hearing record. Responses should be sent to Benjamin Hoog of the Committee staff, who can be contacted at (202) 225-4527.

Thank you again for your contribution to the work of the Committee.

Sincerely,

JOHN KLINE,
Chairman.

Enclosures.

QUESTIONS FOR THE RECORD SUBMITTED BY CHAIRMAN JOHN KLINE

1. The committee has received inquiries regarding the Department of Labor's treatment of discretionary "tips" included on an invoice for ground transportation services as wage income. The committee understands there is some disagreement between the department and the ground transportation industry about whether such monies are non-discretionary. As such, under the Fair Labor Standards Act, the department has held the view that such amounts are "imposed gratuities," not "tips," and classifies that income as wages subject to overtime.

The committee understands that ground transportation representatives have met with the department and requested a formal Administrative Interpretation to resolve this matter. At DOL's request, the ground transportation industry advanced an industry-standard practice whereby the recommended tip amount is negotiated between the transportation provider and the customer, varies, is at the sole discretion of the customer, and is paid to the driver in full. Under this practice, and consistent with 29 CFR 531.52-53 and past Opinion Letters, the ground transportation representatives urged the department to classify those voluntary amounts received by operators as "tips," not "imposed gratuities." The committee understands that, as outlined above, the Houston field office agreed and views such amounts as "tips" and not "imposed gratuities."

What is the status of the ground transportation operators' request for an Administrative Interpretation?

2. Stakeholders who regularly use the H-2A program have expressed their concern that in recent years the Wage and Hour Division has conducted a disproportionate number of audits of employers who utilize the H-2A program compared to employers who do not. Please provide a list of audits from FY 2007 to FY 2011 for investigations undertaken by the Wage and Hour Division in the agriculture industry, including the number of investigations involving H-2A compliance, and the number of investigations involving compliance under the Migrant and Seasonal Agricultural Worker Protection Act.

3. More than a year ago the president signed an executive order directing federal agencies to undertake a review of their regulations. The president indicated his belief that reviewing, modifying, and repealing regulations would "promote economic growth, innovation, competitiveness, and job creation." Currently, DOL is responsible for implementing close to 200 federal laws. How many regulations are currently in force at DOL to implement those laws? Provide an estimate of the net annual cost of these regulations. In 2011, when DOL reviewed its regulations, 11 were identified for modification, but no regulations were identified for repeal. What regulations has DOL identified for modification or repeal in 2012?

4. The Employment and Training Administration claims it served more than 9.8 million individuals in the last program year. We have seen several articles about workers, including many in the green jobs industry, who receive training services but can't find employment in their chosen field. Of the 9.8 million individuals, how many people actually received job training? How many were placed into jobs related to that training? If a worker receives training but finds a low-paying job in another field, how is that worker counted on the program's performance measures?

5. While the FY 2013 budget and the president's recent announcement includes a modest consolidation proposal saving $16 million, the administration wants to create several new job training programs costing taxpayers approximately $20 billion in new spending. Instead of working to simplify the 47 job training programs identified by GAO, the administration's plan would cause more confusion for unemployed workers struggling to navigate the maze of programs created at the federal level. Why has the administration chosen to further complicate the nation's job training system?

6. The administration's proposal to consolidate Trade Adjustment Assistance (TAA) with the Workforce Investment Act's Dislocated Worker program into a new Displaced Worker program seemed to be a step in the right direction. However, as more details are learned, it seems to be less about streamlining the maze of confusing job training and more about dramatically expanding federal subsidies. When will the administration release its legislative proposal to Congress? How much will the new program cost taxpayers? Is the new program being funded out of mandatory or discretionary funds? Will privately contracted One-Stop staff be prohibited from administering the program as is the case under TAA? How will the new program work within the existing federal workforce investment system?

7. In 2011 and 2012, Congress provided approximately $150 million to the Department of Labor for a new Workforce Innovation Fund. This fund sounds eerily similar to the Race to the Top program operated by the Department of Education—a slush fund created outside the Congressional authorization process with few param-

eters around how the money should be spent. How is the department implementing the new program? How much money has been spent on the program already? The day following this hearing, March 22, 2012, the first solicitation closed. Why has it taken more than a year and half to get the program up and running?

8. One of the goals of the new Workforce Innovation Fund is to develop new service delivery services and processes to improve outcomes for workers in the job training system. These activities aren't new—they mirror what state and local workforce investment boards do every day and reflect the fundamental mission of the programs authorized under the Workforce Investment Act. How is this program different from initiatives currently being funded? How will the department ensure these new programs are not duplicating efforts already underway?

QUESTIONS FOR THE RECORD SUBMITTED BY REPRESENTATIVE VIRGINIA FOXX

1. During your recent testimony before the committee, you stated that the department has rigorous evaluations for all programs. Please provide copies of these evaluations as well as the results (specific numbers) the participants in the programs received in obtaining employment, increasing their wages, and receiving a job in the field they were trained.

2. The president's FY 2013 request proposes a new $8 billion Community College to Career Fund, which is in part based on a similar program, the Trade Adjustment Assistance Community College and Career Training Grant Program (TAACCCTG). Please provide an evaluation of the TAACCCTG program and the results (specific numbers) it has achieved in helping individuals obtain degrees and credentials for high-skill occupations.

QUESTIONS FOR THE RECORD SUBMITTED BY REPRESENTATIVE TODD ROKITA

1. In response to a rule proposed by your department on March 18, 2011, that has since been finalized which would alter the H2B program, the Small Business Administration Office of Advocacy noted that the "rule creates numerous administrative burdens and compliance costs," "underestimates compliance costs, and fails to analyze the cumulative impact of [the rule's] requirements," and urged "DOL to consider significant alternatives to this proposed rule recommended by small entities that would meet the agency's objectives without jeopardizing small businesses."

The rule was finalized anyway. How did your department justify this rule in light of SBA's concerns?

2. In response to a rule proposed by your department on March 18, 2011, that has since been finalized which would alter the H2B program, the Small Business Administration Office of Advocacy noted that DOL's Initial Regulatory Flexibility Analysis was inadequate because it failed to properly evaluate the number of small businesses impacted by the rulemaking, underestimated the economic impact of the rule on small businesses and did not discuss significant alternatives that may have minimized the impact of the rule on small businesses.

Did DOL subsequently perform a proper Initial Regulatory Flexibility Analysis as it is legally required to do?

3. Madame Secretary, your department recently finalized two rules that will alter the H2B program. Thousands of small businesses throughout the country have made it clear that those rules are a threat to them and their full-time employees. Even the SBA opposed the rules and noted that your department did not adequately study the impact of the rules as it is required to do by law.

Can you tell me how many existing full-time jobs these rules will either eliminate or threaten?

4. Madame Secretary, on January 18, 2011, President Obama issued a presidential memorandum which expressed his administration's commitment to eliminating excessive and unjustified burdens on small businesses. However, the very next day your department issued a new rule that dramatically inflated the cost of the using the H2B program. In fact, Congress blocked the rule because there was so much concern about it. Recently your department issued another rule that thousands of small businesses throughout the country as well as the Small Business Administration consider highly excessive and unjustifiably burdensome.

How can your department's new rules be consistent with the stated intent of the presidential memorandum?

5. Madame Secretary, your department recently finalized two rules that will alter the H2B program. I understand that one of the rules is the subject of two lawsuits which claim that the law states that authority to issue rules lies with the Department of Homeland Security and that the Department of Labor only acts in an advisory role to DHS with no rulemaking authority over the program.

Can you tell me specifically where the statute is that states that DOL has rule-making authority over the H2B program?

6. Madame Secretary, your department recently finalized two rules that will alter the H2B program. I understand that one of the rules is the subject of two lawsuits and that one of the claims against the rule states that your department did not take employer interest into account when the rules were promulgated as it is supposed to do.

Did your department take into consideration employer interest in issuing these rules and if so, in what way specifically?

QUESTIONS FOR THE RECORD SUBMITTED BY REPRESENTATIVE LYNN WOOLSEY

In my District, I have seen firsthand the value of life-saving and life-renewing services offered by community-based nonprofits that provide residential treatment for substance use disorder. They treat addiction first and foremost, but also help re-integrate people into society.

1. How is the Department supporting ex-offender reentry through its programs and the resources it makes available to the states?

2. Understanding that drug and alcohol treatment centers do not deploy the traditional One Stop Career Center model, when considering how to deal with re-entry, it seems sensible that the Department of Labor would tailor the program to work with groups that specialize in dealing with ex-offenders. Has the Department considered these benefits when thinking of ex-offender re-entry, and how can these rehabilitation centers work with the Department to provide job training services, on their own or with One-Stop Centers?

