

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

March 23, 2010

Chairman Harkin, Vice Chairman Cochran, and members of the Subcommittee, thank you for the invitation to testify today. I appreciate the opportunity to discuss the Fiscal Year (FY) 2011 budget request for the Department of Labor.

The total request for the Department in FY 2011 is \$116.5 billion and 17,800 Full-Time Equivalent employees (FTE), of which \$17.1 billion is before the Committee. Of that amount, \$14.0 billion is requested for discretionary budget authority. Our Budget request will build on the \$4.8 billion in discretionary as well as the mandatory resources included for the Department in the American Recovery and Reinvestment Act (Recovery Act).

PUTTING PEOPLE BACK TO WORK

Workers and their families are hurting in these tough economic times. We know that job opportunities and economic security are of utmost importance to Americans. During my travels throughout the country, I have met many people who expected to be in their peak earning years, and yet were struggling to find employment and maintain retirement savings. At the Department of Labor, we are putting people back to work and assisting unemployed workers who need our help. Through the Recovery Act investments funded by the Congress, we have:

- Funded over \$49 billion in benefits to unemployed workers;
- Created nearly 318,000 summer youth job opportunities;
- Invested \$500 million in training and research for emerging “green jobs” and another \$220 million to help workers pursue careers in health care and other high growth industry sectors;
- Created over 18,000 new community service employment opportunities for seniors;
- Provided job-related services to more than 3.2 million unemployment insurance claimants;
- Provided direct assistance to over 190,000 unemployed workers and their families seeking affordable health coverage and the COBRA subsidy.

While these efforts are helping Americans during these difficult times, they are clearly not enough. The unemployment rate remains persistently and unacceptably high. This Administration wants to ensure that investments in job creation will *continue until the labor*

market fully recovers from the economic downturn. The president has proposed a robust package to spur job creation, including new investments in small business, infrastructure, and clean energy. In addressing the need for additional jobs legislation, the Administration supports additional job-creating investments in key Department of Labor initiatives:

- First, last summer the Recovery Act created over 300,000 summer jobs for at-risk youth in 2009, addressing an alarmingly high youth unemployment rate. Based on that experience, we believe that local areas can expand the program to create up to 350,000 jobs this summer, providing work experience to help young people build their futures and income their families can use in a weak economy. We can accomplish this with an additional \$1.2 billion investment in summer and youth employment. In keeping with our approach to WIA reauthorization, this amount should include \$150 million for competitive grants to support innovative programs and build knowledge of what strategies, including paid work experience, produce the best educational and employment outcomes for disconnected youth.
- Second, training programs that bring workers into contact with employers form key partnerships that will result in people getting jobs. We support an additional \$500 million to expand on-the-job training, refresh the skills of the long-term unemployed, and link them to real employment opportunities as the economy rebounds.
- Third, through grant programs we will be prioritizing training in emerging industries where we know there are jobs, such as clean energy, an area where we see a lot of potential for additional training efforts. The Administration supports an additional \$300 million to continue two Recovery Act programs -- Pathways Out Of Poverty Grants (\$225 million) and Energy Training Partnerships (\$75 million). For both of these programs, we received many more quality applications than we were able to fund. As a result, additional resources would allow us to quickly fund these high-quality programs.

We also applaud the action that has been taken to extend unemployment benefits and health insurance. These programs ensure a continued safety net for individuals who cannot find jobs, and the benefits help stimulate the economy by putting money back in workers' pockets who then spend it in their local communities. These programs are vital, and we look forward to working with Congress to extend the duration of these programs.

We must work together to respond to the plea from millions of Americans for job opportunities and assistance. That means that we need to create new and better jobs for the 21st Century economy. And because it is too easy to exploit workers when jobs are scarce, we need to be vigilant in protecting the rights and safety of workers. At the Department of Labor, my strategic vision is to provide *Good Jobs for Everyone*. Here are some of the ways that we define a good job:

- A good job can support a family by increasing incomes, narrowing the wage gap and allowing workplace flexibility.
- A good job is safe and secure and gives people a voice in the workplace.

- A good job is sustainable and innovative, for example a green job.
- A good job will help rebuild a strong middle class.
- A good job provides access to a secure retirement and to adequate and affordable health coverage.

The resources requested in our FY 2011 budget will help to make the vision of *Good Jobs for Everyone* a reality. They will build on and leverage the job creation efforts begun with the Recovery Act and continued with the FY 2010 appropriation. I am committed to doing my best to see that the new jobs created with the economic recovery are good jobs that are open to the diverse group that represents the workers of the future.

