

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

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Chairman Harkin, Ranking Member Shelby, and members of the Subcommittee, thank you for the invitation to testify today. I appreciate the opportunity to discuss the Fiscal Year (FY) 2012 budget request for the Department of Labor.

There is broad agreement that the Federal government has to start living within its means. Now that our economic recovery is gaining strength, we must come together, reduce our deficit, and get back on a path that will allow us to pay down our debt. But we must do it in a way that protects the recovery, protects the investments we need to grow, create jobs, and helps us win the future. Building on the 2012 Budget and borrowing from the recommendations of the bipartisan Fiscal Commission, the President recently proposed a balanced approach to achieve \$4 trillion in deficit reduction over 12 years. Part of this plan is to keep annual domestic spending low by building on the savings reflected in our 2011 budget agreement. That step alone will save us about \$750 billion over 12 years. The Administration is committed to making the tough cuts necessary to achieve these savings—including to programs we care about—but will not sacrifice the core investments we need to grow and create jobs.

The 2012 Budget request for the Department of Labor includes a number of these difficult cuts, but it also includes key investments that would allow us to win the future by out-innovating, out-educating, and out-building our global competitors. Getting America back to work is a top Administration priority as we seek to spur growth in the U.S. economy. It is important to promote the creation of “good jobs,” and the Department of Labor plays a vital role in this goal by helping workers find and prepare for new jobs, helping employers find skilled workers, and enforcing statutory obligations that keep workers safe and help them keep what they earn.

INVESTING IN THE FUTURE

The Department of Labor FY 2012 budget invests in the future by working towards my vision, *Good Jobs for Everyone*. The Department’s budget focuses on this vision in a fiscally responsible manner by:

- Getting America Back to Work
- Keeping Workers Safe; and
- Helping Workers Provide for Their Families and Keep What They Earn.

GETTING AMERICA BACK TO WORK

To get America back to work and win the future, the Department will prepare workers with the tools they need to succeed in the 21st century economy, help workers and firms find each other, and support innovative strategies to promote economic recovery. The budget documents have been provided to the Committee and are available on our website, but for now, I want to share the key investments with you:

- **Workforce Innovation Fund.** The public workforce investment system is more important now than ever, but we need to make it more efficient, streamlined, and targeted to serve our growing customer base. To ensure that our investments in employment and training are focused on reform, the Departments of Labor and Education will invest in a Workforce Innovation Fund that will drive innovation and reinvigorate America's workforce development system. The Fund represents a small but crucial investment in innovative, evidence-based, and cost-saving workforce investment strategies that will significantly impact formula-funded activities well into the future. We were pleased that the final 2011 budget agreement included funding for the Fund. Our commitment to innovation is also reflected in requests for green jobs innovation activities and, of course, for evaluation so that we can improve our knowledge of what works.
- **YouthBuild.** Developing the skills of our nation's youth is critical to ensuring that our workforce is ready to succeed in the future. The 2012 Budget requests additional funds for the YouthBuild program, which provides disadvantaged youth, including youth with disabilities, with a pathway to employment or post-secondary education. In FY 2012, we will continue to implement the YouthBuild random assignment evaluation – the first rigorous impact evaluation ever conducted of the program – to measure the program's impacts on participants' post-program employment and earnings and to build knowledge of what works.
- **Unemployment Insurance Solvency and Integrity.** This Administration is committed to protecting the financial integrity of the UI system and helping unemployed workers return to work as swiftly as possible. Two major legislative proposals would strengthen the unemployment insurance safety net. One would help States improve the solvency of their unemployment accounts in the Unemployment Trust Fund (UTF), while providing temporary tax relief for employers. The other would create incentives for States to adopt Short-Time Compensation programs and expand their use nationally through implementation grants and a temporary Federal program in order to help avert layoffs. Another legislative proposal would focus on reducing UI improper payments by giving the States new tools and resources that will strengthen the fiscal integrity of the UI system

- **Job Corps.** Our Job Corps program has a long history of preparing disadvantaged youth for a successful transition into the workforce. The 2012 Budget would request additional funds for the program, and continues an ambitious agenda to improve the program's performance.
- **Veterans' Employment and Training Service.** We know returning veterans can contribute greatly to our economy. The request for the Department's Veterans' Employment and Training Service includes additional funds for the Homeless Veterans Reintegration Program to provide employment and training assistance to almost 27,000 homeless veterans, including continuing our outreach to homeless women veterans. In addition, the budget request funds the Transition Assistance Program for service members and their spouses, including expansion of services to retiring Reserve and National Guard members. Transition Assistance Program workshops play a key role in helping service members transition swiftly and successfully to civilian employment.
- **Disability Employment Initiative.** It is also important to continue our efforts to ensure that our workforce system effectively serves persons with disabilities. To accomplish this, the Department's budget includes funding for the Employment and Training Administration and the Office of Disability Employment Policy to continue the Disability Employment Initiative begun in FY 2010. This initiative works to build the capacity of the WIA One-Stop Career Center system to serve job seekers with disabilities by improving coordination across programs, leveraging resources, and prioritizing the provision of service to job seekers with disabilities (adults and youth) through the Social Security Administration's Ticket to Work program.