QUESTIONS FOR THE RECORD SUBMITTED BY REPRESENTATIVE MARCIA FUDGE

1. Community based organizations (CBOs,) both private and non-profit, possess firsthand knowledge and experience implementing effective and successful workforce development measures to meet the needs of the unemployed, especially the long-term unemployed and individuals with multiple barriers to employment. Because of this, CBOs must not be relegated to the role of service providers only, CBOs must also be included in policy discussions. CBOs are an integral and effective component of our nation's workforce development system. CBOs, especially minority-serving CBOs, represent the perspective and needs of diverse populations including African American, Hispanic and other people of color.

What efforts has the Department of Labor undertaken to ensure minority community based organizations receive equitable representation on state and local Workforce Investment Boards (WIBs,) or other local governing mechanisms that may be established by WIA, where policy and programmatic decisions are made?

What efforts has the Department of Labor undertaken to ensure community based organizations, of demonstrated effectiveness, are included as an integral and effective component of our nation's workforce development system and its evolving partnership with community colleges?

How has the Department of Labor enforced conflict of interest provisions to prevent Workforce Investment Boards from functioning as direct service providers?

2. Urban communities need community based organizations, like the National Urban League, to be supported by the Federal Government. Their innovative and culturally competent programs are operated by local community leaders who have lived and worked in the communities they serve for many years. As the economy slowly gains steam, it is clear that we cannot recover without targeted measures to address unemployment in the hardest-hit communities. We congratulate groups like the National Urban League for recognizing what needs to be done every day on the front lines and fighting for the communities we represent.

What efforts has the Department of Labor undertaken to encourage partnerships with national community based organizations that have been anchors in urban communities? Can you share any lessons the Department has learned about what the government can do to encourage such partnerships?

[Secretary Solis' response to questions submitted follows:]

U.S. Department of Labor

Assistant Secretary for
Congressional and Intergovernmental Affairs
Washington, D.C. 20210

September 4, 2012

The Honorable John Kline
Committee on Education and the Workforce
U.S. House of Representatives
Washington, DC 20515

Dear Chairman Kline:

Please find enclosed the answers and accompanying materials to the Questions for the Record submitted to Secretary Solis after the Committee on Education and the Workforce hearing on March 21, 2012 entitled "Reviewing the President's Fiscal Year 2013 Budget Proposal for the U.S. Department of Labor."

Thank you again for inviting Secretary Solis to testify at the hearing. Please feel free to contact me at 202-693-4600 with any questions.

Sincerely,

Brian V. Kennedy

Enclosure (s)

QUESTIONS FOR THE RECORD SUBMITTED BY CHAIRMAN JOHN KLINE

1. The committee has received inquiries regarding the Department of Labor's treatment of discretionary "tips" included on an invoice for ground transportation services as wage income. The committee understands there is some disagreement between the department and the ground transportation industry about whether such monies are nondiscretionary. As such, under the Fair Labor Standards Act, the department has held the view that such amounts are "imposed gratuities," not "tips," and classifies that income as wages subject to overtime.

The committee understands that ground transportation representatives have met with the department and requested a formal Administrative Interpretation to resolve this matter. At DOL's request, the ground transportation industry advanced an industry-standard practice whereby the recommended tip amount is negotiated between the transportation provider and the customer, varies, is at the sole discretion of the customer, and is paid to the driver in full. Under this practice, and consistent with 29 CFR 53 1.52-53 and past Opinion Letters, the ground transportation representatives urged the department to classify those voluntary amounts received by operators as "tips," not "imposed gratuities." The committee understands that, as outlined above, the Houston field office agreed and views such amounts as "tips" and not "imposed gratuities."

What is the status of the ground transportation operators' request for an Administrative Interpretation?

The Department received a request from the National Limousine Association (NLA) for guidance on whether service fees charged to companies and individuals who contract for transportation services constitute tips under the Fair Labor Standards Act (FLSA). The NLA specifically requested an Administrator Interpretation. The Wage and Hour Division (WHD) has agreed to engage the NLA in additional discussions about these practices and whether these service charges constitute a tip.

The WHD issues formal guidance through a variety of means including: Administrator Interpretations, Field Assistance Bulletins, Fact Sheets, and FAQs. The Division's national office and regional office staff also regularly provide assistance and guidance to individual employees, employers, or their representatives by discussing with and/or referring the requester to the applicable statutory and regulatory provisions and the guidance documents listed above. The WHD has met with the NLA and during the meeting discussed and directed the association to the Division's existing and longstanding guidance on the issue of the application of the FLSA's tip credit provisions to service fees charged customers by employers.

The WHD has continued its discussions with the NLA and last met with its representatives on June 14, 2012. Based on these discussions and additional information provided, the WHD is considering if the practices as described by the NLA are compliant with the FLSA. Once the WHD has had the opportunity to fully consider the information provided by the NLA, the WHD position on whether and under what circumstances the service charges levied by the transportation companies may be considered gratuities under the FLSA will be communicated to the NLA.

2. Stakeholders who regularly use the H-2A program have expressed their concern that in recent years the Wage and Hour Division has conducted a disproportionate number of audits of employers who utilize the H-2A program compared to employers who do not. Please provide a list of audits from FY 2007 to FY 2011 for investigations undertaken by the Wage and Hour Division in the agriculture industry, including the number of investigations involving H-2A compliance, and the number of investigations involving compliance under the Migrant and Seasonal Agricultural Worker Protection Act.

Workers who are engaged in labor intensive agricultural employment are among the most vulnerable workers in today's workplace. The pay is typically low, the work is arduous, and the conditions often harsh. Farm workers simply do not file complaints with the Department when they are faced with adverse, and often illegal, working conditions. Consequently, the WHD has long maintained a directed or targeted enforcement program in this industry.

The agency protects farm workers through enforcement of the FLSA, the Migrant and Seasonal Agricultural Worker Protection Act (MSPA), the field sanitation provisions under the Occupational Safety and Health Act (OSH Act), and through the enforcement of the H-2A temporary agricultural worker provisions of the Immigration and Nationality Act (INA). When Wage and Hour investigators conduct an investigation of an agricultural employer, whether a fixed-site farm or a farm labor contractor, they investigate compliance with all applicable statutes that provide protections for farm workers. While an investigation may be initiated under one statute, e.g., MSPA, the investigator will examine compliance with FLSA, OSH Act, and the H-2A provisions within the INA, if applicable to that employer. WHD's data system captures the "registration Act," which is generally the statute under which the investigation was initiated. WHD's data system also captures the "violation Act" (statute under which a violation was found), and this may include multiple statutes under a single case. The following chart provides a sum of all agricultural investigations conducted in each fiscal year beginning with FY 2007. It also provides the number of cases registered as an H2A case and those registered as a MSPA case. Because a MSPA registered investigation may result in an H-2A violation if the employer utilizes H-2A workers, the chart also provides the number of cases in which H-2A or MSPA violations were found.

	FY2007	FY2008	FY2009	FY2010	FY2011
Agriculture:					
All Cases in the Agricultural Industry[1]	1,667	1,600	1,323	1,259	1,527
Agriculture Investigations by Registration Act:					
Cases Registered as H-2A	110	159	165	135	240
Cases Registered as MSPA	1,426	1,356	1,107	1,005	1,035
Agriculture Investigations by Violation Act Regardless of Registration Act:					
Cases with H-2A Violations	101	117	128	108	180
Cases with MSPA Violations	867	776	667	670	700

[1] Some agriculture industry investigations may be registered as Fair Labor Standards Act cases.

3. More than a year ago the President signed an executive order directing federal agencies to undertake a review of their regulations. The President indicated his belief that reviewing, modifying, and repealing regulations would "promote economic growth, innovation, competitiveness, and job creation." Currently, DOL is responsible for implementing close to 200 federal laws. How many regulations are currently in force at DOL to implement those laws? Provide an estimate of the net annual cost of these regulations. In 2011, when DOL reviewed its regulations, 11 were identified *for modification, but no regulations were identified for repeal. What regulations has DOL identified for modification or repeal in 2012?*

The nature of regulations, their promulgation and revision do not lend themselves to a numerical count. However, the regulations that the Department of Labor currently enforces include those contained in four CFR titles and many accompanying subparts. Please see chart below.

In accordance with the requirements of Executive Orders 12866 (Regulatory Planning and Review) and 13563 (Improving Regulation and Regulatory Review), the Department designs its regulations to be flexible, cost-effective, maximize benefits, and impose the least possible burdens. The Department strives to ensure that the benefits of its various regulations exceed the costs whenever possible.

In compliance with Section 610 of the Regulatory Flexibility Act, E.O. 12866, and E.O. 13563, the Department's agencies regularly conduct retrospective analysis of their regulations to identify those that are outmoded, require modification, are ineffective or should be expanded or repealed. In 2012, the Department issued its Hazard Communications final rule (3/26/12) and updated an OSHA standard based on National Consensus Standards for Acetylene (3/8/12). The Department is currently working on the remaining items previously identified for modification.

