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BEFORE THE

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Chairman Blunt, Ranking Member Murray, and Members of the Subcommittee, thank you for the invitation to testify today. I am pleased to appear before this Subcommittee and to represent President Trump and the hardworking men and women of the Department of Labor in reporting to you the progress of our work on behalf of all Americans, and to outline the Administration's vision for the Department of Labor in Fiscal Year (FY) 2020 and beyond.

The President has put forth a responsible and well-reasoned budget for FY 2020 that reflects Administration priorities to support the American workforce. Indeed, although the budget reflects a 10% decrease over FY 2019, the budget proposes greater investment in programs that work, eliminates programs that do not, and generally bolsters opportunities for working Americans through commonsense reforms. The budget reflects a continued focus on comprehensive compliance assistance for those seeking help to comply with the law paired with vigorous, fair, and effective enforcement against those who violate the law and reflects our priority of putting American workers first, including ensuring that labor protections in trade agreements are enforced to prevent unfair competition. As the information below shows, the Department of Labor has proven its ability to do more with less and to maximize the value of taxpayer dollars. The budget balances fiscal responsibility, sound management, and focus on priorities.

Overview

The dedication, ingenuity, and innovation of our American workforce—the greatest workforce in the world—is unparalleled. No one does it better than the hardworking men and women of our nation who farm, mine, make, build, transport, innovate, design, create, provide services, and engage with other Americans to make our lives healthier, safer, easier, and more productive.

The President's vision for America and the American workforce is straightforward: to empower our economy to each day create jobs, more jobs, and even more jobs that are safe and family sustaining. The Department is hard at work to keep Americans safe in the workplace; prevent discriminatory employment practices; safeguard retirement savings; increase employment opportunities for all Americans; level the playing field for working Americans through fair trade; collect, analyze, and disseminate essential economic information; promote private-sector union democracy and financial integrity; protect the interest of workers, and their families, who are injured or become ill on the job; and ensure workers are paid what they are owed—in full and on time. The Department is also working diligently to identify and eliminate regulations that unnecessarily eliminate jobs, hinder job creation, or impose costs that outweigh the benefits.

The first two years of the Trump Administration were marked by remarkable growth for our economy, increased opportunity for the American workforce, and a renewed confidence exemplified by investment in our nation by job creators. In part due to a commonsense approach to deregulation, I am pleased to report on just a few notable milestones:

- In FY 2018, according to the Office of Management and Budget, the U.S. Department of Labor's deregulatory efforts totaled $3.28 billion in present value cost savings;
- Since January 2017, the American economy has created 5.1 million jobs, 3.2 million of those new jobs have been created since the President signed the Tax Cuts and Jobs Act;
- At the time this testimony was prepared, there were 7.1 million job openings, over one million more than the 6.2 million job seekers in the United States—American job creators are looking to hire;
- In 2018, average hourly earnings increased 3.3%, the largest increase in average hourly earnings since 2009; and importantly, wage growth for the lowest decile earners was at approximately 6.5%;
- Unemployment remains near its all-time low, and the increase in the labor force participation rate may indicate that Americans who were previously discouraged are rejoining the American workforce; and
- Even as employment substantially increased over the last two years, the numbers and rates of fatal injuries and nonfatal injuries and illnesses in the workplace declined in 2017.

While these statistics document the country's success, during my travels throughout our nation over the past 21 months, it is clear that Main Street, not just Wall Street—from Indiana to California, Alaska to Florida—is deriving significant benefit from the economic growth. More Americans are working today than ever before. They are safer in the workplace. They are earning more. They have more opportunities for growth and advancement. The future of the American workforce and the American economy look bright, and the Department looks forward to working with Congress to continue that growth and opportunity.

Removing Roadblocks to Job Creation Through Regulatory Reform

The Department administers and enforces more than 180 federal laws. These laws and the regulations that implement these laws cover more than 150 million workers and retirees, and 10 million employers. Consistent with the President's priorities, the Department has worked to identify regulations that unnecessarily eliminate jobs, inhibit job creation, or impose costs that exceed benefits—and reform or eliminate them.

Our approach to regulatory reform is simple, we adhere to two core principles: respect for the individual and respect for the rule of law. The Department's rulemaking is carried out in a deliberative manner guided by fidelity to the law. Public participation in the rulemaking process through notice and comment is vital. It ensures all Americans have an opportunity to express their views before a rule is promulgated or changed.

As mentioned above, the Office of Management and Budget estimates the regulatory impact of the Department's FY 2018 regulatory reform efforts to reflect $3.28 billion in present value cost savings to the economy. Put simply, this means the Department significantly decreased the compliance burden on Americans.

In addition to these actions, we expanded access to affordable quality health care coverage options through Association Health Plans and rescinded the "Persuader Agreements" rule, which the American Bar Association and others believed inappropriately impinged on attorney-client confidentiality.

