STATEMENT OF LORI CHAVEZ-DEREMER SECRETARY OF LABOR BEFORE THE

SUBCOMMITTEE ON LABOR, HEALTH AND HUMAN SERVICES, EDUCATION, AND RELATED AGENCIES COMMITTEE ON APPROPRIATIONS UNITED STATES SENATE

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Chair Capito, Ranking Member Baldwin, and Members of the Subcommittee, thank you for the invitation to testify today. It's an honor to appear before the Subcommittee to share the important work this administration is doing at the Department of Labor. It's a privilege to serve as the 30th Secretary of Labor and to lead the department's efforts on behalf of President Trump and the American workforce.

My role as secretary is to ensure the American worker is at the center of our economic strategy. The middle class, union workers, and small businesses have given us a clear mandate. It's my job to guarantee those men and women are not just heard, but respected and prioritized at every level of government.

As a small business owner and as the daughter of a Teamster, I understand firsthand the innate desire of all Americans to see their hard work respected, their labor worthwhile, and their families supported. I have seen the power of a paycheck and what it means for the individual, their families, and their communities. Now, I get to help secure the best wages, most meaningful retirements, and safest workplaces for families like mine.

From the moment I was sworn in on March 11th, I promised to put American workers first – and that mission has guided my work from the very beginning. Through commonsense reforms, we will focus the Department of Labor on that same purpose – maximizing opportunities for American workers with a smaller federal footprint, while safeguarding protections that are critical to the health and wellbeing of our workforce, like enforcement efforts, inspectors, and investigators. Additionally, I'm committed to having an open-door policy for every worker.

America at Work

As a former mayor, I've always found that getting the best results requires listening first, not one-size-fits-all mandates. That's why I launched my nationwide listening tour, America at Work, to travel to communities across the country, engaging, learning, and bringing hardworking Americans' feedback with me to Washington. Their real-world insights and experiences are imperative to shaping federal labor policies and practices.

I intend to visit all 50 states to better understand regional workforce needs, and we're making good headway. I've held many meetings with local leaders to discover more ways that the federal government can help develop a skilled workforce, improve infrastructure to attract business and investment, prioritize workers, and identify smart regulations that expand economic opportunity and drive job growth.

From a training facility demonstration with the International Brotherhood of Electrical Workers in Pennsylvania, to a day spent with students learning to become aviation mechanics in Nevada, I am experiencing and relaying the real-world challenges and triumphs of America at work. We have a responsibility to turn these stories into actions through smart reforms and federal solutions that deliver real results.

From region to region, what I've seen on the ground is a sense of relief and gratitude from those men and women who feel heard, respected, and empowered by this president. I have assured those workers that they will not be left behind by Washington any longer. Their voices will be valued, amplified, and reflected in our policies and budget.

I look forward to continuing my trek across the country so that as we expand our job market, I can ensure employers, businesses, and community leaders have the tools necessary to recruit and retain new workers to fill those roles.

Supporting the American Worker

Since January 20, 2025, our job market has surpassed expectations. We saw more than 464,000 jobs created, including in critical sectors like manufacturing and construction. The recent jobs report for the month of April was another consecutive win for our economy, with 177,000 new jobs added. These explosive reports have been indicative of the America First strategy's success, a strategy which places workers at the top of the totem pole of priorities.

This worker-centric approach is part of the broader economic momentum President Trump is driving. With more than \$8 trillion in private investments so far, Americans are seeing great progress in the growth of our jobs, our economy, and our competitive edge.

To further stimulate economic growth, the Trump Administration is overhauling the waste, fraud, and abuse that has characterized the federal government's use of tax dollars for decades. The Department of Labor is eliminating unnecessary red tape that stifles innovation. We are on track to restore freedom and purchasing power back to hardworking men and women.

For example, the Labor Department recently uncovered \$4.4 billion of unspent and unusable COVID funding and is actively working to return that money to the Treasury in its entirety. I also put states on notice, warning governors that rewarding illegal immigration by granting unemployment benefits to illegal immigrants will result in the loss of federal funds.

I will continue to safeguard tax dollars and prevent their misuse because when Americans' hardearned money isn't wasted, more of their paychecks can go towards the things that actually matter: putting food on the table and gas in cars, and providing stability for our families.

In keeping with that goal of streamlining our department and running an efficient operation, I have canceled over \$250 million in America Last handouts. Taxpayers will no longer be footing the bill for things like "enhancing transparency and accountability in Uzbekistan's cotton industry."