CODE OF FEDERAL REGULATIONS TITLES AND CHAPTERS

Title	Chapter	Parts	DOL Regulatory Agency
			Employees' Benefits
Title 20	I	1-199	Office of Workers' Compensation Programs
	IV	500-599	Employees Compensation Appeals Board
	V	600-699	Employment and Training Administration
	VI	700-799	Office of Worker's Compensation Programs
	VII	800-899	Benefits Review Board
	IX	1000-1099	Veterans' Employment and Training Service
			Labor
			Subtitle A—Office of the Secretary of Labor
Title 29		0-99	Office of the Secretary of Labor
			Subtitle B—Regulations Relating to Labor
	II	200-299	Office of Labor—Management Standards
	IV	400-499	Office of Labor—Management Standards
	V	500-899	Wage and Hour Division
	XVII	1900-1999	Occupational Safety and Health Administration
	XX	2200-2499	Occupational Safety and Health Administration
	XXV	2500-2599	Employee Benefits Security Administration
			Mineral Resources
Title 30	I	1-199	Mine Safety and Health Administration
			Public Contracts and Property Management
			Subtitle B—Other Provisions Related to Public Contracts
Title 41	50	50-1-50-999	Public Contracts
	60	60-1-60-999	Office of Federal Contract Compliance Programs
	61	61-1-61-999	Veterans' Employment and Training Service

4. The Employment and Training Administration claims it served more than 9.8 million individuals in the last program year. We have seen several articles about workers, including many in the green jobs industry, who receive training services but can't find employment in their chosen field. Of the 9.8 million individuals, how many people actually received job training? How many were placed into jobs related to that training? If a worker receives training but finds a low-paying job in another field, how is that worker counted on the program's performance measures?

In the 21st Century global economy, businesses and industries in the United States must continually transform and innovate to remain competitive. The Administration has invested in preparing the American workforce for jobs in industries that will drive this economy, including clean energy and health care.

For the four-quarter period ending June 30, 2011, 9.8 million individuals were participants in one of the Employment and Training Administration's (ETA) workforce programs (excluding the Wagner-Peyser Employment Service and Unemployment Insurance), as reported in ETA's quarterly Workforce System Results. For the same time period (June 30, 2011), about 2.6 million individuals were reported by states and grantees as program completers (exiters). All ETA program performance measures and outcomes are derived based on exiters, as many of the outcome components occur after program completion. Therefore, the total number of exiters is provided for a better comparison. Additionally, the total participant count includes self-service participants (those who may receive services virtually or access services with little or no staff assistance), whereas these self-service participants are excluded from performance outcomes (except for the Employment Service) as well as counts of those who received training services.

ETA's entered employment measure is primarily calculated via an automated match to state wage records. If a worker has received wages in the first quarter after program completion and is thus "found" in the wage record file, this person is considered a positive outcome for this measure regardless of occupation. In order to further validate employment as it relates to the participant's training, some programs conduct manual follow-up with the participant to verify if the employment was related to the training received. However, with limited resources and the inability to contact some participants who are no longer receiving services, measures based on this sort of follow-up will inevitably understate the number of participants in employment.

For the four-quarter period ending June 30, 2011, approximately 575,000 program completers (exiters) received training services. The number of those receiving training services is influenced by the demand of such services as well as the availability of resources for training.

Please see the attached chart for a break-out of program completer (exiter) counts and entered employment outcomes by ETA workforce programs.

5. While the FY 2013 budget and the President's recent announcement includes a modest consolidation proposal saving $16 million, the administration wants to create several new job training programs costing taxpayers approximately $20 billion in new spending. Instead of working to simplify the 47 job training programs identified by GAO, the administration's plan would cause more confusion for unemployed workers struggling to navigate the maze of programs created at the federal level. Why has the administration chosen to further complicate the nation's job training system?

We agree that there are opportunities to improve the current system, and our 2013 Budget makes some changes to do just that. While it is important to minimize duplication and maximize efficiency, we believe that a coherent public workforce system does not necessarily mean a single program, supplier, or agency. Our goal should be a rational system whose elements fit together logically, with minimal duplication, and provide ready and seamless access to services for jobseekers and workers looking for skills development and to employers looking for skilled workers. The Department is committed to better alignment of Federal investments in job training and improving models to deliver quality services across programs at lower cost.

The 2013 Budget eliminates some programs that overlap with other services. For example, the Budget ends funding for the Women in Apprenticeship in Non-Traditional Occupations (WANTO), whose important mission of expanding apprenticeship opportunities for women can be met through Labor's work to expand registered apprenticeships and ensure equal access to apprenticeship programs. It also terminates the $15 million Veterans Workforce Investment Program (VWIP), instead supporting service delivery innovations through the Workforce Innovation Fund and continuing funding for other veterans' employment programs.

The Administration's proposal also integrates different existing programs providing services to similar populations to more effectively help unemployed workers back to work. For example, President Obama wants to help dislocated workers navigate multiple employment and training programs, so that from now on, these individuals have one program, one website, and one place to go for all the information and help they need. The proposed Universal Dislocated Worker program would replace the Trade Adjustment Assistance and WIA Dislocated Worker program with a single, uniform set of services to help displaced workers.

The Workforce Innovation Fund, for which the 2013 Budget proposes a third year of funding, also encourages States and localities to integrate services across programs and achieve more cost-effective results. The Workforce Innovation Fund will support States and localities that are coordinating across programs to more efficiently achieve better outcomes for participants. Each grant will include an evaluation component to identify effective practices that can be replicated throughout the workforce system. The Budget again proposes broader waiver authority that grantees could use to do bolder experimentation across program silos.

The Administration also introduced efforts to improve coordination among federal training and employment programs. The American Job Center initiative is intended to improve the visibility and accessibility of the one-stop system, so job-seekers and employers have a readily identifiable physical and online place they can go to access the range of services they need.

In some cases programs provide the same services and serve similar populations but the overlap between the programs is minimal. For example, WIA Adult and TANF overlap in terms of training and job search services; and both serve disadvantaged adults, but only five percent of those served by WIA Adult program are also served by TANF. As recommended by the GAO report, the Departments of Labor and Health and Human Services work together to conduct and publish research that identifies best practices in WIA/TANF coordination. A study released in July compiled information from 10 sites about WIA and TANF partnerships that used Recovery Act funds to support youth employment. Another study currently underway will look at exemplary cross-program coordination models and the extent to which WIA services are provided to TANF clients.

Together, this rational approach will provide ready access to services for job-seekers and other workers looking for good jobs and to employers looking for job-ready skilled workers who met their needs.

6. The administration's proposal to consolidate Trade Adjustment Assistance (TAA) with the Workforce Investment Act's Dislocated Worker program into a new Displaced Worker program seemed to be a step in the right direction. However, as more details are learned, it seems to be less about streamlining the maze of confusing job training and more about dramatically expanding federal subsidies. When will the administration release its legislative proposal to Congress? How much will the new program cost taxpayers? Is the new program being funded out of mandatory or discretionary funds? Will privately contracted One-Stop staff be prohibited from administering the program as is the case under TAA? How will the new program work within the existing federal workforce investment system?

The Universal Displaced Worker (UDW) program would integrate proven aspects of the current Trade Adjustment Assistance (TAA) for workers and Workforce Investment Act (WIA) Dislocated Worker programs to provide a universal core set of services to a broader number of unemployed Americans. Combining these programs eliminates the complex administrative process needed to determine why workers are dislocated. The new, streamlined program would serve as many as 1 million workers per year.

UDW will give displaced workers the support they need to reenter the job market by providing:

- Up to $8,000 in training vouchers over two years.
- Stipends of $150 for up to 78 weeks for childcare, transportation, and other expenses as individuals look for work or build their skills through training.
- Low-income workers are eligible for more generous stipends.
- Job search and relocation allowances of up to $1,250 per worker.
- Wage insurance for up to two years for workers over 50 who have re-employment earnings of less than $50,000.
- Guaranteed reemployment and case management services.

UDW will be a mandatory program for eligible displaced workers. The program will cost an average of about $2.7 billion per year above the current baseline. We expect that, as in the present WIA Dislocated Worker system, One-Stop Career Center staff would provide various reemployment services to UDW participants, and that the UDW program would be a fully integrated partner in the workforce system.

The Department looks forward to working with Congress as we continue to develop the UDW program and accompanying legislation.

7. In 2011 and 2012, Congress provided approximately $150 million to the Department of Labor for a new Workforce Innovation Fund. This fund sounds eerily similar to the Race to the Top program operated by the Department of Education- a slush fund created outside the Congressional authorization process with few parameters around how the money should be spent. How is the department implementing the new program? How much money has been spent on the program already? The day following this hearing, March 22, 2012, the first solicitation closed. Why has it taken more than a year and half to get the program up and running?