Our deregulatory actions have continued this fiscal year with two recent final actions: one ensuring continued safety of crane operations while reducing paperwork burdens and the other removing the electronic collection of certain information about workplace injuries that raised worker privacy concerns and that is unnecessary for the Occupational Safety and Health Administration's (OSHA) electronic data collection requirements. We have also issued deregulatory proposals in the last few weeks on overtime thresholds for Fair Labor Standards Act exemptions and what goes into the regular rate of pay for overtime, in addition to a proposal that addresses concerns about joint employment liability so that workers and their employers, especially small businesses like franchisees, have definitive guidance on their rights and responsibilities. There are a number of other items that should be proposed shortly, including a proposal to ensure Americans and especially our military veterans have the broadest possible networks available when they need a doctor.

Demanding Better Results Through Greater Accountability

Accountability to the American taxpayer is a priority at the Department as we design new programs and evaluate existing ones. We are focused on refining our efforts in a manner that respects principles of federalism, and best serves the American people. Where Departmental efforts and programs are working, we are looking for ways to improve them and learn from them, where Departmental programs are not working, we are looking for ways to make them work or consider whether we should refocus our efforts elsewhere.

One example I have often mentioned is the difficulty of gauging the success of federal programs when measuring inputs like dollars spent and program participants instead of outcomes like the career attainment rates of program graduates. In FY 2018, the Department redesigned the way we measure the success and efficacy of the Job Corps program. We announced that the Office of Job Corps would reform the Outcome Measurement System to focus on student performance and long-term outcomes over inputs such as dollars spent and outputs such as number of students served. More specifically, the weights given to credential attainment have been reduced from about half, to 35% in Program Year (PY) 2018 and 20% in PY 2019. New metrics that focus on initial placement, placement wage, and placement quality (job training match and apprenticeships, military, and full-time placements) are now an additional 30% of the report card for both program years, and long-term placement and placement wage after six months and 12 months account for the final 35% and 50% in PY 2018 and PY 2019.

The Department also looks closely at opportunities to eliminate duplication to bring greater efficiency to our work and allocation of resources. One such example is in the Mine Safety and Health Administration (MSHA). During FY 2018, MSHA leadership examined the capacity and utilization of its field inspectors and discovered that there was significant overlap between the duties performed by metal/non-metal mine inspectors and coal mine inspectors, but different training and an imbalance in capacity relative to the actual utilization of inspectors. As a result, MSHA leadership developed a plan to cross-train mine inspectors and reallocate resources. The Department expects that this will result in significant savings to MSHA in FY 2019 with no impact on the health and safety of American miners.

Finally, beginning in FY 2018 and continuing on into FY 2019, the Department is working to reduce the number of improper payments made through the state-run Unemployment Insurance (UI) Program. The President's FY 2020 budget request includes $126 million in additional resources to address improper payments made through the state-run UI program and improve interstate communication to reduce such payments. The UI program is important to those Americans who need a helping hand during unemployment, and individuals that abuse the system may place added strain on these resources. The Department is committed to reining in improper payments in the UI program.

Returning Flexibility to the States

The Department recognizes that the workforce development needs of Alaska, New York, Arizona, and Vermont differ widely. The Department has made it a priority to work with States to help them customize their workforce programs. An example is the exercise of the Secretary's waiver authority under the Workforce Innovation and Opportunity Act (WIOA) to grant flexibility where possible. To date, the Department has granted 67 waivers to 28 states and territories to better tailor approaches to the needs and opportunities present in their states and communities.

Providing States greater flexibility to administer programs efficiently and effectively is one way to better serve the individualized needs of Americans in various states and localities. To that end, the President's FY 2020 Budget proposes broader waiver authority for the core WIOA programs, allowing the Department to trust our nation's governors with the responsibility of how best to operate their workforce systems.

Bringing Clarity to Employers and Employees

After meeting with many American job creators, one of the things most important to them that affects working Americans is stability and understanding how an agency interprets its statutes and regulations. Clarity and consistency in agency interpretations allow the regulated public to comply with the law in a way that is not unduly burdensome or costly and ensure a level playing field.

One of the ways the Department can best do that is by answering specific questions from the regulated community and making those answers known publicly. Accordingly, in June 2017, the Department's Wage and Hour Division (WHD) announced it was resuming its longstanding practice of issuing opinion letters. Opinion letters are official, written opinions provided by the Department that address the application of statutes and regulations in specific circumstances presented by an employer, employee, or other entity. The letters were previously a Department practice for more than 70 years and specifically allowed in statute, until the practice was discontinued in 2010.

In FY 2018, WHD reissued 18 previously withdrawn opinion letters and has issued 14 new opinion letters. These are now more readily available to the public on the WHD website via a searchable tool. Among other areas, one of the more recent opinion letters addressed a longstanding question as to whether organ donors can avail themselves of the Family and Medical Leave Act. Thanks to this opinion letter, it is now clear that they can. Following on this success, the Office of Federal Contract Compliance Programs (OFCCP) also recently announced the institution of an opinion letter program.