PREPARING FOR JOBS OF THE FUTURE

The Department is looking to prepare workers with the tools they need to succeed in the 21st Century economy, and for innovative ways to promote economic recovery. The FY 2011 budget request for the Department's Employment and Training Administration (ETA) is \$10.9 billion in discretionary funds and 1,080 FTE, not including the 148 FTE associated with the proposed legislation for foreign labor certification application fees. Through innovative program strategies, the budget request for ETA will allow the Department to increase the skills of the American workforce, while addressing all segments of the population.

Innovation Funds

Reflecting the urgent need to prepare workers for 21st Century jobs, for the first time in over a decade, the FY 2011 budget proposes a significant increase in funding for the Workforce Investment Act (WIA) grant programs for Adults, Dislocated Workers, and Youth. The budget requests \$3.4 billion for these programs, an increase of \$209 million above the FY 2010 level. However, the additional resources are inextricably linked to reform.

In keeping with the Administration's WIA reauthorization plan, a percentage of the funds appropriated for Adults, Dislocated Workers and Youth will be reserved for the budget's proposed new Partnership for Workforce Innovation, which encompasses \$321 million of funding in the Departments of Labor and Education. In the Department of Labor, two new Innovation Funds would provide competitive grants to state and local entities that can demonstrate new and promising ways of preparing individuals for jobs of the future. There are funds for adults and youth. For adults, the \$108 million *Workforce Innovation Fund* would be funded through a 5 percent reserve from the WIA Adult and Dislocated Worker programs. Innovation funding will be used, in part, to support and test "learn and earn" strategies like on-the-job training and apprenticeships. For youth, the \$154 million *Youth Innovation Fund* will be funded by a 15 percent reserve of the funds appropriated for Youth; the funds will support summer and year-round employment opportunities and "work experience plus" programs for out-of-school youth. We are confident that the Partnership for Workforce Innovation will create strong incentives for change that will improve the effectiveness of the Workforce Investment Act programs, and provide incentives for States and localities to break down program silos and improve service delivery.

Green Jobs

The demand for green job training opportunities is enormous – and the Department has been unable to keep pace with the record number of applications for grants. We believe that this unprecedented level of interest represents the need for resources that focus on green jobs training, which complements job creation efforts. We also believe this demonstrates the need to assist people who are already working, but who may be underemployed, to gain skills – and portable credentials – that will help them move into better, higher-paying jobs in emerging sectors.

The budget requests \$85 million for the Green Jobs Innovation Fund, an increase of \$45 million (89 percent) from the FY 2010 appropriation. The request will provide training opportunities for some 14,110 workers. These funds will support the Department’s efforts to achieve its high priority performance goal in the employment and training arena, which is aimed at increasing opportunities for America’s workers to acquire the skills and knowledge to succeed in a knowledge-based economy (and includes training over 120,000 Americans for green jobs by June 2012). The budget will also complement the competitive grant awards made through the \$500 million appropriation included for high growth and emerging industry sectors under the Recovery Act, and the \$40 million provided in the FY 2010 appropriation.

YouthBuild

The FY 2011 Budget includes \$120 million, an increase of \$17.5 million (17 percent) for YouthBuild to provide an estimated 230 competitive grants to local organizations for the education and training of approximately 7,450 disadvantaged youth age 16-24. Under these grants, youth will participate in classroom training and learn construction skills by helping to build affordable housing. In FY 2011, the Department will continue the “green” transition of YouthBuild by encouraging connections with other Federal agencies involved in creating green jobs – such as the Departments of Energy and Housing and Urban Development – in order to leverage resources and new “green” opportunities for YouthBuild participants.

Transitional Jobs

The FY 2011 budget proposes that \$40 million for second-year funding to demonstrate and evaluate transitional job program models, which combine short-term subsidized or supported employment with case management services to help individuals with significant employment barriers obtain the skills needed to secure unsubsidized jobs. The initiative, which is a critical part of our jobs agenda, will target non-custodial parents to strengthen their workforce skills and experience, and help the children who rely on them for support. The Department is carrying out this demonstration collaboratively with other Federal agencies, such as the Departments of Health and Human Services and Justice. In partnership with these agencies, we are working to develop and implement a rigorous evaluation strategy for this demonstration.