The Federal government currently invests over $9 billion annually in employment and training programs designed to support an efficiently functioning labor market through the public workforce investment system. As the economy recovered in the 12-month period ending June 30, 2011, 9.8 million individuals were participants in one of the Employment and Training Administration's (ETA) workforce programs (excluding the Wagner-Peyser Employment Service and Unemployment Insurance), as reported in ETA's quarterly Workforce System Results. These individuals faced a range of employment challenges, including long-term unemployment and skill and credential deficiencies. The Innovation Fund provides an opportunity to competitively procure and evaluate innovation strategies that are best positioned to help the entire workforce system meet these challenges.

The Fiscal Year (FY) 2011 appropriation provided a Federal obligation deadline of September 30, 2012 for the Workforce Innovation Fund to allow adequate time to develop a robust grant solicitation in consultation with Congress, the Administration, federal agency partners, and workforce system stakeholders. Federal partner programs were asked to develop written materials and power point presentations regarding flexibilities and waiver authorities that could be used by grantees in developing proposals. This material was presented to a wide audience of potential applicants in a webinar with remarks by senior officials such as the Assistant Secretary of ETA and the Commissioner of the Department of Education's Rehabilitation Services Administration to encourage applicants to use available flexibilities.

The Department also engaged in an extensive stakeholder consultation process in the summer of 2011. Based on those consultations, the Department developed a grant competition that will award grants to projects that:

1. Deliver services more efficiently and achieve better outcomes, particularly for vulnerable populations (e.g. low-wage and less-skilled workers) and dislocated workers, especially those who have been unemployed for many months;
2. Support both system reforms and innovations that facilitate cooperation across programs and funding streams in the delivery of client-centered services to jobseekers, youth, and employers;
3. Ensure that education, employment, and training services are developed in partnership with specific employers or industry sectors and reflect current and future skill needs; and
4. Emphasize building knowledge about effective practices through rigorous evaluation and translating "lessons learned" into improved labor market outcomes, the ability to bring such practices to scale in other geographic locations and increased cost efficiency in the broader workforce system.

It is our goal that grants funded under the Workforce Innovation Fund will achieve the following within the public workforce system:

1. Better results for jobseekers and employers—such as reduced duration of unemployment, increased educational gains that lead to work readiness, academic and industry-recognized credential attainment, increased earnings, and increased competitiveness of employers;
2. Greater efficiency in the delivery of quality services—such as, more customers (job seekers or employers) served, decreased program attrition/customer throughput, faster job placement, achieving outcomes for lower cost or reduction in program overlap and administrative costs; and
3. Stronger cooperation across programs and funding streams—such as integrated data management information systems, braided funding, or changes that create a more seamless service delivery experience for participants who need help from multiple programs.

The Department received a tremendous response to the SGA. We announced the award of the full amount of the FY 2011 appropriation plus $27 million from the FY 2012 appropriation, for a total of nearly $147 million on June 14, 2012. Twenty-six grants, ranging from $1 million to $12 million each, were awarded to a combination of state workforce agencies and local workforce investment boards, as well as one Workforce Investment Act Section 166 grantee serving Indian and Native American communities. We also announced the Pay for Success Solicitation for Grant Applications, which makes up to $20 million of the FY 2012 appropriation available for Pay for Success pilot grants. The Solicitation closes on December 14, 2012. More information about the recent grant announcements and Pay for Success SGA can be found at *http://www.doleta.gov/workforce_innovation/*.

8. One of the goals of the new Workforce Innovation Fund is to develop new service delivery services and processes to improve outcomes for workers in the job training system. These activities aren't new—they mirror what state and local workforce investment boards do every day and reflect the fundamental mission of the programs authorized under the Workforce Investment Act. How is this program different from initiatives currently being funded? How will the department ensure these new programs are not duplicating efforts already underway?

The Workforce Innovation Fund is designed to strengthen the Federally-funded workforce investment system by implementing and evaluating projects that achieve: 1) better results for jobseekers and employers; 2) greater efficiency in the delivery of quality services; and 3) stronger cooperation across programs and funding streams. Through the Workforce Innovation Fund, the Department will invest in projects along a continuum of innovation and evidence, from new ideas that have never been tried, to well-tested ideas being adapted to new contexts. By evaluating projects along this continuum, the Fund will significantly increase the body of knowledge about what works in workforce development and strengthen the evidence pool that will drive future investments.

QUESTIONS FOR THE RECORD SUBMITTED BY REPRESENTATIVE VIRGINIA FOXX

1. During your recent testimony before the committee, you stated that the department has rigorous evaluations for all programs. Please provide copies of these evaluations as well as the results (specific numbers) the participants in the programs received in obtaining employment, increasing their wages, and receiving a job in the field they were trained.

The Department has an extensive history of using applied research and evaluation of existing programs and for the exploration of new ideas. For example, within the last three years, the Employment and Training Administration (ETA) has completed rigorous impact evaluations of major public workforce system programs that clearly show the benefits received from training and employment services. These evaluations include:

- Individual Training Accounts. Perez-Johnson et al. (2012) reports the results of the Individual Training Account (ITA) Experiment. The ITA Experiment is the most comprehensive study to date of the long-term impacts of different individual training account delivery models for public workforce system participants. The study found that ITA-related counseling alone had little effect on training choices, training outcomes, employment rates, or the average number of hours participants worked in a quarter. However, earnings increased more steeply and plateaued at a higher level for participants in the Structured Choice model, which required ITA counseling, granted the counselor more discretion to tailor training to the participants' needs, and provided a larger training benefit. Structured Choice participants were also slightly more likely to be employed in high-wage jobs and in the field for which they trained than participants in the other models studied. (*http://wdr.doleta.gov/research/keyword.cfm?fuseaction=dsp_resultDetails&pub_id=2485&mp=y*.)
- Workforce Investment Act. Heinrich et al. (2009) report results of a non-experimental net impact evaluation of the Adult program under the Workforce Investment Act (WIA). The result for all participants in the WIA Adult program (regardless of services received) show that participating is associated with a several-hundred dollar increase in quarterly earnings over the period of the study. Due to the non-experimental design, it is possible that this increase reflects unmeasured characteristics of individuals receiving services rather than the impact of the WIA Adult program. (*http://wdr.doleta.gov/research/keyword.cfm?fuseaction=dsp_puListingDetails&pub—id=2419&mp=y&start=41&sort=7*)
- Reemployment of Unemployment Insurance Claimants. In a recent report that examines the Reemployment Eligibility Assessment (REA) Program in Nevada, Michaelides et al. (2012) estimate the impact of the Nevada REA program on claimant UI receipt and quarterly wage outcomes following program entry. The key finding was that the Nevada REA program led to significantly shorter UI durations and lower benefit amounts—REA treatment group claimants collected 3.13 fewer weeks and $873 lower total benefit amounts than their peers. These savings exceeded average program costs by more than four times, providing strong evidence that the Nevada REA program is a cost-effective intervention. In addition, the Nevada REA program was effective in assisting claimants to find employment in the period following program entry. Nevada REA treatment group members were nearly 20 percent more likely than their peers to obtain employment in the first two quarters after program entry. (*http://wdr.doleta.gov/research/keyword.cfm?fuseaction=dsp_resultDetails&pub_id=2487&mp=y*)
- The Role of Unemployment Insurance During Recession. Vroman (2010) used Moody's Economy.com macro-economic simulation models to reaffirm the value of UI as an automatic economic stabilizer during the latest recession. The study found that UI benefits: 1) reduced the fall in GDP by 18.3% in 2009; 2) kept an average of 1.6 million Americans on the job in each quarter: at the low point of the recession, lowering the unemployment rate by approximately 1.2 percentage points; 3) had a multiplier effect of 2.0, where for every dollar spent on unemployment insurance, economic activity increased two dollars. (*http://wdr.doleta.gov/research/keyword.cfm?fuseaction=dsp_resultDetails&pub_id=2447&mp=y*)

Other reports on rigorous impact evaluations of major programs are nearing completion and the Department anticipates that they will be released in the coming months, including an evaluation of the Registered Apprenticeship Program, and the evaluation of the Trade Adjustment Assistance Program. In addition, several ongoing evaluations of workforce programs are underway including an evaluation of the

YouthBuild program, the WIA Gold Standard evaluation and an evaluation of the Transitional Jobs demonstration grants.

