

**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 HOUSE OF REPRESENTATIVES**

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

There is broad agreement that the Federal government has to start living within its means, and the President's 2012 budget represents a good first step toward our shared long-term goal of reducing the Federal deficit. The President has put forward a plan to rebuild our economy and win the future by out-innovating, out-educating, and out-building our global competitors and creating the jobs and industries of tomorrow. At the same time, his plan recognizes we must restore fiscal responsibility, and reform our government to make it more effective, efficient, and open to the American people. The Department of Labor FY 2012 budget request reflects this direction.

Getting America back to work is a top Administration priority as we seek to spur growth in the U.S. economy. It is important to promote the creation of "good jobs," and the Department of Labor plays a vital role in this goal by helping workers find and prepare for new jobs, helping employers find skilled workers, and enforcing statutory obligations that keep workers safe and help them keep what they earn.

DIFFICULT CHOICES

The Department's FY 2012 Budget reflects **difficult choices** that will help put our nation on a sustainable fiscal path while also investing in programs and activities that will fuel economic growth.

- To offset other investments the Budget reduces funding for, and transfers to the Department of Health and Human Services the Community Service Employment for Older Americans Program to improve coordination with other senior-serving programs and better support the comprehensive well-being of seniors.
- The Budget reduces Job Corps construction funding by \$27 million to cover higher costs for operating Job Corps centers, including funding for additional slots at the new Iowa center.

- The Budget eliminates the \$125 million Career Pathways Innovation Fund, which duplicates the recently enacted Trade Adjustment Assistance Community College and Career Training Program.
- The Budget also redirects funding from the job training formula State set-aside, the Governor's Reserve, to fund the proposed Workforce Innovation Fund.

As part of a Government-wide effort to curb non-essential administrative spending, our budget includes reductions of \$10 million for travel; printing; professional and technical services; and supplies and materials. Examples of administrative efficiencies to affect these savings include:

- Simplifying data collection including mailing postcard reminders rather than multi-part forms as detailed in the finalist proposal for the Mine Safety and Health Administration during the President's SAVE initiative.
- Using in-house printers to design, prepare, and produce smaller print jobs rather than contracting out these services.
- Migrating towards electronic formats for data collection, such as web data collection through the Internet.

INVESTING IN THE FUTURE

As the President said in the State of the Union address, to **win the future** we must out-educate, out-innovate, and out-build our global competitors. The Department of Labor FY 2012 budget invests in the future by working towards my vision, *Good Jobs for Everyone*. The Department's budget focuses on this vision in a fiscally responsible manner by:

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

GETTING AMERICA BACK TO WORK

While we struggle to balance the Federal fiscal situation, workers and their families are hurting in these tough economic times, a situation that cannot be ignored even as we make the difficult choices reflected in our budget request. 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 are struggling to find employment and maintain retirement savings. At the Department of Labor, we are assisting unemployed workers who need our help, both by providing an income safety net **and** the tools necessary to find new jobs.

In the FY 2012 Budget, we remain committed to small but targeted investments that help vulnerable communities and our Veterans to be productive members of our Nation's labor

force. We will invest \$16 million in combined increases for employment and training programs that target Native American communities, Migrant and Seasonal Farmworkers, and disadvantaged youth. We are providing an additional \$2 million for the Veterans' Transition Assistance Program to help veterans and their spouses successfully transition to civilian employment and an additional \$3 million for the Homeless Veterans Program to ensure that those veterans who are struggling have a helping hand back to the labor market.

To get America back to work and win the future, the Department will prepare workers with the tools they need to succeed in the 21st century economy, help workers and firms find each other, and support innovative strategies to promote economic recovery. The FY 2012 budget request for the Department's Employment and Training Administration (ETA) is \$9.7 billion in discretionary funds and 1,236 FTE, which includes 31 FTE funded by the H-1B application fees. This request is \$911.9 million less than the FY 2010 enacted budget for ETA. Through innovative program strategies and offsetting new investments, the budget request for ETA will allow the Department to increase the skills of the American workforce while remaining fiscally responsible.

Additionally, the Department continues to support investments in the Workforce Investment Act (WIA) Adult, Dislocated Worker, Youth, and Employment Service formula funds, programs that help prepare workers for good jobs and provide them the skills and knowledge to succeed in a knowledge-based economy. WIA programs alone served about 8.5 million people during the last calendar year. This Administration wants to ensure that investments in job creation will *continue as the labor market fully recovers* from the economic downturn.