Strengthening Unemployment Insurance Integrity and Promoting Re-Employment

The severity of the recession has placed great stress on the Unemployment Insurance (UI) system, which has paid out unprecedented amounts of unemployment compensation. This Administration is committed to protecting the financial integrity of the UI system, and helping unemployed workers return to work as swiftly as possible. In addition to providing the funding that States rely on to administer this important safety net program, our approach includes:

- A package of legislative changes that would prevent, identify, and collect UI overpayments and delinquent employer taxes. We estimate that these legislative proposals would reduce overpayments by \$2.632 billion and employer tax evasion by \$282 million over 10 years (net of the income tax offset).
- A request of \$55 million (an increase of \$5 million over the FY 2010 level) in discretionary funding to support Reemployment and Eligibility Assessments, which include in-person interviews at One-Stop Career Centers with UI beneficiaries to discuss their need for reemployment services and their continuing eligibility for benefits. In FY 2011, this investment, combined with the \$10 million request included in State administration, will help 710,000 UI beneficiaries find jobs faster. It is expected to save \$2.3 billion over a 10-year period.

We urge the Congress to act on these important proposals to strengthen the financial integrity of the UI system and help unemployed workers return to work.

Senior Community Service Employment Program

The FY 2011 budget proposes \$600.5 million for the Senior Community Service Employment Program (SCSEP), which will support some 61,900 slots for low-income seniors in part-time, minimum wage community service jobs. The request continues funding at the base amount of the FY 2010 appropriation. As you know, in FY 2010 the Congress provided a special multi-year appropriation of \$225 million to help low-income seniors facing special economic challenges, asking that we allocate those funds within 45 days of enactment. In January 2010, the Department moved quickly to award these funds to offer immediate employment opportunities.

Job Corps

The budget includes \$1.7 billion to operate a nationwide network of 124 Job Corps centers in FY 2011. Job Corps provides training to address the individual needs of at-risk youth and equip them with the skills they need to enter the world of work. The FY 2011 budget sets forth an ambitious agenda to reform and improve the Job Corps program's performance. We have begun this agenda in FY 2010, which includes:

- Fully integrating Job Corps with the Department's other employment and training programs, with the return of the program to the Employment and Training Administration.
- A rigorous and comprehensive review of Job Corps center operations and management to identify areas most in need of reform.
- Remediation of program performance shortfalls at the lowest performing centers.
- Analysis of contracting practices and procedures to identify potential savings and strategies to improve cost effectiveness.

We are optimistic that our reform agenda will identify ways to produce better outcomes at a lower cost. To the extent that our efforts produce long-run cost avoidance, rather than near-term savings, the budget includes appropriations language that would allow the transfer of up to 15 percent of the \$105 million appropriation for construction to meet center operational needs. This authority was first provided by Congress in the Recovery Act. Job Corps received \$250 million from the Recovery Act, which it is using to fund shovel-ready construction projects that stimulate job growth in center communities. In addition, the Recovery Act funds are promoting environmental stewardship in Job Corps by supporting development of green-collar job training, technology enhancements, and fleet efficiency.

Veterans' Employment and Training Service

We know returning veterans can contribute greatly to our economy. For the Department's Veterans' Employment and Training Service (VETS), the FY 2011 budget request is \$262 million and 234 FTE. The FY 2011 budget includes \$41 million for the Homeless Veterans Reintegration Program (HVRP), an increase of \$5 million (14 percent) above FY 2010. The request will allow the program to provide employment and training assistance to more than 25,000 homeless veterans, and increase our reach to homeless women veterans. In addition, the budget requests \$8 million for the Transition Assistance Program (TAP) for spouses and family members (including those with limited English proficiency), an increase of \$1 million (14 percent) from FY 2010. TAP Workshops will enroll roughly an additional 15,000 participants worldwide in FY 2011, and play a key role in reducing jobless spells and helping service members transition successfully to civilian employment.

State Paid Leave

Workforce and workplace changes have made it increasingly difficult for working families to meet their work and family responsibilities. The vast majority of American workers have family care-giving responsibilities outside of work and no full-time caregiver at home. Nearly half of private-sector workers do not have paid sick leave to care for themselves, and even fewer have leave available to care for another family member when they are ill. Millions of workers risk losing pay – and even their jobs – when they are sick or their children are sick. No worker should be placed in that position. Similarly, most workers do not have paid family leave – for example, to care for a newborn or newly adopted or fostered child.