ETA has made available on its Web site an annotated bibliography of selected evaluation and research studies that it has conducted between 1995 and 2011. This bibliography, titled "Employment Research in Brief: An Annotated Bibliography of ETA-Sponsored Studies" (*http://wdr.doleta.gov/research/FullText_Documents/ETAOP_2012_01.pdf*) includes 124 publications and links to their location on the ETA Web site. Since 2011, ETA has completed 12 additional research and evaluation studies:

- Impact of the Reemployment and Eligibility Assessment (REA) Initiative (*http://wdr.doleta.gov/research/FullText_Documents/ETAOP_2012_08_Impact_of_the_REA_Initiative.pdf*)
- Green Jobs and Health Care Implementation (*http://wdr.doleta.gov/research/FullText_Documents/ETAOP_2012_07.pdf*)
- Improving the Effectiveness of Individual Training Accounts: Long-Term Findings from an Experimental Evaluation of Three Service Delivery Models (*http://wdr.doleta.gov/research/FullText_Documents/ETAOP_2012_06.pdf*)
- Process Evaluation and Outcomes Analysis: Twin Cities RISE! Performance-Based Training and Education Demonstration Project Final Report (*http://wdr.doleta.gov/research/FullText_Documents/ETAOP_2012_05.pdf*)
- Innovative Programs and Promising Practices: Indian and Native American Summer Youth Employment Initiatives and the 2009 Recovery Act (*http://wdr.doleta.gov/research/FullText_Documents/ETAOP_2012_04.pdf*)
- Beyond a Summer Work Experience: The Recovery Act 2009 Post-Summer Youth Employment Initiative (*http://wdr.doleta.gov/research/FullText_Documents/ETAOP_201_03.pdf*)
- Using TANF Funds to Support Subsidized Youth Employment: The 2010 Summer Youth Employment Initiative (*http://wdr.doleta.gov/research/FullText_Documents/ETAOP_2012_02.pdf*)
- Evaluation of the Technology-Based Learning Grants Final Report (*http://wdr.doleta.gov/research/FullText_Documents/ETAOP_2011_21.pdf*)
- Implementation and Early Training Outcomes of the High Growth Job Training Initiative: Final Report (*http://wdr.doleta.gov/research/FullText_Documents/ETAOP_2011_20.pdf* and *http://wdr.doleta.gov/research/FullText_Documents/ETAOP_2011_20_Appendices.pdf*)
- Early Implementation Report: Mentoring, Educational, and Employment Strategies (MEES) to Improve Academic, Social and Career Pathway Outcomes in Persistently Dangerous Schools—Generation I (*http://wdr.doleta.gov/research/FullText_Documents/ETAOP_2011_19.pdf*)
- Early Implementation Report: Mentoring, Educational, and Employment Strategies (MEES) to Improve Academic, Social and Career Pathway Outcomes in Persistently Dangerous Schools—Planning Report (*http://wdr.doleta.gov/research/FullText_Documents/ETAOP_2011_18.pdf*)
- Evaluation of the Career Advancement Accounts Demonstration Project: An Implementation Study (*http://wdr.doleta.gov/research/FullText_Documents/ETAOP_2011_17.pdf*)

All ETA research and evaluation studies published since 1977 are publically available for download from the ETA Evaluation Database at *http://wdr.doleta.gov/research/keyword.cfm.*

ETA's research and evaluation efforts include the study of impacts and outcomes of workforce development and employment strategies and programs, as well as the testing of concepts to determine their potential viability.

2. The President's FY 2013 request proposes a new $8 billion Community College to Career Fund, which is in part based on a similar program, the Trade Adjustment Assistance Community College and Career Training Grant Program (TAACCCTG). Please provide an evaluation of the TAACCCTG program and the results (specific numbers) it has achieved in helping individuals obtain degrees and credentials for high-skill occupations.

The Community College to Career Fund will ensure that workers have a stronger likelihood for success in the classroom and job market. The TAACCCT grant program provides postsecondary education institutions with an opportunity to expand and improve their ability to deliver education and career training programs that can be completed in two years or less, and are suited for workers who are eligible for training under the Trade Adjustment Assistance (TAA) for Workers Program of the Trade Act of 1974 (as amended) 19 U.S.C. 2271-2323, as well as other adults. The Department did not require institutions funded in the first round of grants (awarded in 2011) to conduct third-party evaluations of their projects. However, reporting requirements for the TAACCCT grant program are designed to ensure that grantees maintain data on students and their participation and credential attainment, and continuously monitor and improve program performance throughout the grant period. Grantees must report on the progress of the grants quarterly and provide an annual update on the progress of participants to the Department. Since the first round grantees have been active only since October 1, 2011, and the grantees currently are in the capacity-building phase of their projects, the Department expects to have the first data after grantees submit their initial yearly report in late 2012. Accordingly, the Department does not yet have performance data to share. These first round grantees are responsible for the deliverables identified in their statements of work, quarterly reports, as well as a final report.

In the second round of TAACCCT grants, which the Department expects to award in late summer 2012, grantees will be required to conduct third-party evaluations. In addition, the Department expects to procure, in summer 2012, a separate, third-party to conduct a national evaluation of the TAACCCT grant program that will cover both rounds of grantees. The evaluator will survey all grantees to obtain descriptive information about their grant-funded programs and activities, review the designs of third-party evaluations of round two grantees and any round one grantees that have third-party evaluations, and conduct an analysis and synthesis of all findings from the grantees' evaluations (from both rounds). The national evaluation will use a mixed-method design to conduct an outcome analysis, implementation analysis, performance assessment, and an assessment of the feasibility of conducting more detailed impact analysis using random assignment methods in selected round two or round one grantees to obtain more precise evidence on particular strategies or interventions that appear to hold the most promise for increasing attainment of industry-recognized credentials, employment and earnings. The Department has planned for several interim deliverables (grantee assessment, cross-site implementation analyses) under the national evaluation, as well as a final report following the grant completion.

QUESTIONS FOR THE RECORD SUBMITTED BY REPRESENTATIVE TODD ROKITA

1. In response to a rule proposed by your department on March 18, 2011, that has since been finalized which would alter the H2B program, the Small Business Administration Office of Advocacy noted that the "rule creates numerous administrative burdens and compliance costs," "underestimates compliance costs, and fails to analyze the cumulative impact of [the rule's] requirements," and urged "DOL to consider significant alternatives to this proposed rule recommended by small entities that would meet the agency's objectives without jeopardizing small businesses."

The rule was finalized anyway. How did your department justify this rule in light of SBA's concerns?

The Department carefully considered written comments to the proposed rule submitted by the Chief Counsel for Advocacy of the Small Business Administration (SBA), along with written comments and significant regulatory alternatives from small businesses and their representatives. We also considered feedback gathered during an April 26, 2011 roundtable discussion conducted by the SBA, which included Department representatives, small businesses, and SBA representatives.

The Department does not believe that the referenced rule, Temporary Non-Agricultural Employment of H-2B Aliens in the United States (Comprehensive Final Rule), will impose a significant economic burden on a substantial number of small businesses; however, the Department made a number of changes to the proposed rule that addressed many of the concerns SBA expressed and that were expressed in the comments received from other small business employers. Among other changes, you may be interested to know that the Department's response to comments resulted in the inclusion of an "acts of God" provision, which could relieve employers of certain requirements and a significant reduction in the referral period.

The preamble of the Comprehensive Final Rule (77 FR 10038) provides further details on how the Department of Labor responded to the concerns of SBA and small businesses as well as our consideration of significant regulatory alternatives suggested by small businesses and their representatives.

2. In response to a rule proposed by your department on March 18, 2011, that has since been finalized which would alter the H2B program, the Small Business Administration Office of Advocacy noted that DOL's Initial Regulatory Flexibility Analysis was inadequate because it failed to properly evaluate the number of small businesses impacted by the rulemaking, underestimated the economic impact of the rule on small businesses and did not discuss significant alternatives that may have minimized the impact of the rule on small businesses.

Did DOL subsequently perform a proper Initial Regulatory Flexibility Analysis as it is legally required to do?

The Department prepared an Initial Regulatory Flexibility Analysis (IRFA) that complied with SBA guidance and procedures. The Final Regulatory Flexibility Analysis (FRFA) addressed written comments to the proposed rule submitted by the Chief Counsel for Advocacy of the SBA, along with written comments and significant regulatory alternatives from small businesses and their representatives.

The Chief Counsel for Advocacy of the SBA commented that the economic impact calculated in the IRFA was underestimated because it failed to account for higher wages that employers may have to pay resulting from a separate rule published by the Department on January 19, 2011 that changed the way H-2B prevailing wages are determined. The Chief Counsel for Advocacy also commented that the IRFA underestimated the proportion of small businesses that would be impacted.