Expanding Access to High-Quality Health and Retirement Coverage for Americans

On June 21, 2018, the Department published a final regulation expanding the ability of employers to participate in Association Health Plans (AHPs).[1] The rule allows employers, including self-employed individuals and sole proprietors, to band together to offer group health coverage to their employees. AHPs provide more affordable, high-quality health care coverage choices to consumers, while maintaining important consumer protections to safeguard against discrimination on the basis of the perceived health of a company's workforce and individuals' pre-existing conditions. To date, more than 30 major organizations in 14 states have set up, or announced their intent to set up, AHPs to offer quality, affordable health care coverage options to their members' employees.

Building on this momentum, on August 31, 2018, President Trump signed Executive Order 13847 on Strengthening Retirement Security in America. Recognizing that all Americans deserve access to retirement savings opportunities, President Trump instructed the Department to examine opportunities to expand access to workplace retirement plan options and increase retirement security for all Americans.

On October 23, 2018, the Department proposed a regulation clarifying the circumstances under which a group or association of employers, or a professional employer organization (PEO) can act as an employer and sponsor workplace retirement plans under the Employee Retirement Income Security Act (ERISA). If published as a final rule, this regulation has the potential to expand Americans' access to affordable, quality retirement savings options.

The Department is currently reviewing the public comments to the proposed regulation submitted before the comment period closed on December 24, 2018.

[1] On March 28, 2019, the U.S. District Court for the District of Columbia entered an order that vacated certain provisions of the final rule. We disagree with the Court's ruling and are considering all available options to defend the legal viability of the provisions ruled upon by the Court.

Expanding Career Opportunities in America Through Reskilling, Upskilling, and Apprenticeships

In FY 2018, President Trump established the National Council for the American Worker and charged it with developing a national strategy to prepare Americans for careers in high-demand industries. As part of the work of the National Council for the American Worker, more than 200 companies, associations, and labor organizations have pledged to provide enhanced career opportunities by expanding programs that educate, train, and reskill American workers from high school age to near retirement. As of the time of this writing, these organizations have pledged to create 7,452,470 new opportunities for Americans.

The Department is continuing to promote increased adoption of the apprenticeship model as a pathway to good, family-sustaining jobs for all Americans. Since January 2017, nearly 500,000 new apprentices have taken the first steps toward lifelong careers.

In May 2018, the President's Task Force on Apprenticeship Expansion—comprised of governors, and leaders from companies, trade and industry groups, unions, educational institutions, workforce advocates, and nonprofit organizations—transmitted its final report to the President outlining its recommendations on how to best expand high-quality apprenticeship programs across industries.

On July 27, 2018, the Department adopted the overwhelming majority of the Task Force's recommendations through Training and Employment Notice 3-18 (TEN), providing a framework for industry recognized apprenticeships (IRAPs) to form alongside the more traditional registered apprenticeship program. The TEN sets out, at a high level, the policies and procedures that certifiers will be expected to have in place to establish standards, establish certification intervals, evaluate and certify programs focused on outcomes and process, report results, and maintain records.

Also last year, the Department launched the first-ever sector-based apprenticeship grant funding opportunity to invest $150 million to expand apprenticeships in those in-demand industry sectors most often filled by individuals on H-1B visas, such as information technology, health care, and advanced manufacturing. This grant funding opportunity introduced an innovative approach: a 35% private-sector match requirement. This brings the total investment to $202.5 million, $57.7 million coming from the private sector. As a result of this private sector match requirement, educators have a greater incentive to join with industry to ensure curricula address the needs of our ever-changing workplace, investing in the latest technologies and techniques, and providing more in-demand opportunities for Americans.

In FY 2020, the Department's budget includes $160 million to continue our expansion of apprenticeship programs, along with a proposal to increase H-1B fee revenues to fund additional apprenticeship activities.

Helping our Heroes and their Spouses Find Good, Family Sustaining Careers

Through the Veterans' Employment and Training Service (VETS), the Department helps America's veterans succeed in civilian careers when they conclude their military service and protects their employment rights under the Uniformed Services Employment and Reemployment Rights Act (USERRA). The Department also helps eligible spouses of military service members navigate state licensing requirements and find meaningful employment, and advocates for the elimination or temporary suspension of occupational licensing requirements for military spouses. In 2018, thanks to a growing economy and VETS' efforts, the overall veteran unemployment rate dropped to 3.5%, an 18-year low, and the lowest annual unemployment rate for veterans since 2000.