State programs that provide for paid leave offer a solution for working families who cannot afford to take unpaid leave but need to take time off work to care for a newborn, bond with a new child or care for themselves and their families. The FY 2011 budget requests \$50 million for a State Paid Leave Fund to provide grants to help States establish paid leave programs.

PROTECTING WORKERS' RIGHTS AND SAFETY

In the jobs of the future as well as in jobs of the present, workers should be safe and their rights should be protected. To achieve our goal of rebuilding the middle class, we need to level the playing field and restore fair play for all working people. The FY 2011 budget continues our commitment to protect the rights and safety of workers by hiring additional enforcement personnel and strengthening our regulatory efforts. The request includes \$1.7 billion in discretionary funds and 10,957 FTE for our worker protection activities. This funding level is \$67 million (4 percent) and 177 FTE above the FY 2010 appropriation. The budget returns the worker protection programs to the FY 2001 staffing levels or greater, and builds on the progress begun in FY 2010 to restore capacity in our worker protection programs.

Employee Misclassification Initiative

Employers who misclassify their employees as independent contractors often avoid paying the minimum wage and overtime. They evade payroll taxes, and often do not pay for workers' compensation or other employment benefits. As a result, employees are denied the protections and benefits of this Nation's most important employment laws, and their employers gain an unfair advantage in the market place. Employees are particularly vulnerable to misclassification in these difficult economic times. The FY 2011 budget requests \$25 million for a multi-agency initiative to strengthen and coordinate Federal and State efforts to enforce statutory prohibitions, and identify and deter employee misclassification as independent contractors.

For the Wage and Hour Division, the FY 2011 budget requests an additional \$12 million and 90 new investigators to expand its efforts to ensure that workers are employed in compliance with the laws we enforce. The funds will support targeted investigations that focus on industries where misclassification is most likely to lead to violations of the law, and training for investigators in the detection of workers who have been misclassified.

The Misclassification Initiative also will support new, targeted ETA efforts to recoup unpaid payroll taxes due to misclassification and promote the innovative work of States on this problem. This initiative includes State audits of problem industries supported by Federal audits, and \$10.9 million for a pilot program to reward the States that are the most successful (or most improved) at detecting and prosecuting employers that fail to pay their fair share of taxes due to misclassification and other illegal tax schemes that deny the Federal and State UI Trust Funds hundreds of millions of dollars annually.

In addition, the Misclassification Initiative includes:

- For the Office of the Solicitor, \$1.6 million and 10 FTE to support enforcement strategies, with a focus on coordination with the States on litigation involving the largest multi-State employers that routinely abuse independent contractor status.
- For the Occupational Safety and Health Administration, \$150 thousand to train inspectors on worker misclassification issues.
- Legislative changes that will require employers to properly classify their workers, provide penalties when they do not, and restore protections for employees who have been classified improperly.

With these efforts, we intend to reduce the prevalence of misclassification and secure the protections and benefits of the laws we enforce. This effort strikes at the core of the Department's mission – and the hard working people of this country deserve no less.

Wage and Hour Division

I take the failure to pay workers the wages that they have earned very seriously, and I am committed to enforcing all employment laws – particularly those related to payment of the minimum wage and overtime. Workers deserve this money, and it will bring new resources to low-income households where most of it will be spent and help reinvigorate local communities. As I noted earlier, we have already increased Wage Hour enforcement staffing. At 1,672 FTE, the staffing level for the Wage and Hour Division requested in FY 2011 is 29 percent higher than the FY 2009 level. As new investigators grow into their jobs, they will be an even stronger force for securing compliance with basic labor standards protections. The FY 2011 Budget request of \$244.2 million for the Wage and Hour Division will support targeted investigations, meaningful compliance assistance, and – in support of the Department's high priority performance goals – reduce repeat violations of minimum wage, overtime, and workplace safety laws.

Office of Federal Contract Compliance Programs

I am also committed to vigorously enforcing the laws that combat discrimination, for our goal is to protect workers who — ultimately — are America's most important asset. The FY 2011 request for the Office of Federal Contract Compliance Programs (OFCCP) is \$113.4 million and 788 FTE, an increase of \$8 million from the FY 2010 level. The 2010 appropriation has allowed OFCCP to return to 2001 staffing levels, and the 2011 request will make it possible to maintain that level.

