

**STATEMENT OF KEITH SONDERLING
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BEFORE THE
SUBCOMMITTEE ON LABOR, HEALTH AND HUMAN SERVICES, EDUCATION,
AND RELATED AGENCIES
COMMITTEE ON APPROPRIATIONS
UNITED STATES SENATE**

MAY 19, 2026

Chairwoman Capito, Ranking Member Baldwin, and Members of the Subcommittee, thank you for the invitation to testify today. I am pleased to appear before this Subcommittee on behalf of President Trump and the hardworking men and women of the Department of Labor, reporting to you on the progress we have made for American workers as we also look ahead to Fiscal Year (FY) 2027 and beyond.

The President has put forth a responsible and well-reasoned budget for FY 2027 that reflects the Administration's priorities to put American Workers First. The FY 2027 President's Budget for the Department of Labor is \$10.7 billion in discretionary budget authority and 10,740 FTE, with additional mandatory funding. This is a decrease of approximately \$2.6 billion from FY 2026 enacted levels. The FY 2027 Budget reflects the Trump Administration's commitment to workforce development, fair trade, and fiscal responsibility. The Administration's proposal focuses the Department on its highest priority functions and disinvests in programs that are wasteful, duplicative, unproven, non-essential, or ineffective. The funding levels reflect the reforms necessary to enable agencies to fulfill their statutory responsibilities in the most cost-effective manner possible. Since the start of this Administration, the Department of Labor has proven its ability to do more with less and maximize the value of taxpayer dollars. The Budget promotes sound management and an efficiency-driven approach to protecting and supporting American workers and retirees.

Overview

The dedication, ingenuity, and innovation of our American workforce—the greatest in the world—is unparalleled. From serving in the Department of Labor's Wage and Hour Division during the first Trump Administration, to my tenure as a Commissioner on the Equal Employment Opportunity Commission, then as both Deputy Secretary and now Acting Secretary of Labor, I have had the pleasure to engage directly with American workers and employers across the country over the last decade. I can assure you that no one works harder than the men and women of our nation who farm, mine, make, build, transport, innovate, design, create, serve, and engage with other Americans to make our lives healthier, safer, easier, more productive, and more affordable.

President Trump's vision for the Department of Labor is straightforward: to restore government

efficiency while putting American workers first to deliver a new Golden Age of American prosperity. The first year of the second Trump Administration was marked by economic growth and increased opportunity for the American workforce. I am pleased to report on just a few notable milestones:

- Private sector wages grew 3.9 percent during the first three months of this year. Factory workers' wages improved from an \$830 loss under the Biden Administration to an impressive \$2,400 gain under this Trump Administration, easily surpassing inflation.
- Federal employment is at its lowest level in almost sixty years, more than 700,000 private sector jobs have been added since President Trump took office, and initial jobless claims plunged to their lowest level since 1969 at the end of April.
- Since January of last year, the Department has registered over 3,500 new apprenticeship programs and added more than 400,000 new apprentices – providing debt-free paths to giving workers the critical skills to find mortgage-paying jobs.
- The Department launched a modern open data portal at data.dol.gov, making it more transparent and efficient for users to access data related to the American workforce. The portal helps bring the Department into alignment with the OPEN Government Data Act of 2019 and the [Federal Data Strategy](#) established during President Trump's first administration.
- Over the course of the past 12 months, the Department returned over \$4.4 billion in unspent and unusable COVID-era funding to the U.S. Department of the Treasury's General Fund, supporting President Trump's promise to eliminate waste, fraud, and abuse of Americans' hard-earned tax dollars.
- Our Mine Safety and Health Administration (MSHA) recently announced that injury rates fell to an all-time low in 2025, as the total recordable injury rate was 1.74 per 200,000 hours, down from 1.82 the previous year. The Trump Administration is ensuring that as we increase domestic mineral production, we are also achieving the highest possible safety standards to keep American miners safe on the job.
- To support job creators by promoting compliance alongside enforcement, the Department rolled out efforts to encourage employers to comply with the law in the least burdensome ways possible. Our enforcement agencies issued their opinion letter and self-audit programs to better help employers succeed and ensure all workers have access to fair pay, safe working conditions, and a secure retirement.

The investments that President Trump made in the workforce and our economy, like the historic Working Families Tax Cut Act, are paying off. I look forward to continuing to work with Congress as we carry out the Department's mission.

Making America Skilled Again

The Make America Skilled Again (MASA) grant program gives states and localities flexibility to spend workforce dollars in the way that makes the most sense for their areas by simplifying the

structures through which workforce dollars are delivered.