In response to these assertions, the Department explained in the Comprehensive Final Rule that the full cost impact of the January 2011 prevailing wage Final Rule was accounted for in that rule's FRFA. Regarding the Comprehensive Final Rule's IRFA calculation of the proportion of small businesses affected, the Department evaluated the economic impact across 1.1 million employers, which represents all small businesses, according to SBA's definition of a small entity, within the five most common industries using the H-2B program. In our final analysis the Department determined that this rulemaking would not have a significant impact on a substantial number of small entities.

The preamble of the Comprehensive Final Rule (77 FR 10038) provides details on how the Department of Labor evaluated the number of small businesses impacted, the economic impact of the rule on small businesses, and the alternatives considered by the Department to minimize the impact the rule would have on small businesses.

3. Madame Secretary, your department recently finalized two rules that will alter the H2B program. Thousands of small businesses throughout the country have made it clear that those rules are a threat to them and their full-time employees. Even the SBA opposed the rules and noted that your department did not adequately study the impact of the rules as it is required to do by law.

Can you tell me how many existing full-time jobs these rules will either eliminate or threaten?

The Department does not believe that the Wage Methodology for the Temporary Non-Agricultural Employment H-2B Program Final Rule (Wage Final Rule) or the Comprehensive Final Rule will eliminate full-time jobs but instead will provide unemployed U.S. workers with meaningful access to job opportunities.

The Department also believes that these rulemakings will help ensure that employers and small businesses are able to find qualified U.S. workers to fill their temporary positions in a timely manner, while addressing the critical issue that the employment of foreign workers will not adversely impact the wages and working conditions of U.S. workers.

The Department carefully considered written comments submitted by SBA's Office of Advocacy and addressed these recommendations in the preambles of our final rules.

4. Madame Secretary, on January 18, 2011, President Obama issued a presidential memorandum which expressed his administration's commitment to eliminating excessive and unjustified burdens on small businesses. However, the very next day your department issued a new rule that dramatically inflated the cost of the using the H2B program. In fact, Congress blocked the rule because there was so much concern about it. Recently your department issued another rule that thousands of small businesses throughout the country as well as the Small Business Administration consider highly excessive and unjustifiably burdensome.

How can your department's new rules be consistent with the stated intent of the presidential memorandum?

Executive Order 13563 calls for public participation, with agencies directed to seek the view of those who are likely to be affected, ensuring that rules will be informed and improved by the knowledge of those affected. The Executive Order also calls for careful analysis of the likely consequences of regulation, maximizing net benefits, selecting the least burdensome alternatives and considering alternative approaches.

The Department engaged in public participation and careful cost-benefit analysis for the 2011 wage rule and the 2012 comprehensive rule. The preamble of each final rule contains extensive discussion on these matters.

5. Madame Secretary, your department recently finalized two rules that will alter the H2B program. I understand that one of the rules is the subject of two lawsuits *which claim that the law states that authority to issue rules lies with the Department of Homeland Security and that the Department of Labor only acts in an advisory role to DHS with no rulemaking authority over the program.*

Can you tell me specifically where the statute is that states that DOL has rulemaking authority over the H2B program?

The Department is engaged in litigation concerning its rulemaking authority over the H-2B program The Department's position on this matter, as well as a comprehensive description of the Department's legal authorities, are set out in the attached appellate court brief, which is the latest brief on the issue. We trust this brief will provide a complete picture of the Department's regulatory authority over the H-2B program.

6. Madame Secretary, your department recently finalized two rules that will alter the H2B program. I understand that one of the rules is the subject of two lawsuits and that one of the claims against the rule states that your department did not take employer interest into account when the rules were promulgated as it is supposed to do.

Did your department take into consideration employer interest in issuing these rules and if so, in what way specifically?

The Department of Labor considered comments provided by employers in both the Wage Final Rule and the Comprehensive Final Rule. For the Wage Final Rule (76 FR 3452), the Department received and considered comments from SBA and small businesses. The preamble of the Wage Final Rule provides details on how the Department responded to their concerns and proposals for alternative prevailing wage-setting methods.

The Comprehensive Final Rule (77 FR 10038) responded to recommendations made by employers and their representatives as well. For example, the Department responded to employer recommendations to limit the potential reach of the corresponding employment provision and more clearly articulated which U.S. workers could be considered corresponding workers for the purposes of receiving the same wages and benefits as H-2B workers.

The Comprehensive Final Rule also incorporated employer recommendations about the proposed requirement to pay for or reimburse a worker for the cost of inbound transportation and subsistence by qualifying that the requirement to reimburse is in effect after the worker completes 50 percent of the job contract and the outbound transportation is only paid if the worker completes the job order period or is dismissed early. This addressed employer concerns that they may be paying transportation for workers who did not perform a significant amount of work.

The Comprehensive Final Rule also responded to employer recommendations about the proposed requirement to pay an H-2B worker for three quarters of the hours offered in the job order, even if there is less work, by increasing the length of time over which that amount is determined and relieving employers of this requirement if there are man-made catastrophic events outside their control or acts of God.

Finally, the Comprehensive Final Rule reduced the period during which employers have an obligation to hire U.S. workers to 21 days before the date of need. This responds to employers' assertions that the Department's proposal in 2011 extending the period for accepting referrals of U.S. applicants until the later of 3 days before the date of need or the date on which last H-2B worker departs for the job opportunity would be unworkable and potentially costly for employers.

Other examples of how the Department responded to comments provided by SBA's Office of Advocacy and by small businesses and their representatives can be found in the preamble of the Comprehensive Final Rule (77 FR 10038).

QUESTIONS FOR THE RECORD SUBMITTED BY REPRESENTATIVE LYNN WOOLSEY

In my District, I have seen firsthand the value of life-saving and life-renewing services offered by community-based nonprofits that provide residential treatment for substance use disorder. They treat addiction first and foremost, but also help reintegrate people into society.

1. How is the Department supporting ex-offender reentry through its programs and the resources it makes available to the states?

The Department of Labor's Reintegration of Ex-Offenders Appropriation funds both an adult program, which serves released prisoners returning home, and a youthful ex-offender program, which serves juvenile and young adult ex-offenders and at-risk youth. The adult program is an employment-centered initiative that seeks to strengthen urban communities that have large numbers of returning prisoners. The program funds competitive grants to local faith-based and community-based organizations to provide mentoring, job training, and other comprehensive transitional services. It is designed to reduce recidivism by helping inmates find work when they return to their communities, as part of an effort to improve community life.

The youthful ex-offender program provides competitive grants to local non-profit community-based organizations and state and local juvenile justice agencies to provide training, mentoring, service-learning, career exploration and employment opportunities. These grants focus on youth ages 14 to 24 and serve young offenders and youth at risk of criminal involvement, including school dropouts.

The Department makes a concerted effort to ensure that local, community-based organizations are aware of these grant opportunities and have the tools they need to be competitive applicants and participants. One of the primary responsibilities of the Department's Center for Faith-based and Neighborhood Partnerships is to disseminate information about these and other grant opportunities to community-based organizations and to provide technical assistance and guidance on how to apply as a lead applicant and how to partner with another eligible organization as a subgrantee. Additionally, in 2010 the Department released a Grants 101 Toolkit specifically designed to help community-based organizations respond to competitive solicitations for grant applications.

In Program Year 2011 (July 2011—June 2012), the Department has awarded or will award:

- $30 million to serve young adult ex-offenders ages 18 to 24 through service-learning activities that allow them to provide a valued service to their communities while learning marketable skills;
- $19.5 million to serve youth ex-offenders between the ages of 14 to 21 through regional intermediate organizations that will provide training in demand industries that result in credential attainment;
- $12 million to serve youth and adult ex-offenders through strategies targeting the characteristics common to female ex-offenders; and
- $20.5 million for a fifth round of Adult Reintegration of Ex-Offender grants to faith-based and community non-profit organizations in 18 urban communities across the country to serve returning adult ex-offenders.

2. Understanding that drug and alcohol treatment centers do not deploy the traditional One Stop Career Center model, when considering how to deal with re-entry, it seems sensible that the Department of Labor would tailor the program to work with groups that specialize in dealing with ex-offenders. Has the Department considered these benefits when thinking of ex-offender re-entry, and how can these rehabilitation centers work with the Department to provide job training services, on their own or with One-Stop Centers?

In order to successfully reintegrate into the community, it is essential that ex-offenders possess the skills and support necessary to enter and compete for jobs in the labor market as well as avoid recidivism. Faith-based and community-based organizations (FBCBOs) provide critical infrastructure and resources to assist with the reintegration of ex-offenders; FBCBOs often have strong roots within the local communities they serve and are able to bring together networks of social support organizations. Department of Labor grantees are required to develop partnerships with organizations that provide supportive services, such as: substance abuse and mental health treatment centers, vocational rehabilitation, housing assistance, child care, family reunification services and legal services etc.