The Department is currently engaged with the Departments of Defense and Veterans' Affairs to improve the Transition Assistance Program (TAP) as part of the National Defense Authorization Act for Fiscal Year 2019 (NDAA). NDAA directs these agencies to establish at least three pathways for transitioning service members, and the Department will alter the delivery of employment related workshops in FY 2020 to align with the new legislative requirements. The Department will also enhance the quality of employment support services for transitioning service members, with a focus on improved outcomes. Additionally, the Department is also developing components of TAP for military spouses as they transition from base to base or to civilian life when their active duty spouse leaves the military.

Finally, the Department is committed to recognizing the many American job creators that employ veterans. In 2018, the Department implemented the Honoring Investments in Recruiting and Employing American Military Veterans (HIRE Vets) Act program one year earlier than the statute contemplated through a demonstration program. On November 8, 2018, the Department recognized 239 employers that employ and offer growth opportunities to our nation's veterans. Collectively, these 239 employers hired more than 8,350 veterans.

Bringing Americans with Disabilities into the Workforce

The Department, through the Office of Disability Employment Policy (ODEP), provides Americans with disabilities with opportunities to join and succeed in the workforce. ODEP develops policy recommendations and offers tools and technical assistance to American job creators so they can hire and retain employees with disabilities.

In FY 2018, ODEP expanded its Stay at Work/Return to Work (SAW/RTW) initiative to support early intervention pilot projects and research initiatives, work with states to promote effective SAW/RTW policies, and address the need for early intervention for young people with disabilities to transition to gainful employment. In September 2018, DOL awarded nearly $19 million in grant awards to eight state workforce agencies for the Retaining Employment and Talent After Injury/Illness Network (RETAIN). Jointly funded and developed by ODEP, the Department's Employment and Training Administration (ETA), and the Social Security Administration (SSA), the primary goal of RETAIN demonstration projects is to help Americans who are injured or ill remain in or return to the workforce, through early coordination of health care services and employment-related supports and services.

ODEP also connects employers and skilled workers with disabilities through its technical assistance centers, such as the Job Accommodation Network (JAN) and the Employer Assistance and Resource Network on Disability Inclusion (EARN), and partnerships such as the Partnership on Employment and Accessible Technology (PEAT) which provides a free tool for employers to optimize online job applications and outreach efforts.

In FY 2018, JAN provided technical assistance to more than 42,000 employers, individuals with disabilities, and service providers, and conducted more than 107 trainings. EARN provided technical assistance to more than 5,000 employers and ODEP's Public Service Announcements supporting its efforts aired approximately 32,000 times on more than 650 television stations nationwide.

Helping Americans Reenter the Workforce After Incarceration

When Americans who commit crimes have paid their debt to society and leave prison, it is important to find ways to reintroduce those individuals into society and the workforce. Simply put, individuals that have made mistakes in life and paid their debts to society deserve the opportunity to find good, safe, family sustaining careers and become contributing members of society. Long-term success at lowering recidivism rates requires that we offer Americans a second chance to pursue paths to opportunity. These concepts were part of the bipartisan First Step Act passed late last year.

In FY 2018, to address this important issue, the Department awarded Reentry Projects grants to 43 nonprofits and local and state governments focusing on two major groups: young adults (ages 18 to 24) who have been involved in the juvenile or adult justice system and adults (ages 25 and older) formerly incarcerated in the adult criminal justice system. These grants offer communities the chance to deploy evidence-based, comprehensive strategies to facilitate the reintegration of ex-offenders into the workforce. In FY 2019, the Department will award an additional $83 million in Reentry Projects grants.

The Department is also engaging with the Bureau of Prisons to develop apprenticeship programs. These programs seek to offer skills instruction and develop credentials that address the geographical issue associated with prison-based programs—federal inmates are often incarcerated in one state, transferred, and released in another. As part of this new apprenticeship program, education and training in more than 120 skilled trades will be offered.

Also, to address the stigma that employers associate with formerly incarcerated individuals, the Department is expanding its Federal Bonding Program which provides employers with access to $5,000-$25,000 of fidelity bond coverage for the first six months of employment for formerly incarcerated individuals.

Protecting Working Americans by Confronting Visa Fraud and Abuse

Companies that commit visa fraud, and abuse the temporary worker system hurt working Americans and American job creators that play by the rules. These bad actors cut costs by not providing legally required wages and working conditions and, in some instances, foreign workers' lives are at stake.

In June 2017, I directed the Department to confront non-immigrant visa program fraud and abuse, including making criminal referrals to the Office of the Inspector General (OIG). The Department also made changes to the H-1B application forms to ensure greater transparency and better protect American workers from employers seeking to misuse the program.