Workforce Innovation Fund

Even as the economy recovers, the unemployment rate remains unacceptably high. The public workforce investment system is more important now than ever, but we need to make it more efficient, streamlined, and targeted to serve our growing customer base. To win the future, we must recognize the 21st century global economy requires greater skills and education levels as good paying jobs shift from manufacturing to knowledge and service-based occupations. We must also recognize that just because we have done something before it is not necessarily the best way to accomplish our goals.

If we want to ensure that America has the labor force we need to be successful and get as many people as possible into productive careers that can carry them through their working lives, we must increase the skill level of our workforce, and link these training programs directly with jobs. The investment in employment and training is essential to this task. However, to ensure that investments are focused on reform, the Departments of Labor and Education are also investing a combined \$380 million in a Workforce Innovation Fund that will drive innovation and reinvigorate America's workforce development system. This investment is offset by reducing other funding streams within the WIA system.

The Workforce Innovation Fund is designed to create strong incentives for change within the workforce development system that will improve the effectiveness of the WIA programs and

provide incentives to break down program silos and improve service delivery. The Fund represents a small but crucial investment in innovative, evidence-based, and cost-saving workforce investment strategies that will significantly impact formula-funded activities well into the future.

The Workforce Innovation Fund would provide competitive grants to projects that demonstrate new and promising ways of preparing adults, dislocated workers, and youth for jobs of the future. The WIA Adult, Dislocated Workers, and Youth and the Employment Grants to States programs will each devote eight percent of their appropriations to the Fund. Innovation funds will be available to test innovative service delivery projects, or replicate proven practices, that will achieve better outcomes, particularly for vulnerable populations. For example, the Department is very interested in testing funding mechanisms that incentivize providers to serve disadvantaged populations. Projects will collect reliable data to assess outcomes, inform program improvements, and provide meaningful information on workforce system and service provider performance. Furthermore, the Fund will support rigorous evaluation of grantee projects to identify approaches that get results and can be replicated throughout the workforce system.

Green Jobs Innovation Fund

The demand for resources to support green job training opportunities is significant – and the Department has received a record number of applications for grants. This unprecedented level of interest represents the need for resources that focus on green job training, which complements job creation efforts. Moreover, this surge in demand reflects the needs of those who are already working to gain skills – and portable credentials – to move into better, higher-paying jobs in emerging sectors.

The budget requests \$60 million for the Green Jobs Innovation Fund, an increase of \$20 million from the FY 2010 appropriation. This investment will provide training to help individuals secure jobs in growing green industries and jobs across the country. The request reflects the President's direction to grow the jobs and industries of tomorrow and will provide training opportunities for some 9,960 workers. These funds will support the Department's efforts to achieve two of its performance goals by increasing the number of individuals completing training programs with industry-recognized credentials and by increasing the number of individuals completing training programs for employment in green jobs.

YouthBuild

Developing the skills of our nation's youth is critical to ensuring that our workforce is ready to succeed in the future. The labor market challenges faced by young people in the current economy are many and have long-lasting implications for their ability to fully participate in the economy of the 21st Century. Through our YouthBuild program, we are providing disadvantaged youth, including youth with disabilities, with a pathway to employment or post-secondary education. The FY 2012 Budget includes \$115 million, an increase of \$12.5 million, for YouthBuild to provide competitive grants to an estimated 105 programs for the

education and training of more than 7,000 disadvantaged youth ages 16-to-24. The Department currently sponsors over 220 YouthBuild programs and hosts annual competitions for these funds. The investment will allow the Department to provide sustained funding to quality programs with strong performance outcomes. Under these grants, youth will participate in classroom training and learn construction skills by helping to build affordable housing. In FY 2012, 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.