KEEPING WORKERS SAFE

Winning the future requires a successful competitive market where all firms are playing by the rules to keep workers safe. Workers should be safe in their jobs and we need to ensure that our worker protection efforts keep up with the changing economy. The FY 2012 budget builds on recent gains for our Worker Protection agencies. Some of the highlights of our worker protection request include:

- **Occupational Safety and Health Administration.** The Occupational Safety and Health Administration (OSHA) must ensure that all employers are able to provide safe workplaces to their employees. The request would expand OSHA's commitment to preventing injuries, illnesses and fatalities by deterring employers in the most hazardous workplaces who exhibit a profound disregard for worker safety and health. The FY 2012 budget also includes funds to support OSHA's work with the 21 whistleblower programs it administers in order to reduce the backlog in whistleblower claims, expedite the handling of received complaints, and prepare for a high volume of complex cases resulting from recently passed laws.

- **Mine Safety.** The Upper Big Branch mine disaster just over one year ago resulted in the needless loss of 29 miners' lives and was the worst mining disaster in the last 40 years. To prevent future such tragedies, the budget request includes additional resources for the Mine Safety and Health Administration (MSHA) to ensure that the Department has the tools we need to best protect miners. The Budget also requests funding for the Office of the Solicitor (SOL) to reduce the enforcement backlog of contested citations at the Federal Mine Safety and Health Review Commission (FMSHRC). Funds would also support Administrative Law Judges processing Mine Safety and Health citation cases at FMSHRC. We must continue our efforts in this area to ensure that we are holding accountable mine operators who fail to meet their legal and moral responsibility to operate safe mines.

HELPING WORKERS PROVIDE FOR THEIR FAMILIES AND KEEP WHAT THEY EARN

- **Employee Benefits Security Administration.** The Department's Employee Benefits Security Administration (EBSA) protects the employee benefits for more than 149 million people by safeguarding the integrity of 718,000 pension plans, including 401(k) plans, 2.6 million health plans, and a similar number of other employee benefit plans. The additional requested resources will support the significant increase in Congressional action aimed at strengthening benefit security for working Americans and their families. The Department's efforts will make plans more secure and help ensure that workers and their families receive the benefits to which they are entitled from their plan and under the law.
- **Pension Benefit Guaranty Corporation.** The Budget proposes to strengthen the defined benefit pension system for the millions of Americans who rely on it by giving the PBGC Board the authority to adjust premiums and directing PBGC to take into account the risks that different sponsors pose to their retirees and to the pension insurance program. In order to ensure that these reforms are undertaken responsibly, the Budget would require two years of study and public comment before any implementation and the gradual phasing-in of any increases.
- **Employee Misclassification Prevention and Detection Initiative.** The Budget re-proposes a multi-agency Misclassification Initiative that would coordinate Federal and State efforts to remedy violations that may result from the misclassification of employees as "independent contractors" and mitigate future violations.

Other priorities from the Budget submitted by the President in February include additional funds for the **Bureau of International Labor Affairs**. The FY 2012 budget includes funds to allow ILAB to collect additional information for its responsibilities for reporting on labor rights in countries that have free trade agreements and trade preference programs with the United States. The budget will also continue the Bureau's longstanding commitment to

combating child labor internationally and to building international relationships that improve global working conditions and strengthen labor standards around the world.

CONCLUSION

To summarize, the 2012 Budget provides targeted investments to help workers and firms better find each other, prepare Americans with the skills needed for the jobs of today and the jobs of the future, and ensure that we have a fair and equitable labor market for firms and workers. Our efforts will help to get America back to work, foster safe workplaces that respect workers' rights, provide a level-playing field for all businesses, and help American workers provide for their families and keep the pay and benefits they earn. I am committed to achieving the goal of *Good Jobs for Everyone* while the Administration focuses on our shared long-term goal of reducing the Federal deficit. I believe it is possible to do both and stand ready to work with you in the weeks and months ahead on a responsible way forward.

Mr. Chairman, thank you for inviting me today. I am happy to respond to any questions that you may have.