In FY 2018, the Department concluded 649 non-immigrant visa program cases and found violations in 553 of those cases. In FY 2018, the Department issued 37 debarments in the H-2A, H-2B, and PERM visa programs—precluding those employers from obtaining visas or doing work with the Department—a 61% increase over FY 2017. In total, Department has recovered almost $11.6 million in back wages on behalf of 6,061 non-immigrant visa employees in FY 2018 and issued almost $4.2 million in civil money penalties—under 27% of dollars recovered. By way of comparison, in FY 2016, the Department concluded only 526 non-immigrant visa cases, and recovered only $7.8 million in back wages for 5,161 employees. At the same time, the Department assessed approximately $4.8 million in civil money penalties—nearly 38% of dollars recovered.

Leveling the Playing Field for Working Americans Through Fair Trade

U.S. labor laws guarantee that working Americans be paid a minimum wage and overtime, that workplaces abide by health and safety standards, and restrict child labor. U.S. free trade agreements and preference programs require our trade partners to adopt, maintain, and effectively enforce labor laws addressing similar areas of protection. When trading partners fall short of their labor standards responsibilities under trade agreements, they create an uneven playing field that can hurt working Americans. The Budget strategically focuses efforts to make U.S. trade agreements fair for U.S. workers by monitoring and enforcing the labor provisions of free trade agreements and trade preference programs, combatting the reprehensible use of child labor and forced labor abroad, and providing technical assistance to countries seeking to improve labor standards.

In addition to the Department's direct work on international labor issues, the Department also provides detailed research products and tools that help foreign governments and employers improve compliance with international child labor and forced labor standards. On September 20, 2018, the Department released its 17th annual child labor report, Findings on the Worst Forms of Child Labor, representing the most comprehensive research product to date on the state of child labor in 132 countries worldwide. Simultaneously, the Department released an updated version of its Comply Chain app, which is designed to help businesses identify and root out abusive child labor and forced labor from global supply chains. Comply Chain is now also available in Spanish and French.

Women's Bureau

The Department's Women's Bureau assists in the development of policies and initiatives that promote the interests of the more than 74 million women in the United States labor force. Women's Bureau collaborates with Department program agencies and other federal partners to provide policy guidance, including on initiatives such as apprenticeships, military spouses, and occupational licensing, to better support the needs of women and their families.

Women's Bureau is holding listening sessions across the country with military spouses in an effort to design a TAP specific to military spouses, 92% of whom are women. The Department leveraged its work with military spouses to aid efforts to redesign the workforce reentry components of TAP, focusing on assisting military spouses.

Women's Bureau is also holding nationwide events and listening sessions—several of which were attended by Advisor to the President Ivanka Trump—to discuss the challenges, best practices, and potential solutions to help all working families access affordable, quality child care.

Finally, the Department is conducting data analysis to better understand the impact of the opioid crisis on women in the labor force. This includes identifying and correcting the lack of information related to the opioid epidemic's effect on women in the labor force, relative to the existing research on its impact on men in the labor force. Building on this effort, the Department piloted a reemployment program grant in Maryland for women impacted by the opioid epidemic.

The Budget focuses the Bureau's work on high priority areas like childcare, military spouses, entrepreneurship, and paid leave while eliminating unnecessary regional offices and eliminating grants.

A Strategy of Vigorous Enforcement Coupled With Compliance Assistance

The vast majority of employers are responsible actors, fully committed to following worker protection laws and to providing good, safe jobs for their employees. There are, however, those that fail to comply with their legal obligations. In those instances, the Department enforces our nation's laws that protect working Americans—and does so vigorously. By way of example, in FY 2018 the WHD's work resulted in a record $304 million in back wages recovered for more than 265,000 workers across America. Fully enforcing the law levels the playing field for the majority of American job creators who play by the rules and supports the Nation's most important asset – working Americans.

As a parallel to enforcement, there is significant value in compliance assistance programs that help working Americans and American job creators understand their rights and responsibilities under the law. Cooperation between the private sector and government can yield strong results at a quicker pace and lower cost than adversarial enforcement actions. Parties acting in good faith should have the help of the government to do so and should not be penalized for proactively requesting assistance.

In August 2018, the Department launched the Office of Compliance Initiatives (OCI) to bring together agencies' compliance assistance efforts into a single, concerted program. The office, led by a career employee team, will help working Americans and American job creators understand their rights and responsibilities under the law and has launched the websites employer.gov and worker.gov to provide plain language guidance.

The Department's FY 2020 budget request includes additional resources for this office, as well as funding increases for every worker protection agency.

Employee Benefits Security Administration

EBSA helps ensure the security of the retirement, health, and other workplace related benefits of almost all American workers who have private-sector employer-sponsored plans. EBSA's enforcement authority extends to an estimated 694,000 private retirement plans, 2.2 million health plans, and similar numbers of other welfare benefit plans which together hold $9.5 trillion in assets. These plans provide critical benefits to America's workers, retirees, and their families.

In safeguarding and clearly delineating fiduciaries' responsibilities on behalf of participants, on April 23, 2018, EBSA issued a Field Assistance Bulletin (FAB) laying out the Department's position that fiduciaries may not sacrifice investment returns, or assume greater risk, in order to promote collateral social goals, and must exercise care before incurring significant expenses to fund advocacy in the proxy voting space.