Strengthening Unemployment Insurance Integrity and Promoting Re-Employment

The severity of the recession put great stress on the Unemployment Insurance (UI) system, which 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:

- Two major legislative proposals that would strengthen the unemployment insurance safety net. One would help States improve the solvency of their Unemployment Trust Fund (UTF) accounts, while providing temporary tax relief for employers. The other would create incentives for States to adopt Short-Time Compensation programs and expand their use nationally through implementation grants and a temporary Federal program in order to help avert layoffs.
- Another legislative proposal would focus on reducing UI improper payments by giving the States new tools and resources that will strengthen the fiscal integrity of the UI system. We estimate that the legislative proposal for strengthening the UI system would increase overpayment recoveries by about \$2.3 billion and increase collection of delinquent employer taxes and penalties by \$1.1 billion over ten years.
- A request of \$60 million in discretionary funding for Reemployment and Eligibility Assessments, which support in-person interviews at the One-Stop Career Centers with UI beneficiaries to discuss their need for reemployment services and their continuing eligibility for benefits. In FY 2012, this investment, combined with the \$10 million request included in State Administration, will help workers and firms find each other faster, leading to 980,000 UI beneficiaries making a quicker transition back to employment. The \$70 million investment is expected **to save State accounts in the UTF \$237 million.**
- Incentive awards totaling \$10 million for States to improve their UI operations. The funding would be used to provide awards for most improved performance in improper payments, payment timeliness, and productivity.

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. The Department is committed to improving reemployment for UI claimants across all of our workforce investment programs. Through a collaborative federal-state workgroup, we have developed a new vision and framework for connecting UI claimants to workforce services and getting them back to work as soon as possible, and are working with the system to implement that vision.

Senior Community Service Employment Program

The FY 2012 budget proposes to transfer the Community Service Employment for Older Americans (CSEOA) program to the Department of Health and Human Services' Administration on Aging (AoA). AoA leads the mission of helping older Americans maintain their independence and active participation in communities. This move would consolidate federal oversight of the Older Americans Act programs under one department, streamlining operations and putting federal administration of CSEOA in alignment with operations in the field. Closely integrated with other programs serving low-income seniors, SCSEP could better support not only employment, but also health, wellness and independence for seniors.

Job Corps

Our Job Corps program has a long history of preparing disadvantaged youth for a successful transition into the workforce and we should all be proud of this year's accomplishments. As with other youth programs, we are shifting Job Corps to focus on 21st century jobs to help our young people prepare for the challenges of the future. The budget includes \$1.7 billion to operate a nationwide network of 125 Job Corps centers in FY 2012. Job Corps provides training to address the individual needs of at-risk youth and equip them with the skills they need to compete in today's emerging industries and again reflects some of the tough choices we had to make by offsetting the necessary increase in operations by a reduction in construction and renovation funding.

The FY 2012 budget continues an ambitious agenda to improve the program's performance, including:

- The Job Corps Reform Agenda, that sets high standards for all Job Corps centers with measurable and evidence-based outputs.
- An investment to continue to modernize curricula, upgrade equipment and refine training options in 11 high-growth job training areas.
- A continued focus on program improvement and reform by increasing monitoring, oversight, and accountability for poor performing centers through the use of targeted performance improvement plans.

We are optimistic that our reform agenda will **produce better outcomes and implement cost efficiencies**.

Veterans' Employment and Training Service

We know returning veterans can contribute greatly to our economy. For the Department's Veterans' Employment and Training Service, the FY 2012 budget request is \$261 million and 227 FTE. The FY 2012 budget includes \$39 million for the Homeless Veterans Reintegration Program (HVRP) to provide employment and training assistance to almost 27,000 homeless veterans, including continuing our outreach to homeless women veterans. In addition, the budget requests \$9 million for the Transition Assistance Program for service members and their spouses including expansion of services to retiring Reserve and National Guard members, an increase of \$2 million from FY 2010. Transition Assistance Program workshops play a key role in helping service members transition swiftly and successfully to civilian employment. With our FY 2012 budget we anticipate helping roughly 156,000 service members and their spouses through these workshops.

Disability Employment Initiative

It is also important to continue our efforts to ensure that our workforce system effectively serves persons with disabilities. To accomplish this, the budget includes a combined \$24 million requested for the Employment and Training Administration and the Office of Disability Employment Policy to continue the Disability Employment Initiative begun in FY 2010. This initiative works to build the capacity of the WIA One-Stop system to serve job seekers with disabilities by improving coordination across programs, leveraging resources, and prioritizing the provision of service to job seekers with disabilities (adults and youth) through the Social Security Administration's Ticket to Work program.