Restoring meritocracy has been another key facet of the America First agenda, so my team and I have eliminated harmful Diversity, Equity, and Inclusion (DEI) initiatives wherever they cropped up. To that extent, we conducted a major overhaul of the Office of Federal Contract Compliance Programs (OFCCP), which for years enforced discriminatory DEI and Affirmative Action requirements against companies doing business with the federal government. After these much-needed reforms, qualified federal contract staff will no longer have to worry about losing out on a paycheck because of their race, gender, or any other factor extraneous to their performance on the job.

With our workers as the cornerstone of our economic comeback, these policies matter. I stand ready to equip, train, and support our workforce so they can thrive in an ever-changing job market.

Vision for Workforce Development

To stay competitive both at home and abroad, Registered Apprenticeships and skilled trades pipelines are essential. Every individual brings value to our workforce and deserves the tools to thrive.

Consistent with these efforts, the President's FY 2026 Budget gives states and localities flexibility to spend workforce dollars in the way that makes the most sense for their areas. By consolidating siloed federal job training programs into a single Make America Skilled Again Grant, states and localities will be able to spend more time and money delivering high-quality training for their workers and less time complying with burdensome federal program requirements. In line with this approach, the budget also proposes to eliminate ineffective federal training interventions, including the Senior Community Service Employment Program and the Job Corps program. Job Corps is a financially unsustainable and potentially dangerous program, with an exorbitant per-graduate cost and an alarming number of serious incidents reported by participants. Students are often made worse off, with the Office of Inspector General finding that program graduates made less than the poverty threshold.

Pursuant to two critical Executive Orders, the Department of Labor is collaborating with the Departments of Commerce and Education to unlock the potential of the American worker. We are looking to strengthen Registered Apprenticeships, modernize workforce development programs, and invest in opportunities that upskill workers to meet current labor market demands.

Through President Trump's Executive Order, "Preparing Americans for High-Paying, Skilled Trade Jobs of the Future," we have set a bold goal of reaching over one million active apprentices. Together with my peers, I will be presenting President Trump with a streamlined and integrated plan to re-orient federal workforce programs to prepare the American economy for the opportunities presented by reshoring and re-industrialization.

I am confident that we will deliver on that plan through the collaboration we have fostered with local unions, businesses, colleges, and community leaders as we seek to bring everyone to the table. The Labor Department will act as a bridge, providing resources and tools that encourage states and communities to provide tailored apprenticeships and workforce development opportunities that directly tie to the needs of their local industries.

Expanding educational opportunities and resources for our students across the country is another crucial element to this robust vision. Utilizing existing career and technical education pathways to expose students at younger ages and leveraging post-secondary education funding, we will work to enhance connections between the education system and the high-paying skilled trade jobs of the future. It's imperative that we support interests in technical and skilled jobs from an early age.

As promised, I will work to expand Registered Apprenticeships into untapped industries and occupations, especially in high-growth and emerging sectors.

Since January 20, 2025, almost 83,000 new apprentices registered in programs, and over 900 new apprenticeship programs have been registered across the National Apprenticeship System. I anticipate even greater progress now that we have the momentum of the President's Executive Orders guiding federal, state, and local entities in lockstep.

Developing artificial intelligence (AI)-oriented apprenticeships is also essential for preparing workers to meet labor market demands and technological challenges. As part of the new White House Task Force on Artificial Intelligence Education, I'm excited to identify resources and tools that help our next generation tackle the AI questions of the future.

It's a known fact that AI is changing our world and how we fit into it. It's incredibly important that our children have every opportunity to thrive in that environment. From an early age, our future workers must gain expertise and tools to drive innovation and become empowered leaders of tomorrow. To maintain America's global dominance in an age of technological revolution, Registered Apprenticeships, and even school curricula, must adapt to meet AI literacy and proficiency needs.

I will work with Deputy Secretary Sonderling and the White House to leverage authorities and financial incentives to increase participation in AI-related apprenticeships, encourage states to develop work-based learning opportunities, and promote high-quality AI skills education coursework across the country. Our American workers continue to be the backbone of our

country, and we will do everything we can to ensure they remain on the cutting edge of technological advancements and global competition.

I know that by revitalizing our workforce and preparing them for the jobs of tomorrow, we will breathe life into the American Dream. I believe, as you all do, that we must work together to foster an economy that ensures every American can thrive with good pay, safe working conditions, and a secure retirement. It's my honor to work on behalf of President Trump as we bring jobs back to the United States and put the American worker first again.

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