In FY 2018, EBSA recovered more than $1.16 billion in enforcement actions—a 70% increase over FY 2017—and EBSA's criminal program resulted in 142 indictments. A large portion of this increase is attributable to EBSA's Terminated Vested Participants Program, which recovered over $807 million in benefit payments for participants and beneficiaries in defined benefit plans. During the same time period, EBSA's Benefits Advisors recovered an additional $443.2 million on behalf of participants and beneficiaries through informal dispute resolution, assisting 170,909 Americans.

The President's FY 2020 budget request for EBSA stands at $193.5 million, a nearly seven percent increase from the FY 2019 revised enacted budget, and includes additional enforcement resources of $10.0 million and 45 FTE that will focus on investigating self-insured AHPs and self-insured Multiple Employer Welfare Arrangements.

Mine Safety and Health Administration

MSHA's enforcement strategy is grounded in its mandate to inspect all active mines in the United States and its territories regularly. MSHA's enforcement mandate is essential to protect miners and advance a culture of safety and health in the mining industry.

In support of its mission, MSHA also provides grants and compliance assistance to the mining community. In FY 2018, MSHA's annual Training Resources Applied to Mining (TRAM) conference drew more than 300 mining stakeholders to learn about training techniques, new technology, and best practices in mining. The MSHA Academy provided 443 course days of compliance assistance training to the mining community. Educational Field and Small Mine Services, with support from Educational Policy Development personnel, provided 69,186 hours of additional compliance assistance in the field.

In FY 2018, MSHA fulfilled its statutory mandate to inspect all underground mines four times per year and all surface mines twice per year which, combined with non-mandatory inspections, helped foster a more safe mining industry. Notably, the mining industry overall experienced the lowest number of fatalities in FY 2018. The Department remains focused on reducing the *numbers of mining injuries and fatalities even more, because our goal must be zero mining deaths.*

The President's FY 2020 Budget request for MSHA stands at $376 million, an increase over the FY 2019 revised enacted budget, and proposes a new enforcement structure that combines the Coal Mine Safety and Health and Metal/Non-Metal Safety and Health budget activities. This consolidated budget activity will provide the flexibility to address industry changes and maximize the efficient use of MSHA's resources.

Occupational Safety and Health Administration

OSHA helps ensure that employers provide safe and healthful working conditions for working men and women by setting and enforcing standards and by providing training, outreach, education, and assistance. OSHA also administers the whistleblower provisions of more than 20 whistleblower statutes. Compliance assistance and enforcement—driven by workplace inspections and investigations—play a vital role in OSHA's efforts to reduce workplace injuries, illnesses, and fatalities.

In FY 2018, and in FY 2017, OSHA conducted more than 32,000 inspections each year, exceeding the FY 2016 number. These results are impressive particularly given that OSHA dedicated substantial resources in FY 2018 to hiring and training new inspectors. In August 2017, OSHA was provided blanket approval to hire needed inspectors to carry out its important work. The result was the hiring of 76 new inspectors in FY 2018. The timeframe for new inspectors that join the Department to be prepared to conduct inspections can vary between one to three years depending on their prior experience and complexity of the inspections they may carry out. During this time, these new hires do not generally conduct independent inspections. OSHA has been hard at work to onboard and train new inspectors and expects to have a significant increase in inspectors in FY 2019.

In FY 2018, in addition, OSHA personnel made 26,362 compliance assistance visits covering more than 970,000 workers and ensuring that 135,021 hazards were identified/corrected. The estimated savings in injuries and costs prevented by this program exceed $1.3 billion.

Late in 2018, the Bureau of Labor Statistics released the injury and fatality data for calendar year 2017. Even as employment substantially increased and less-experienced workers were onboarded, the numbers and rates of fatal injuries and nonfatal injuries and illnesses in the workplace declined. With 43 fewer workplace fatalities in 2017, reversing a three year upward trend, the fatality rate fell to 3.5 per 100,000 full-time equivalent workers. The incidence rate for private industry nonfatal cases fell to 2.8 per 100 full-time equivalent workers after employers reported 45,800 fewer cases. This overall decrease occurred against a backdrop of a substantial increase in fatalities due to unintentional overdose from nonmedical use of drugs or alcohol, which increased from 217 to 272 workplace fatalities nationwide.

The Department is committed to fostering an environment that promotes disclosure of dangerous work conditions and protects whistleblowers. OSHA's Whistleblower Program prevents retaliation against workers that report injuries, safety concerns, or engage in other protected activity. In FY 2018, OSHA implemented internal measures, such as expedited case processing and streamlined case documentation requirements, to increase the efficiency of the Whistleblower Protection Program. FY 2018 saw 9,387 new complaints under the program, a 9% increase over FY 2017, and processed 9,308 complaints, an 8.4% increase over FY 2017.