KEEPING WORKERS SAFE

Winning the future requires a successful competitive market where all firms are playing by the rules to keep workers safe. Workers should be safe in their jobs and we need to ensure that our worker protection efforts keep up with the changing economy. The FY 2012 budget continues to invest in the Department's Worker Protection agencies by proposing increases of \$132 million over the FY 2010 appropriation. Some of the highlights of our worker protection request include:

Occupational Safety and Health Administration

The Occupational Safety and Health Administration (OSHA) must ensure that all employers are able to provide safe workplaces to their employees. The FY 2012 budget request for OSHA is \$583.4 million and 2,387 FTE, an increase of \$24.8 million and 52 FTE over the FY 2010 level. The request includes an increase of \$7.7 million and 25 FTE to expand the compliance safety and health officer (CSHO) workforce to continue OSHA's intensified commitment to preventing injuries, illnesses and fatalities by deterring employers in the most hazardous workplaces who exhibit a profound disregard for worker safety and health.

Included in the request is a program increase of \$4.0 million to expand the agency's regulatory program to meet the complex safety and health threats in today's workplaces. Additionally, OSHA requests \$2.4 million for the development of the Injury and Illness Prevention Program rule, which will require employers to develop and implement a comprehensive safety and health plan to protect against workplace hazards.

The FY 2012 budget also includes a program increase of \$6.0 million and 45 FTE for the 21 whistleblower programs that OSHA administers in order to reduce the backlog in whistleblower claims, expedite the handling of received complaints, and prepare for a high volume of complex cases resulting from recently passed laws.

Mine Safety and Health Administration

As Assistant Secretary Main of the Mine Safety and Health Administration (MSHA) noted in his recent testimony before Congress, the April 5, 2010 explosion at the Upper Big Branch mine needlessly took the lives of 29 miners. That accident was the worst mining disaster since the creation of MSHA by the Mine Act and the deadliest coal mine disaster this nation has experienced in forty years. In light of the disaster, we need to think through how to protect miners to the fullest extent of our capabilities. MSHA's FY 2012 budget request of \$384.3 million and 2,428 FTE, an increase of \$27.0 million and 66 FTE above the FY 2010 enacted level, supports the need to adequately address safety in America's mines. The following are a few of the highlights of MSHA's request:

- The Program Evaluation and Information Resources (PEIR) and Technical Support activities, respectively, request \$450,000 and \$550,000 to upgrade mine emergency response and rescue capabilities for rapid response to emergencies. Also within PEIR is an increase of \$2 million to transform the current outdated health database system into a modern system. This investment will ensure the system functions with integrity and efficiency in order to support compliance reporting. An additional investment of \$1 million is necessary to migrate the functionality of the data system that collects and tracks information on mine accidents, injuries, and employment to run within MSHA's Standardized Information System.
- MSHA's Office of Standards, Regulations, and Variances requests an increase of \$2.1 million and 10 FTE to promulgate standards and rules related to reducing health hazards, including those associated with exposure to respirable coal mine dust.
- An increase of \$3.3 million and 15 FTE for the Coal Mine Safety and Health and Metal and Nonmetal Mine Safety and Health activities would continue progress toward reducing the backlog of contested citations at the Federal Mine Safety and Health Review Commission (FMSHRC). This project was initiated under FY 2010 Supplemental funding.
- An increase of \$15.0 million for the agency's Program Administration activity with the flexibility to transfer a portion of these funds to the Office of Solicitor. This will support the personnel and activities necessary to match a requested increase in Administrative Law Judges at FMSHRC.

These investments in addressing the backlog are particularly important. If we do not reduce the backlog, mine operators will continue to have a strong incentive to contest violations as a way of gaining time before civil penalties are finalized and patterns of violations are established under MSHA's existing regulations. This will lead to even higher contest rates and potentially unsafe mines.

Office of the Solicitor

The Office of the Solicitor (SOL) handles the Department's legal enforcement and support. The FY 2012 budget includes \$140.7 million and 726 FTE for SOL, a net increase of \$15.5 million and 90 FTE from FY 2010. The budget includes an increase of \$9.9 million to support an additional 54 FTE to reduce the Mine Safety and Health enforcement backlog at FMSHRC. An additional increase of \$4.8 million and 26 FTE would support the number of Administrative Law Judges processing Mine Safety and Health citation cases at FMSHRC. To provide necessary legal support for the enhancement of OSHA's Whistleblower protection program, SOL requests \$1.1 million and 6 FTE. As part of a multi-agency initiative to detect and deter the inappropriate classification of workers as independent contractors, SOL requests \$1.4 million and 7 FTE. These increases are offset by elimination of lower priority legal support programs totaling \$3.3 million and 18 FTE. The FY 2012 budget will strengthen SOL's enforcement litigation, issuance of timely legal opinions, legal support for rulemaking, and increased efficiency through its acquisition of legal technology.