QUESTIONS FOR THE RECORD SUBMITTED BY REPRESENTATIVE MARCIA FUDGE

1. Community based organizations (CBOs,) both private and non-profit, possess firsthand knowledge and experience implementing effective and successful workforce development measures to meet the needs of the unemployed, especially the long-term unemployed and individuals with multiple barriers to employment. Because of this, CBOs must not be relegated to the role of service providers only, CBOs must also be included in policy discussions. CBOs are an integral and effective component of our nation's workforce development system. CBOs, especially minority-serving CBOs, represent the perspective and needs of diverse populations including African American, Hispanic and other people of color.

What efforts has the Department of Labor undertaken to ensure minority community based organizations receive equitable representation on state and local Workforce Investment Boards (WIBs,) or other local governing mechanisms that may be established by WIA, where policy and programmatic decisions are made?

The Workforce Investment Act (WIA) recognizes that community-based organizations (CBOs) have an important role in the public workforce system, both to deliver services and to help shape workforce policy. WIA Section 111(b)(1)(C)(v) reserves two or more seats on every State Workforce Investment Board (SWIB) for representatives of organizations that have experience and expertise in the delivery of workforce investment activities, including chief executive officers of community colleges and CBOs within the State. SWIB members are appointed by the Governor. At the local level, WIA Section 117(b)(2) (A)(iv) requires that each Local Workforce Investment Board (LWIB) have two or more representatives from CBOs; chief local elected officials are responsible for LWIB appointments.

In addition to the representatives of CBOs who sit on SWIB and LWIBs, any CBO has the opportunity to attend Local Board meetings and provide comments on Board proceedings, including the eligible provider process. The Department reviews WIA Strategic State Plans, which must describe Board composition and membership, and the Department conducts regular monitoring of States and local areas to ensure that Board requirements are met.

The Department's Center for Faith-based and Neighborhood Partnerships has a specific focus on informing CBOs, as well as community and faith leaders, about the SWIBs and LWIBs. They work with local stakeholders to encourage community-based organizations to attend WIB meetings and provide information on meeting dates and locations. For example, the Center has been working with the Outreach Coordinator for the Faith-Based and Community Initiatives Office of Ohio Governor John R. Kasich to spread the word about WIB meetings. The Center also encourages community groups to inquire with the local WIB leadership about membership on the boards.

What efforts has the Department of Labor undertaken to ensure community based organizations, of demonstrated effectiveness, are included as an integral and effective component of our nation's workforce development system and its evolving partnership with community colleges?

In addition to CBOs' representation on state and local workforce investment boards, many provide services through the One-Stop delivery system at the local level. The Department has issued a number of competitive grants that encourage partnerships among the public workforce system, CBOs, and community colleges, as well as other organizations. These grants include the Senior Community Service Employment Program, Pathways out of Poverty, the Add Us In initiative, the Green Jobs Innovation Fund, and the Health Care Virtual Career Platform. We also anticipate that CBOs will be local grantee partners in some projects funded under the proposed Community College to Career Fund initiative, helping participants acquire the basic skills that improve their employability, learn technical skills, and access support systems that allow them to meet the needs of their families while they concentrate on gaining new skills and competencies.

In addition, CBOs are eligible applicants for the Department's YouthBuild discretionary grants that focus on providing education and construction skills training to disadvantaged young people who are high school dropouts. They also are eligible to apply for many of the Department's Reintegration of Ex-Offender grants that focus on helping youth and adult offenders to successfully reenter their communities and increase their education and employment outcomes.

The Department's Center for Faith-based and Neighborhood Partnerships helps to facilitate partnerships between community-based organizations and the workforce development system, including One-Stop Career Centers and Community Colleges. For example, the Center recently hosted a webinar to highlight examples of CBOs that are partnering with local workforce development systems to host job fairs. In another example, the Center has been working with Cuyahoga Community College's Advanced Technology Academy to develop partnerships with CBOs in order to recruit youth for their training programs and offer supportive services that assist with successful completion.

How has the Department of Labor enforced conflict of interest provisions to prevent Workforce Investment Boards from functioning as direct service providers?

Under 20 CFR 661.310, Local Workforce Investment Boards may function as direct service providers only with the agreement of, or waiver from, the Governor. In addition, there are a number of statutory and regulatory provisions that govern conflict of interest related to Workforce Investment Boards (WIB) and service providers. The Uniform Administrative Requirements are government-wide standards regarding procurement that all Federal grantees must follow, including standards for conflict of interest. The Department of Labor codified these requirements at 29 CFR Part 97 for governmental grantees and at 29 CFR Part 95 for non-governmental grantees. Conflict of interest regulation for entities receiving Workforce Investment Act (WIA) title I funds (20 CFR 667.200(a)(4)) indicates that in addition to the uniform administrative requirements mentioned above, a state or local WIB member, or a Youth Council member must neither cast a vote, nor participate in decision-making, on the provision of services by that member or any organization which that member directly represents. The WIB member also must not cast a vote, nor participate in decision-making, on any matter that would provide any direct financial benefit to that member or a member of his or her immediate family. WIA regulations note that neither membership on a WIB or Youth Council alone, nor the receipt of WIA funds to provide training and related services violates these conflict of interest provisions. The Department of Labor monitors both State and local WIA grant recipients for compliance with statute and regulations. The Employment and Training Administration also includes state policies related to these requirements in its oversight and monitoring of states, including its review of policies submitted with the WIA Strategic State Plans. In 2011, ETA published Training and Employment Guidance Letter 3510, titled "Transparency and Integrity in Workforce Investment Board Decisions," to remind state and local boards of the conflict of interest provisions in the law.

2. Urban communities need community based organizations, like the National Urban League, to be supported by the Federal Government. Their innovative and culturally competent programs are operated by local community leaders who have lived and worked in the communities they serve for many years. As the economy slowly gains steam, it is clear that we cannot recover without targeted measures to address unemployment in the hardest-hit communities. We congratulate groups like the National Urban League for recognizing what needs to be clone every day on the front lines and fighting for the communities we represent.

What efforts has the Department of Labor undertaken to encourage partnerships with national community based organizations that have been anchors in urban communities? Can you share any lessons the Department has learned about what the government can do to encourage such partnerships?

National community-based organizations are critical access points for workers seeking to transition into new industries and careers. They understand the importance of leveraging resources, engaging employers to better understand their workforce needs and secure employment for their participants, and providing comprehensive supportive services in a manner that is culturally and linguistically appropriate. By serving as key providers of basic skills training, technical skills training, and workforce development services through local affiliates in many urban, rural, and suburban communities across the country, national community-based organizations bring a broad perspective to workforce partnerships that is rooted in their experiences in local communities.

National community-based organizations are grantees or key partners in many of the Department's grant initiatives, such as the Senior Community Service Employment Program, Pathways out of Poverty, and the Green Jobs Innovation Fund, and we anticipate that they will be local grantee partners in some projects funded under the proposed Community College to Career Fund initiative to help participants acquire the tools and skills to be successful in knowledge-based economy. The National Urban League is a current grant recipient under the Reintegration of Ex-Offenders-Adult Generation 4 grant project and a number of its affiliates are grantees under other Departmental grant programs.

In addition to these competitive grant programs, national community-based organizations and their local affiliates operate local One-Stop Career Centers through contracts with local agencies. Two such examples include Instituto del Progreso Latino, an affiliate of the national community-based organization National Council of La Raza, which operates a local One-Stop in Chicago; and in New York City, the local Goodwill Industries operates the Brooklyn One Stop Center under a contract with the City of New York.

ADDITIONAL OUTSTANDING HEARING ITEMS

Rep. Biggert requested an update timetable for a re-proposal for the Definition of "Fiduciary" rulemaking.

The Department's Employee Benefits Security Administration (EBSA) announced on September 19, 2011, that it will repropose its rule on the definition of a fiduciary. The reproposal is designed to ensure an open exchange of views and protect consumers while avoiding unjustified costs and burdens. This continues to be a high priority project for the Department. While we are making good progress, we are taking the time we need to get the regulation and economic analysis right and to ensure proper coordination with the SEC and other relevant government offices and agencies, so we cannot predict with specificity when the reproposal will be published.

We are examining a wide array of evidence with the goal of developing a more robust economic analysis. The analysis will focus not only on the economic impact of a new rule on workers and retirees, but also on plan sponsors who often critically rely upon expert advice to discharge their own fiduciary responsibilities with respect to the management of plan assets and selection of plan investment options.

As part of this process, we sent out two voluntary data requests in mid-December 2011. One was for the underlying data supporting the conclusion in the Oliver Wyman report, a document which was submitted as a comment on the Department's October 2010 proposal, and which has been cited as demonstrating that the costs of applying fiduciary rules to IRA advisers would be prohibitive. The Department's request was addressed to the commenter who, on behalf of a group of twelve financial firms that offer services to retail investors, engaged Oliver Wyman to prepare the report, and then submitted the report for the record. In response, the Department received some additional, but limited, aggregated data, while other, more granular underlying data was not forthcoming.