President Trump's Executive Order 14278: *Preparing Americans for High-Paying Skilled Trade Jobs of the Future* outlines the President's dedication to modernizing American workforce programs. The current mix of federal training programs is difficult for state and local governments to manage, often resulting in overlapping efforts and high administrative costs. To streamline operations and boost results, the President's Budget proposes merging 12 of the Department of Labor's workforce development grant programs into a single MASA grant program.

This \$3.4 billion investment, a net savings of \$1.2 billion over the disparate programs MASA consolidates, will reduce bureaucracy, lighten administrative tasks, and enhance the quality of worker training. This grant program will let states and localities respond flexibly to workforce demands and support positive employment outcomes. MASA will support the successful Registered Apprenticeship model by requiring grantees to spend at least 10 percent of their funds on apprenticeship activities. An additional 3 percent set aside will be dedicated to targeted federal investments in apprenticeships—such as contracts, outreach, and technology upgrades—and 0.75 percent will go toward performance tracking, maintaining program integrity, and providing technical assistance. The Department remains committed to reaching and surpassing the President's goal of one million active apprentices nationwide.

In addition to MASA, the President's Budget includes \$1.45 billion in Career and Technical Education (CTE) programs funded under the Carl D. Perkins Career and Technical Education Act of 2006, as amended, in the Training and Employment Services budget within the Employment and Training Administration (ETA). Since the foundation of the Department of Labor's partnership with the Department of Education in FY 2025, ETA has demonstrated that it can streamline administration of CTE programs to better serve students, families, educators, and skilled workers. This proposal will create a stronger talent pipeline for the nation's workforce and give states a central point of contact within the federal government, reducing duplication of effort, conflicting directives, and feedback from different federal agencies.

Protecting American Workers

American workers deserve fair, safe, and healthful workplaces. The Department is committed to delivering on President Trump's deregulatory agenda by removing unnecessary, burdensome regulations that hamstring businesses and by providing accessible compliance tools that lower or remove the barriers for businesses to meet remaining regulatory obligations.

The President's Budget provides \$1.6 billion in discretionary resources to protect workers' health and safety, wages, and retirement. With these resources, the Department's worker protection agencies will promote compliance assistance to help keep American workers safe and employed while cutting ineffective spending. Through its enforcement efforts, the Department

will also strategically target the most egregious and persistent violators and use establishment-level data to focus on the highest hazard industries and workplaces.

President Trump's Executive Order 14173, *Ending Illegal Discrimination and Restoring Merit-Based Opportunity*, provided a clear message to federal contractors that illegal DEI practices will not be tolerated. The President's Budget eliminates the Office of Federal Contract Compliance Programs (OFCCP), which has no statutory foundation and was responsible for enforcing these misaligned and misguided activities, and transfers its remaining statutory program areas to the newly created Office of Civil Rights.

The President's Budget includes \$50.1 million in funding for the Office of Labor-Management Standards (OLMS) to maintain its effective oversight of unions' compliance with their statutory reporting requirements. This increase of \$1.6 million over the FY 2026 enacted level will strengthen protections for union members and is essential for OLMS to accurately assess unions' compliance with the civil and criminal provisions of the Labor-Management Reporting and Disclosure Act by supporting audits and investigations to uncover flawed officer elections, fraud, and embezzlement. The additional funding builds on OLMS' latest efforts to improve transparency and accountability in reporting processes, as it recently launched a brand-new data visualization tool for Form LM-2 disclosures.

President Trump knows that most job creators want to do the right thing and keep their workers safe and healthy on the job. That is why, in alignment with the Trump Administration's priorities, the Department will assist businesses in complying with workplace safety standards by shifting additional resources in the Occupational Safety and Health Administration's (OSHA) budget into compliance assistance activities. The President's Budget proposes shifting \$7.3 million and 39 FTE from Federal Enforcement activities to Federal Compliance Assistance activities to allow OSHA representatives to provide one-on-one worksite assistance to employers pursuant to every inspection, as well as an additional \$5.8 million and 21 FTE to augment the agency's targeted outreach to employers and workers. To streamline OSHA's work and improve whistleblower case processing time, the President's Budget shifts responsibility for the non-Occupational Safety and Health (OSH) Act whistleblower investigations out of OSHA and into the Office of Civil Rights.