HELPING WORKERS PROVIDE FOR THEIR FAMILIES AND KEEP WHAT THEY EARN

Employee Benefits Security Administration

The Department's Employee Benefits Security Administration (EBSA) protects the employee benefits for more than 149 million people by safeguarding the integrity of 718,000 pension plans, including 401(k) plans, 2.6 million health plans, and a similar number of other employee benefit plans, which combined represent over \$6.1 trillion in assets. EBSA's enforcement efforts for fiscal year 2010 led to \$1.05 billion in monetary results and the indictment of 96 individuals. The FY 2012 budget request for EBSA is \$197.5 million and 1,089 FTE, an increase of \$42.7 million and 179 FTE from the FY 2010 level. The additional resources will support the significant increase in Congressional action aimed at strengthening benefit security for working Americans and their families. These laws require DOL to undertake regulatory, enforcement, and participant and compliance assistance efforts that protect the interests of participants in employee benefit plans. The Department's efforts will make plans more secure and help ensure that workers and their families receive the benefits to which they are entitled from their plan and under the law. This budget will also enable EBSA to expand and strengthen its enforcement authority over fraudulent multiple employer welfare arrangements that defraud small employers and workers and their families out of the health care benefits they have earned and are depending on.

Pension Benefit Guaranty Corporation

The Budget proposes to strengthen the defined benefit pension system for the millions of Americans who rely on it by giving the PBGC Board the authority to adjust premiums and directing PBGC to take into account the risks that different sponsors pose to their retirees and to the pension insurance program. In order to ensure that these reforms are undertaken responsibly, the Budget would require two years of study and public comment before any implementation and the gradual phasing-in of any increases.

For administrative expenses of the Pension Benefit Guaranty Corporation (PBGC), the FY 2012 budget requests \$476.9 million and 912 FTE.

Wage and Hour Division

The FY 2012 budget request for the Wage and Hour Division totals \$240.9 million and 1,677 FTE. It re-proposes a multi-agency Misclassification Initiative, discussed more fully below, that would coordinate Federal and State efforts to remedy violations that result from the misclassification of employees as “independent contractors” and mitigate future violations.

We take the failure to pay workers the wages that they have earned very seriously. When workers are not paid the money that they have earned, their households and their communities alike feel the impact. Our efforts to recover lost wages not only help workers make ends meet in hard times, but can bolster the economy since back wages amount to new resources to low-income workers who spend most of the money they have earned. In FY2010, the Wage and Hour Division completed nearly 26,500 compliance actions and collected more than \$176,000,000 in back wages for nearly 210,000 workers nationwide.

Office of Labor-Management Standards

The FY 2012 budget request for the Office of Labor-Management Standards (OLMS) totals \$41.4 million and 249 FTE. OLMS administers the Labor-Management Reporting and Disclosure Act (LMRDA), which establishes safeguards for union democracy and union financial integrity. It 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.

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 2012 request for the Office of Federal Contract Compliance Programs (OFCCP) is \$109.0 million and 786 FTE, an increase of \$3.6 million from the FY 2010 level. The FY 2012 budget will

allow OFCCP to ensure equal opportunity for employees of federal contractors by enforcing laws that protect their right to be free of discrimination on the basis of disability, race, color, religion, sex, national origin, and protected veteran status.

Employee Misclassification Initiative

Employers who misclassify their employees as independent contractors or something other than employees often fail to pay those employees the minimum wage and overtime. They may evade payroll taxes and often do not pay for workers' compensation or other employment benefits. As a result of misclassification, employees are denied the protections and benefits of this Nation's most important employment laws—protections to which they are legally entitled, and unscrupulous employers benefit from an unfair competitive advantage in the marketplace. In these difficult economic times, when more employers are restructuring their workforces to lower labor costs and employees are more reluctant to assert their employment rights, employees are particularly vulnerable to misclassification. The FY 2012 Budget requests \$45.8 million and 129 FTE for a multi-agency initiative to strengthen and coordinate Federal and State efforts to enforce statutory protections, and identify and deter employee misclassification. This initiative will help level the playing field for employers who abide by the law and provide employees with their rightful pay and benefits.

For the Wage and Hour Division, the FY 2012 budget requests an additional \$15.2 million and 107 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 funds will also support the Wage and Hour Division's efforts to increase its information sharing and coordination with State and other Federal efforts to enforce violations arising from misclassification.