The FY 2011 budget will allow OFCCP to broaden its enforcement efforts and focus on identifying and resolving both individual and systemic discrimination. OFCCP will focus its

attention on a broad range of issues that arise in individual cases, including harassment, retaliation, termination, and failure to promote. Since federal contractors are obligated to self-audit and correct identified problems, OFCCP will step up monitoring of this element of contractor compliance. As part of OFCCP's enforcement of Executive Order 11246, *Equal Employment Opportunity*, a renewed emphasis on conducting construction reviews is planned.

Office of Workers' Compensation Programs

The FY 2011 discretionary budget request for administration of the Office of Workers' Compensation Programs (OWCP) totals \$127.3 million and 921 FTE to support the Federal Employees' Compensation Act (FECA) (\$103.5 million), the Longshore and Harbor Workers' Compensation program (\$17.2 million) and \$6.6 million for the Division of Information Technology Management and Services (DITMS). DITMS provides information technology General Services Support for the programs that were previously within the Employment Standards Administration (ESA) and was previously funded in ESA's Program Direction and Support activity. DITMS was transferred to OWCP with the understanding that it would provide the same level of IT support. The request includes an additional \$3.2 million and 9 FTE to address the burgeoning workload under the Defense Base Act arising from claims associated with injuries to war-zone contract workers in Afghanistan and Iraq.

A high priority performance goal for FY 2011 will be a new, jointly-sponsored OWCP and Occupational Safety and Health Administration (OSHA) initiative entitled "Protecting Our Workforce and Ensuring Reemployment" (POWER). The new program is designed to bring a greater focus on the Federal Government as a model employer of workers injured on the job and returning to the workplace, or for employing workers with disabilities.

The OWCP budget also includes mandatory funding totaling \$53.8 million and 295 FTE to administer Part B of the Energy Employees Occupational Illness Compensation Program Act (EEOICPA), and \$72.8 million and 265 FTE for Part E of the Act. EEOICPA provides compensation and medical benefits to employees or survivors of employees of the Department of Energy and certain of its contractors and subcontractors, who suffer from a radiation-related cancer, beryllium-related disease, chronic silicosis or other covered illness as a result of work at covered Department of Energy or DOE contractor facilities.

Lastly, OWCP's FY 2011 budget includes \$38.3 million in mandatory funding and 198 FTE for its administration of Parts B and C of the Black Lung Benefits Act, and \$58.4 million and 127 FTE in FECA Fair Share administrative funding.

Office of Labor-Management Standards

The FY 2011 budget request for the Office of Labor-Management Standards (OLMS) totals \$45.2 million and 269 FTE. This is an increase of \$4 million from the FY 2010 level. OLMS administers the Labor-Management Reporting and Disclosure Act (LMRDA), which establishes safeguards for union democracy and union financial integrity and requires public

disclosure reporting by unions, union officers, employees of unions, labor relations consultants, employers, and surety companies. OLMS also administers the Department's responsibilities under Federal transit law by ensuring that fair and equitable arrangements protecting mass transit employees are in place before the release of Federal transit grant funds. The FY 2011 budget includes an additional \$2.5 million to allow OLMS to modernize an aging, mission-critical information technology system. This project will increase transparency to the public, reduce reporting burden and administrative costs, and improve program efficiency.

Employee Benefits Security Administration

The Department's Employee Benefits Security Administration (EBSA) protects the integrity of pensions, health plans, and other employee benefits for more than 150 million people. The FY 2011 budget request for EBSA is \$162 million and 941 FTE, an increase of \$7.1 million (5 percent) and 31 FTE compared to the FY 2010 level. The additional resources will support a significantly greater demand for regulatory guidance, research, outreach, education and assistance. The budget will improve EBSA's ability to ensure America's workers, retirees and their families have access to a secure retirement and affordable health insurance. I am very proud of the work this agency has done under the Recovery Act, implementing a new appeal program related to an individual's appeal of the denial of his or her COBRA premium assistance, and responding to over 190,000 inquiries and complaints from unemployed workers and their families seeking affordable health coverage and the COBRA subsidy; hosting over 2.5 million visitors to our dedicated COBRA website; and conducting 826 outreach events related to the new program, including compliance assistance webcasts and seminars and on-site visits with workers facing layoff at their place of employment.