The President's Budget includes requests for OSHA and MSHA that will modernize the Department's use of data to create more efficiently managed agencies. OSHA's budget request includes an increase of \$6.5 million and 5 FTE for the Safety and Health Statistics budget activity to enhance the agency's artificial intelligence and data analytics capabilities. The request will allow OSHA to modernize how it manages and uses its data, enabling more efficient targeting of outreach and resources, earlier identification of emerging hazards, and improved voluntary engagement. By making better use of the data it already collects, OSHA can enhance operational efficiency while helping employers prevent injuries and save lives. MSHA proposes to streamline the agency's budget activities, in part by creating new consolidated Education &

Training and Regulatory & Data Analysis activities. The new Regulatory & Data Analysis budget activity will support the development of standards and regulations that protect the safety and health of miners and the expansion and enhancement of open data initiatives to improve data usability and transparency.

Finally, the President's Budget includes \$181 million for the Employee Benefits Security Administration (EBSA) to continue its work ensuring the security of the retirement, health, and other workplace related benefits of America's workers and their families. The Wage and Hour Division's (WHD) Budget of \$235 million funds the agency to ensure American workers receive wages earned as required by law and provides resources and assistance to workers and employers to promote and achieve compliance with labor standards. The President's Budget requests that EBSA and WHD align funding with current staff levels with an enhanced focus on compliance assistance.

As part of the Administration's effort to reduce burdens on job creators, the Department has proposed a rule that would revise the Department's standard for determining employee or independent contractor status under the Fair Labor Standards Act, Family and Medical Leave Act, and Migrant and Seasonal Agricultural Worker Protection Act, providing important clarity for employers and workers. The proposed rule would protect independent contractors' entrepreneurial spirit and simplify compliance. To further clarify arrangements between businesses and workers, the Department recently proposed a rule that lays out a uniform analysis for assessing joint employer status under those same three laws. The Administration is also addressing the influence of pharmacy benefit management services, creating a more competitive and transparent prescription drug market that lowers costs across the health-care system. In the retirement space, the Department is leveling the playing field so all Americans have access to the same investment choices that were once reserved for the wealthy and large pension funds. With its proposed rule to democratize access to alternative investments in 401(k) plans, the Department's days of picking winners and losers are over.

Restoring Government Efficiency

The President's Budget takes additional steps to improve efficiency.

The President's Budget reorganizes the Bureau of Labor Statistics (BLS), the Census Bureau, and the Bureau of Economic Analysis at the Department of Commerce under the policy direction of the Under Secretary for Economic Affairs. This proposal will leverage data collection and analysis synergies, increase cost-effectiveness, improve data quality, and reduce respondent burden, while prioritizing data accuracy and timeliness.

The President's Budget includes \$35.4 million in resources to establish a new Office of Civil Rights. This new office will consolidate existing Civil Rights Center functions, absorb OFCCP's remaining responsibilities for Vietnam Era Veterans' Readjustment Assistance Act and

Rehabilitation Act Section 503 enforcement, and manage the non-OSH Act whistleblower statute enforcement work that is currently assigned to OSHA. Centralizing the non-occupational safety and health whistleblower cases will streamline processing and create efficiencies.

The President's Budget includes \$86.8 million to reorganize the Office of Foreign Labor Certification (OFLC) into an independent DOL agency rather than an office within ETA. This new organizational structure will enable the Department to administer immigration and migration policies, regulations, and programs in a manner that optimizes performance, maintains the continuity of customer-centered operations, and ensures the hiring of foreign workers does not adversely affect the wages and working conditions of American workers comparably employed. In addition to OFLC's existing duties, this reformation of OFLC as an independent agency within DOL will also include absorbing the Department's U and T visa work currently delegated to OSHA and the Department's immigration and migration policy coordination function currently managed by the Bureau of International Labor Affairs (ILAB).

Consistent with our efforts to put America First, the President's Budget streamlines ILAB, reorienting it to focus on its core work of helping ensure our trading partners fulfill their labor-related trade commitments. This Budget ensures American workers and businesses benefit from international trade and are not undermined by other countries' artificial cost advantages due to lax labor protections or exploitative working conditions. The President's Budget provides \$70 million to ILAB, including \$38 million in grant funding, and will allow the agency to support the President's America First Trade Policy, shape international labor standards to benefit US workers, combat unfair labor practices, and improve American competitiveness through technical assistance.

Conclusion

In closing, I hope my statement today makes clear the range and impact of the Department's accomplishments this past year, as well as President Trump's vision for building on this progress in the coming fiscal year. The Department is hard at work supporting Americans' efforts to obtain and excel in good, safe, family-sustaining jobs and ensuring the American economy remains the greatest in the world. From cutting red tape to defending our workers and preparing them for the jobs of the future, this Administration is keeping its promise to build a Golden Age of prosperity for all Americans.

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