The President's FY 2020 budget request for OSHA stands at $557.5 million, a slight increase over the FY 2019 revised enacted budget, and proposes additional funding for staff, including 30 additional Compliance Safety and Health Officers and five additional whistleblower investigators.

Office of Federal Contract Compliance Programs

OFCCP is tasked with ensuring that Federal contractors and subcontractors comply with their equal employment opportunity obligations.

OFCCP supports compliance through assistance tools, resources, and incentives. Indeed, in FY 2018, OFCCP held 346 events to inform and educate the regulated community and handled 2,797 help desk requests via telephone calls and email. Also in FY 2018, OFCCP issued its "Town Hall Action Plan" and "What Contractors Can Expect" to engage with the regulated community and demystify OFCCP's work. Specifically, the agency sought to develop the broad understanding that contractors and subcontractors seeking OFCCP's assistance with satisfying their nondiscrimination and equal employment opportunity obligations can expect clear, accurate, and professional interactions with OFCCP's staff.

In FY 2018, the OFCCP conducted 812 compliance evaluations, entered into 168 conciliation agreements, and obtained over $16 million in monetary remedies for more than 12,000 affected employees and applicants.

The President's FY 2020 budget proposal for OFCCP stands at $103.6 million, a slight increase from the FY 2019 revised enacted budget, and includes funding for IT modernization efforts which is largely offset by gains obtained through operational efficiencies in OFCCP.

Office of Labor Management Standards

The Office of Labor Management Standards (OLMS) administers and enforces most of the provisions of the Labor-Management Reporting and Disclosure Act (LMRDA). The LMRDA promotes union democracy and financial integrity in private sector labor unions, and transparency for labor unions and their officials, employers, labor relations consultants, and surety companies through reporting and disclosure requirements. In FY 2018, OLMS conducted 16,968 participant hours of compliance assistance instruction—the highest since FY 2012.

The Department is also currently working on a new transparency regulatory proposal for union trust accounts so that union members can see where their money is going when it becomes part of a covered trust.

In FY 2018, OLMS investigated 128 union elections after complaints of violations, supervised 28 rerun elections due to election violations, and conducted 223 criminal investigations which resulted in 73 convictions.

The President's FY 2020 budget for OLMS stands at $49.1 million, a 15.8% increase over the FY 2019 revised enacted budget, and includes a proposed increase of $4.2 million in staffing increases to support enforcement programs that ensure union transparency and financial integrity, both of which inure to the benefit of the hardworking men and women that make up the membership of unions.

Office of Workers' Compensation Programs

The Office of Workers' Compensation Programs (OWCP) administers four major disability compensation programs covering more than two million Federal employees, and a significant number of private sector workers, which provide wage replacement benefits, medical treatment, vocational rehabilitation, and other benefits to certain working Americans, or their dependents, who experience work-related injuries or occupational disease.

Among those programs, OWCP oversees prescription benefits for injured federal workers and is taking aggressive measures to control fraud. OWCP implemented measures in FY 2018 to target and intercept abusive billing patterns, resulting in a $5 million per month average savings in overall pharmaceutical spending.[2] These savings are in addition to the $19 million per month average savings in overall pharmaceutical spending realized in FY 2017 from addressing compounded drugs.[3]

In 2017, the President rightfully declared the opioid crisis a public health emergency. Opioids are affecting how job creators hire, how job holders work, and how job seekers find family-sustaining jobs. This crisis is far-reaching and touches far too many Americans. The Department is doing its part to combat the opioids crisis. OWCP has taken aggressive steps to prevent the over-prescribing of opioids for the approximately 200,000 federal employees or dependent beneficiaries each year who receive workers compensation benefits. Specifically, OWCP issued prescription guidelines for medical providers, and will monitor billing patterns and multi-party networks of interest using predictive analytics and risk metrics.

OWCP is also updating its computer resources and acquiring a Pharmacy Benefit Manager to assist in these efforts. Since January 2017, OWCP has seen a significant drop in the number of claimants prescribed high-dose opioids, with a 59% drop in claimants prescribed a morphine-equivalent dose (MED) of 500 or more, and a 31% drop in claimants prescribed an MED of 90 or more as of the end of February 2019. Additionally, when comparing 20 months of data – January 2017 to August 2018 and the same time period in 2015 to 2016 – there was a 24% drop in new opioid prescriptions and a 51% decline in new opioid prescriptions lasting more than 30 days.

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[2] Comparing the seven months following implementation of measures in 2018 (June 2018 – December 2018) to the months prior in fiscal year 2018 (October 2017 – May 2018).

[3] Comparing the first six months of 2016 to the fiscal year 2017 months after the primary compounded drug control was implemented (November 2016 – September 2017).