Occupational Safety and Health Administration

I am proud that OSHA is restoring its capacity to strongly enforce statutory protections, provide technical support to small businesses, promulgate safety and health standards, strengthen the accuracy of safety and health statistics, and ensure that workers know about the hazards they face and their rights under the law. The FY 2011 budget request for OSHA is \$573.1 million and 2,360 FTE, an increase of \$14.5 million and 25 FTE over the FY 2010 level. The budget redirects 35 FTE from compliance assistance to enforcement and supports the Department's high priority performance goal to reduce workplace injuries by targeting establishments and industries with the highest injury, illness, and fatality rates – with the goal of reducing by two percent per year the number of fatalities associated with the four leading causes of workplace death in OSHA's jurisdiction: falls; electrocution; caught in or between; and struck by. The request also includes an additional \$4 million to expand OSHA's regulatory program, \$1 million for consultation programs focused on small businesses, and \$1.5 million for State Plans. These additional resources will support a vigorous enforcement presence in the nation's workplaces and ensure that hard-to-reach workers know about their rights and the hazards they face.

Mine Safety and Health Administration (MSHA)

MSHA is celebrating 40 years of legislation aimed at improving working conditions for America's workers, and last year, MSHA recorded the safest year in mining in U.S. history. The FY 2011 Budget requests \$360.8 million and 2,430 FTE and supports MSHA's comprehensive strategy to curb debilitating and potential fatal diseases caused by coal mine dust. The budget includes an increase of \$2.3 million and 21 FTE for the Metal and Nonmetal Mine Safety and Health budget activity to bolster enforcement and conferencing. The Budget will ensure a 100 percent completion rate for all mandatory safety and health inspections; support MSHA's enhanced enforcement initiatives, which target patterns of violation, flagrant violators, and scofflaws; and allow MSHA to promulgate new standards related to reducing health hazards associated with exposure to coal mine dust and crystalline silica. The request also allows MSHA to continue its work to enhance mine rescue and emergency operations and will support the Department's high priority performance goal – which targets the most common causes of fatal accidents and is aimed at reducing workplace fatalities at mining sites by five percent per year based upon a rolling five-year average.

Office of the Solicitor

The Solicitor's Office provides the legal services that support the Department, including the Department's enforcement programs. The FY 2011 budget includes \$130.4 million and 658 FTE for the Office of the Solicitor (SOL), an increase of \$5.2 million and 22 FTE from FY 2010. This amount includes \$122.5 million in discretionary resources and \$7.9 million in mandatory funding. The budget includes an increase of \$2 million to support an additional 12 FTE to handle increased Mine Safety and Health enforcement litigation resulting from the substantial increase in the number of cases at the Federal Mine Safety and Health Review Commission (FMSHRC). The FY 2011 budget will support SOL's enforcement litigation, issuance of timely legal opinions, legal support for rulemaking, and increased efficiency through its acquisition of legal technology.

Pension Benefit Guaranty Corporation

For administrative expenses of the Pension Benefit Guaranty Corporation (PBGC), the FY 2011 budget requests \$466.3 million and 942 FTE. The budget includes an increase of \$14.7 million for the PBGC's benefit determination process to cover the projected long-term costs of absorbing participants of several very large pension plans that terminated in late FY 2009. In addition, \$200,000 and one FTE are requested to increase the capacity of the Office of Inspector General to support its audit, investigation, and training activities.

Spending tax dollars wisely helps the Department achieve our mission on behalf of America's workers, and builds trust among our stakeholders. We are committed to ensuring a sense of responsibility, accountability, and transparency at the Department of Labor. Our FY 2011 budget supports those goals.

Built around my vision of *Good Jobs for Everyone*, the Department is currently updating its strategic plan, which will be published by September 30, 2010 and cover FYs 2010-2016 – a span during which the Department will mark its one hundredth anniversary of service to America's workers.

Over the next several months, we will be reaching out to a broad range of stakeholders – including Congress – to solicit their input and perspective on a new strategic goal framework that will govern all aspects of work in the Department.

Our strategic planning efforts dovetail nicely with President Obama's commitment to improve the performance of the Federal Government through three complementary performance management strategies. They are:

- Use performance information to lead, learn, and improve outcomes;
- Communicate performance coherently and concisely for better results and transparency; and
- Strengthen problem-solving networks.