The Department also sent another, broader request to leading financial services industry groups. This was part of our ongoing effort to make sure we give interested stakeholders every opportunity to provide input. While the Department was disappointed not to receive many of the suggested data elements from the industry sources, we have met with industry representatives and asked them to provide whatever information they had that would be useful to our efforts.

We appreciate the information that has been sent and are working diligently to review and assess it. The Department also has been collecting information from a variety of other sources. We will incorporate all of this information and feedback into our updated economic analysis of our updated proposal. We continue to welcome the receipt of any additional relevant data that interested stakeholders wish to provide in order to assist us with our work on this project, and will likewise incorporate any such data into our analysis as well.

Our objective is to craft a clear and workable regulation that provides the strongest possible consumer protections to employees in employee benefit plans and IRA owners as well as plan sponsors who offer retirement plans to workers, supported by a robust and fully transparent economic analysis to accompany the new proposed regulation. Since all components of the reproposed regulation will be open to public review and comment once published, we expect another opportunity to receive input.

Also under consideration are updates to current prohibited transaction exemptions and new exemptions addressing concerns about the impact of the regulation on current fee practices of brokers and advisers. Here again, our aim is to promote advice that is both impartial and affordable, and that is provided under circumstances that protect plans, participants and IRA owners from abusive practices. We will propose a package of amendments to current prohibited transaction exemptions and most likely at least one new exemption that will be issued at the same time as the reproposal. Like the reproposed regulation itself, the proposed exemptions will be open for public comment.

Rep. Thompson asked if DOL collects data on the number of jobs which employers are unable to fill with qualified workers.

The Department of Labor does not collect data that distinguishes between companies unable to find qualified workers for vacancies and those that have vacancies due to other reasons. However, you may be interested to know that the Bureau of Labor Statistics publishes data on job openings, hires, and separations in its Job Openings and Labor Turnover Survey (JOLTS). This, along with background information about the survey, may be found at (*http://www.bls.gov/jlt/*).

Rep. Foxx requested copies of the evaluations conducted by DOL on the programs—including numbers for how recipients' income has increased—referenced in her exchange with Secretary Solis.

All ETA research and evaluation studies since 1977 are publically available for download from the ETA Evaluation Database at *http://wdr.doleta.gov/research/keyword.cfm.*

ETA's research and evaluation efforts include the study of impacts and outcomes of workforce development and employment strategies and programs, as well as the testing of concepts to determine their potential viability.

Rep. Foxx requested detailed information concerning funding for job training program, including funding for homeless women veterans.

Programs	FY2011* Enacted w/Rescissions	FY2012* Enacted w/Rescissions	FY2013* President's Request
Adult Employment & Training	769,576	770,811	769,465
Dislocated Workers	1,061,807	1,008,151	1,006,526

Programs	FY2011* Enacted w/Rescissions	FY2012* Enacted w/Rescissions	FY2013* President's Request
Workforce Innovation Fund	124,750	49,906	100,000
Youth Activities	825,914	824,353	824,353
Reintegration of Ex-Offenders	85,390	80,238	85,238
Youth Build	79,840	79,689	79,689
Native Americans	52,652	47,562	52,562
Migrants & Seasonal Farmworkers	84,451	84,291	84,291
Job Corps Operations	1,570,932	1,569,078	1,545,872

*Figures are in thousands.

In regard specifically to homeless women veterans, a group that is greatly over-represented in the homeless population, the Department's Veterans Employment and Training Service operates the Homeless Veterans Reintegration Program, from which it has funded grants to assist homeless female veterans and veterans with families.

The Department awarded $5,256,580 on such grants in PY 2010. A total of 1,406 participants were served, of which 805 were female veterans, at a cost per participant, based on award level, of $3,738. Moreover, 60.6% of the veterans served were placed into employment. Through the 2nd quarter of PY 2011, 705 female participants have been served, out of a total 1,257 participants.

The HVRP program awarded $33,767,000 during PY 2010 and served 15,951 veterans, of which 1,533 were female. The total cost per participant, based on award level, was $2,116; 59% of the participants were placed into employment. Through the 2nd quarter of PY 2011, 8,719 veterans are enrolled in HVRP, of which, 1,279 are female veterans.

Additionally, during Program Year 2010 (7/1/2010—6/30/2011), ETA programs served over 1.8 million veteran participants nationwide in its workforce programs.

Over 1.4 million veterans completed their program during the 12-month period spanning from 4/1/2010—3/31/2011. The majority of these services were funded via the Wagner-Peyser and Workforce Investment Act programs.

Rep. Goodlatte requested clarification on the meaning of "hazards not otherwise classified" under the Global Harmonization rulemaking.

The phrase "hazards not otherwise classified" (HNOC) covers adverse physical or health effects identified through evaluation of scientific evidence during the classification process that do not meet the specified criteria for the physical or health hazard classes in the new rule. In essence, this definition requires classifiers who find scientific evidence that a chemical can cause death, illness, or injury to workers in a way not currently covered by the Globally Harmonized System of Classification and Labeling of Chemicals (GHS), disclose that fact. It is meant to be a modest and narrow requirement triggered only when the classifier has objective, scientific evidence of a hazard not covered by the specific GHS criteria. The definition does not expand the scope of the prior hazard communication rule or add new burdens but rather ensures that the new rule will not be less protective than the prior rule. The prior rule's definition of "health hazard" included any chemical for which there was at least one scientific study showing that acute or chronic health effects could occur. The definition of HNOC preserves this coverage by picking up hazards that would be within the scope of the prior rule but fall outside the specific GHS hazard classes. It is likely that only very few such hazards exist, inasmuch as the GHS classifications are the product of over thirty years of international experience in hazard communication.

Rep. Goodlatte requested clarification on the intent of a memorandum issued to OSHA field enforcement personnel concerning employer safety incentive programs.

On March 12, 2012, OSHA issued a guidance memorandum to OSHA Regional Administrators and Whistleblower Program Managers on "Employer Safety Incentive and Disincentive Policies and Practices." This memorandum discussed several types of employer policies and practices that can discourage employees from reporting occupational injuries or illnesses to their employer. Employee reports of injuries and illnesses are an important way to ensure that dangerous conditions are identified and corrected and that affected employees receive proper medical treatment, and the right to report injuries and illnesses is therefore a core right guaranteed to employees by the Occupational Safety and Health Act.

OSHA recognizes the value of safety incentive programs, which are attempts by employers to incentivize safe behavior by their employees, and it supports programs that effectively encourage employees to participate in safety related-activities. However, as noted by the recent GAO report on Safety Incentive Programs, one type of incentive program—where incentives are tied to low recorded injury and illness rate, such as a bonus to all who do not suffer an injury or illness—could discourage injury reporting and thus have the perverse, if unintended, result of actually reducing safety.

The programs OSHA is concerned about have the potential to be inconsistent with both Section 11(c) of the Occupational Safety and Health Act and OSHA's recordkeeping regulations in 29 CFR 1904. Section 11(c) prohibits discrimination against an employee for exercising a protected right, including the right to report an injury or illness, and 29 CFR 1904 require employers to keep accurate records of injuries. While some incentive programs might be well-intentioned efforts to promote safety, it is also possible that safety incentive programs can offer awards of sufficient size that a reasonable worker might be dissuaded from reporting an injury or illness. In such a case, the program could result in the employer's failure to record injuries or illnesses that it is required to record under OSHA's recordkeeping regulations, and OSHA might issue a citation for those violations. If the program leads to workers who report injuries or illnesses not receiving benefits or compensation they would have received without such reports, that could be considered discrimination in violation of section 11(c), and OSHA could bring an action to remedy that discrimination.

OSHA does not believe that all types of safety incentive programs are problematic; it is positive when employers place a high priority on safety and health, and create appropriate incentives to encourage safe and healthful workplaces.

Rep. Goodlatte requested a description of DOL's consideration of OMB circular A-4 during the rulemaking process for the Companionship Care regulation.

The Department's Application of Fair Labor Standards to Domestic Service proposed rule contains a preliminary regulatory impact analysis that was prepared in accordance with the guidance provided in OMB Circular A-4, which OMB reviewed. The complete preliminary regulatory impact analysis was published to provide the public with an opportunity to review and comment on it. See Application of the Fair Labor Standards Act to Domestic Service; Notice of Proposed Rulemaking (76 FR 81190, Dec. 27, 2011). We take our rulemaking responsibilities seriously, will continue to comply with Executive Orders 12866 and 13563, and OMB's implementing guidance, Circular A-4, in the promulgation of rules and regulations.

[Whereupon, at 12:21 p.m., the committee was adjourned.]

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