The Department is resolute in its commitment to ensuring that injured federal employees access opioids only with adequate medical supervision. OWCP now requires that the prescribing physician complete a medical evaluation and attest to the medical necessity of continued opioid treatment for all new opioid prescriptions that extend beyond an initial period of time, requires prior authorization and a letter of medical necessity for all new opioid prescriptions that extend beyond an initial grace period, and has imposed fill and re-fill prescription limits.

OWCP has also worked closely with the OIG to eliminate Federal Employees' Compensation Act (FECA) fraud. In cooperation with the OIG, OWCP created documents that facilitate interagency investigation and prosecution efforts by providing guidance to the government-wide OIG community on how to request FECA data and submit reports of investigation that implicate waste, fraud, and abuse. In FY 2018, OWCP submitted 62 medical provider referrals to the OIG—covering more than 100 individual providers—for possible fraudulent medical billing. These referrals were due in large part to the establishment of OWCP's Program Integrity Unit housed in the Division of Federal Employees' Compensation.

The President's FY 2020 request for OWCP's discretionary salaries and expenses amount stands at $117.8 million, a slight increase over the FY 2019 revised enacted budget.

Wage and Hour Division

WHD is tasked with ensuring compliance with, and enforcement of, many of the nation's fundamental Federal labor laws, including minimum wage, overtime, and child labor laws. To accomplish its mission, WHD employs enforcement and compliance assistance strategies, along with evidence-based and data-driven approaches to allocate resources in a manner that maximizes its impact on behalf of workers in the United States.

FY 2018 also saw record enforcement numbers from WHD resulting in the recovery of more than $304 million in back wages for more than 265,000 workers across America. Enforcement is a critical part of WHD's overall strategy and is employed rigorously when compliance assistance, alone, is not enough. WHD's enforcement efforts are tailored to safeguard workers' rights and obtain due compensation for violations of the law.

In FY 2018, WHD conducted a record 3,643 outreach events and presentations, providing valuable information and compliance assistance to participants across the United States. As part of this effort, WHD employs Community Outreach and Resource Planning Specialists (CORPS) in nearly all district offices nationwide. The CORPS have been successful in establishing partnerships with industry associations and employers to offer compliance assistance and educate stakeholders on labor standards.

In FY 2018, WHD recovered more than $304 million in back wages for more than 265,000 working Americans and other workers—more than any other year in the agency's history, and an average of $1,147 per person.

The President's FY 2020 budget request for WHD stands at $232.6 million, a slight increase over the FY 2019 revised enacted budget, and proposes additional funding for staff to modernize compliance assistance efforts.

Helping Americans Get Back to Work After Natural Disasters

This fiscal year, the states of Florida, Georgia, North Carolina, South Carolina, and territories of Northern Mariana Islands endured an active and destructive hurricane season. At the same time, Puerto Rico and the U.S. Virgin Islands continued their recovery from last year's storms. For a second year in a row, California suffered destructive wildfires.

The Department of Labor worked with federal, state, and local agencies to provide much-needed support to those affected. The Department:

- provided more than $100 million in grants to help affected states and territories assess their workforce needs;
- sent personnel and donated equipment to assist in recovery efforts; and
- oversaw Disaster Unemployment Assistance aid to those unemployed as a result of the hurricanes.

In addition to funding and direct support, the Department also worked to reduce barriers to rebuilding and aid efforts, and reduce the burdens on survivors by providing much-needed regulatory flexibility. The Department:

- temporarily waived certain retirement plan and group health plan requirements and deadlines;
- temporarily suspended select federal contractor requirements, allowing businesses involved in hurricane relief the ability to prioritize recovery efforts;
- temporarily eased reporting and other regulatory burdens on labor organizations, labor relations consultants, and employers affected by the hurricanes; and
- provided other regulatory flexibility requested by individual states.

The Department continues to support the Federal Emergency Management Agency (FEMA) with hurricane and wild fire recovery efforts. In the wake of the 2017 and 2018 hurricanes, Department staff conducted more than 2,229 outreach activities, providing critical information and compliance assistance to more than 14,000 workers in affected areas; more than 2,276 safety and health interventions reaching more than 11,494 workers, of which more than 6,391 individuals were removed from hazards; and served more than 24,907 working Americans. The Department is also conducting investigations to ensure workers employed in recovery efforts are receiving the wages to which they are legally entitled and ensure a level playing field for law-abiding businesses.

The hardworking men and women of the Department also donated 13,659 hours, or more than 1,707 days, and more than $47,000 in gift cards to their colleagues who suffered significant property damage or loss as a result; and more than 500 DOL employees volunteered to travel to affected areas to support the recovery efforts.

Conclusion

In closing, I hope my statement today makes clear the depth and breadth of the Department's accomplishments this past year. The Department is hard at work supporting Americans' efforts to find, and excel in good, safe, family-sustaining jobs.

We look forward to working with Congress on these important goals.