As part of this process, the Department's FY 2011 budget articulates five ambitious – but realistic – high-priority performance goals that we will strive to achieve in the next 18 to 24 months. These goals – which I've touched on above – offer an opportunity for the Department to achieve remarkable and lasting benefits for the American people. Our high-priority performance goals will focus the agencies on the most critical needs affecting the safety, health, and economic security of workers. We are working with our colleagues in the Office of Management and Budget to establish an action plan for implementation of the Department's high-priority performance goals – including quarterly milestones that we will use to gauge the progress and success of our implementation strategy.

A Strengthened Commitment to Program Evaluation

In the 2011 Budget, the Administration encouraged Departments to volunteer for a new program evaluation initiative designed to strengthen rigorous, objective assessments of existing federal programs to help improve results and better inform funding decisions. The Department of Labor is proud to be one of a limited number of agencies selected to pilot this new approach in the FY 2011 budget. The budget includes \$40.3 million to fund five rigorous evaluations and demonstrations of workplace safety enforcement and workforce development services. Most are demonstrations that would provide program services, coupled with rigorous evaluations of the strategies. While the evaluations are still in the design phase, we

expect a substantial portion of this funding will go to states, workforce agencies, or for participant services. The five evaluations, which will be shaped and guided by Labor, working closely with the Office of Management and Budget and Council of Economic Advisors, will cover the following:

- WIA performance measures
- Effects of job counseling
- Using linked administrative data to evaluate workforce programs
- Incentives for dislocated workers
- Effects of OSHA inspection strategies

In addition, the budget includes \$10 million in the Departmental Management account and \$11.6 million in the Training and Employment Services account to continue to pursue a robust, Department-wide evaluation agenda. To effectively manage the new evaluation resources, the Department is establishing a Chief Evaluation Office in FY 2010 to directly manage the Department-wide evaluation resources, and work with the other components of the Department to ensure a high level of rigor and quality in the evaluations they support.

Workforce Data Quality Initiative

The FY 2011 budget requests \$13.8 million for second-year funding for the Department's Workforce Data Quality Initiative, which we are carrying out in partnership with the Department of Education. The initiative provides competitive grants to develop longitudinal data systems that have the capability to link workforce and education data collected as individuals progress through the education system and into the workforce. These data systems can provide valuable information to consumers, practitioners, policymakers, and researchers about the performance of education and workforce development programs. In FY 2010, up to 12 States will receive grants to implement longitudinal databases over a three-year period. The FY 2011 request will support participation of up to 12 additional States in the initiative.

OTHER PROGRAMS

Bureau of Labor Statistics

Through its 21 economic programs, the Bureau of Labor Statistics (BLS) produces some of the Nation's most sensitive and important economic data. The FY 2011 budget proposes \$645.4 million and 2,465 FTE for BLS, an increase of \$34 million (6 percent) from the FY 2010 level. The budget proposes several initiatives to modernize and improve the accuracy of BLS survey data. For example:

- An increase of \$27.3 million is requested to improve the data quality of the Consumer Price Index (CPI) and Consumer Expenditure (CE) Survey, including work to support the Census Bureau in its development of a supplemental poverty measure.
- An increase of \$4.9 million is included to expand the Occupational Employment Statistics (OES) program to annual data reporting from a subset of establishments, making possible year-to-year comparisons.

In addition, the FY 2011 budget proposes new, cost-effective data collection strategies that would not diminish the quality of the data that BLS publishes. For example:

- A restructuring of the way in which the Current Employment Statistics produces State and metropolitan area data estimates would save \$5 million annually.
- An alternative, model-based methodology will allow BLS to produce Locality Pay data at a lower cost. The new approach will eliminate the Locality Pay Surveys, ensure no reduction in the data quality, and save \$10 million annually.

Finally, the FY 2011 budget proposes to eliminate the International Labor Comparisons program. The savings from this elimination and the two-cost effective data collection strategies mentioned above will be used to partially finance the OES, CPI, and CE enhancements.

We look forward to working with Congress to implement the FY 2011 budget strategies to improve and modernize the critically important economic data produced by BLS.

Office of Disability Employment Policy (ODEP)

Even though the majority of workers with disabilities are prepared, willing, and able to work, they remain a largely untapped labor pool. We know that people with disabilities are out of the labor force at a much higher rate than their counterparts without disabilities, and we are launching innovative partnerships to increase their employment opportunities. For example, along with the Office of Personnel Management, in April the Department is hosting a national hiring event for people with disabilities with participation by numerous Federal agencies and human resources professionals. Also, along with the Departments of Defense and Veterans Affairs, we have re-launched an improved National Resource Directory website for America's wounded warriors, their caregivers, other members of the veterans community, and employers. By visiting www.nationalresourcedirectory.gov, customers can now access thousands of services and resources at the national, state and local levels to support recovery, rehabilitation and community reintegration for veterans.

The FY 2011 budget requests \$39 million and 52 FTE for ODEP to combat the problem by developing policy and policy strategies that, when implemented by ODEP's Federal, state and local partners that include public and private-sector employers, will:

- Increase physical and programmatic access for individuals with disabilities in Workforce Investment Act partner programs and at One-Stop Career Centers, through a partnership between ETA and the Department of Education.
- Increase the employment of people with disabilities within the Federal Government, in partnership with the Office of Personnel Management.
- Make workplaces more inclusive and welcoming to both transitioning youth and adults with disabilities.
- Expand access to employment supports – like technology and transportation. These services are crucial to the success of all workers in the job market, especially those with disabilities. ODEP will utilize ongoing partnerships with the Department of Commerce, Transportation, and Education; the General Services Administration; the National Science Foundation; businesses; technology designers, developers and manufacturers; and the disability community to ensure that emerging workplace information and communication technology is universally available.
- Spur new strategies for integrated employment opportunities for workers with disabilities within minority, women, and veteran-owned businesses. For example, ODEP’s “*Add Us In*” initiative will fund a competitive grant to encourage small businesses, particularly minority-owned businesses, to increase the number of people with disabilities hired by such employers.

The request includes \$12 million for ODEP to continue its partnership with ETA on the Disability Employment Initiative, which strives to increase the capacity and accountability of the One-Stop Career system to provide accessible programs and services to individuals with disabilities. A companion request of \$12 million is contained within the ETA budget. Our goal is to ensure that *Good Jobs for Everyone* includes workers with disabilities.

Bureau of International Labor Affairs

One of my goals as Secretary of Labor is to help American workers build the foundation for a sustained recovery of the global economy, while contributing to a more balanced pattern of global trade in the future and respect for workers’ rights around the world. The FY 2011 budget requests \$115 million for the Bureau of International Labor Affairs (ILAB), an increase of \$22 million and 10 FTE from the FY 2010 level. The additional resources will allow ILAB to significantly expand support for innovative, successful programs that address root causes of violations of workers’ rights in developing country trading partners. Of the increased resources, \$20 million will be added to the \$6.5 million in funding that has been provided by Congress since FY 2008 for such workers rights initiatives. Given the challenges of the global economic crisis, we believe that these programs are more necessary than ever to prevent and address incidents of labor exploitation abroad.

The additional \$2 million increase in resources will be used to increase oversight, monitoring and reporting on labor rights in countries that have free trade agreements and trade preference programs with the United States and on reporting and analysis of progress countries are making to eliminate the worst forms of child labor. We anticipate adding 10 new full-time staff for these purposes.

The FY 2011 budget will support the Department's high priority performance goal to make measurable improvements in worker rights and livelihoods and progress against the worst forms of child labor in at least eight countries by the end of FY 2011. The budget will also continue the Bureau's longstanding commitment to building international relationships that improve global working conditions and strengthen labor standards around the world.

Women's Bureau

This year, the Women's Bureau will mark 90 years of work formulating standards and policies that promote the welfare of wage-earning women and advance their opportunity for fair and profitable employment. The Bureau's efforts to provide women in the workplace with the information and tools needed to obtain good jobs and economic security for themselves and their families is invaluable in this time of economic recovery.

The Bureau's FY 2011 budget includes \$12.3 million and 58 FTE, which is \$700,000 above the FY 2010 enacted level. This budget will allow the Women's Bureau to continue and increase its role of conducting research, outreach, and evaluations of programs and policies affecting working women. The budget will also allow the Bureau to work with the Bureau of Labor Statistics to improve data collection on work-family responsibilities, and support my vision of *Good Jobs for Everyone*.

CONCLUSION

Too many Americans are ready, willing, and able to work – but cannot find a job. The FY 2011 budget for the Department of Labor will help spur new and better job opportunities, foster safe workplaces that respect workers' rights, and ensure American workers are ready for 21st Century jobs. I am committed to achieving the goal of *Good Jobs for Everyone*, and I look forward to working with the members of this committee to make that vision a reality.

Mr. Chairman, this is an overview of the programs proposed at the Department of Labor for FY 2011.

I am happy to respond to any questions that you may have.