The Misclassification Initiative includes \$24.7 million for two ETA initiatives that will fund state grants that address worker misclassification within the context of the unemployment insurance program. The first initiative provides competitive grants to states. These grants are designed to increase state capacity to participate in data-sharing activities with the Internal Revenue Service and other Federal agencies, to implement targeted audits, to establish cross-state agency task forces to target egregious employer schemes to avoid taxation through misclassification, and to develop education and outreach programs. The second initiative would pilot a high performance award program designed to incentivize states to improve their misclassification efforts. The most successful, and most improved states would receive grants to upgrade their misclassification detection and enforcement programs.

In addition, the Misclassification Initiative includes:

- For the OFCCP, \$3.6 million and 11 FTE to develop a plan to address misclassification, train investigators, and launch a misclassification initiative targeting federal contractors.

- For the Office of the Solicitor, \$1.4 million and 7 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, \$650 thousand and 2 FTE to train inspectors on worker misclassification issues.

With these efforts, we intend to reduce the prevalence of misclassification and secure the protections and benefits of the laws we enforce. This effort lies at the core of the Department’s mission of “good jobs for everyone” – and the hard working people of this country deserve no less.

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 foster child.

State programs that provide for paid leave for workers facing these challenges offer a solution for working families who cannot afford to lose a day’s pay or risk loss of their job to care for themselves and their families. The goal is to enhance job retention of workers, and help workers stay on career paths, by not forcing them to choose between the needs of their family and their jobs. The FY 2012 budget requests \$23 million for a State Paid Leave Fund to provide grants to help States establish paid leave programs.

ADDITIONAL PRIORITIES

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 2012 budget proposes \$647.0 million and 2,456 FTE for BLS, an increase of \$35.6 million from the FY 2010 level. The budget proposes several initiatives for new surveys as well as improving the accuracy of current BLS survey data. For example:

- An increase of \$10.0 million is requested to establish a new youth cohort in the National Longitudinal Surveys (NLS). This addition will ensure that information is available on the employment and socioeconomic conditions of youth, including differences by sex, race, and ethnicity, and subsequent labor market experiences as they progress through later stages of their lives.

- An increase of \$1.6 million is included to add an annual supplement to the Current Population Survey (CPS). In odd years, this supplement will be used to collect data through a Contingent Work Supplement for information on contingent work and alternative work arrangements. In even years, this supplement will be used to collect other relevant data including data on workplace flexibility and issues related to how workers and firms balance work and family needs.
- An increase of \$25.3 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.
- The Office of Disability Employment Policy will fund a disability supplement to the CPS in partnership with BLS. The supplement will provide additional information on the labor force participation of people with disabilities.

To partially offset the cost of these improvements and additional data, the FY 2012 budget is built on cost-effective data collection strategies. For example:

- The production of State and metropolitan area data estimates in the Current Employment Statistics survey is being restructured in FY 2011, reducing costs by \$5.0 million annually, without adversely affecting the quality of the data produced.
- Also in FY 2011, BLS will implement an alternative methodology allowing for production of Locality Pay data at a lower cost – with no reduction in data quality – saving \$9.8 million annually.
- A decrease of \$2.0 million is included from eliminating the International Labor Comparisons program as originally proposed in the FY 2011 budget.
- A decrease of \$6.0 million will result from elongating the time between fielding the current NLS cohorts.

Bureau of International Labor Affairs

One of my goals as Secretary of Labor is to help American workers by building 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. Unless workers' rights, wages and working conditions are respected in countries we trade with, workers in the United States will be at a disadvantage in the global economy. The FY 2012 budget requests \$101.5 million for the Bureau of International Labor Affairs (ILAB), an increase of \$8.8 million and 15 FTE from the FY 2010 level. The request will allow ILAB to collect additional information for its responsibilities for reporting on labor rights in countries that have free trade agreements and trade preference programs with the United States. The budget will also continue the Bureau's longstanding commitment to building international relationships that improve global working conditions and strengthen labor standards around the world.

ENSURING PROGRAM EFFECTIVENESS, IMPROVING EFFICIENCY AND INCREASING TRANSPARENCY

The Department of Labor's FY 2012 budget request also reflects its continued efforts to **Ensure Program Effectiveness, Improve Efficiency, and Increase Transparency.**

- In FY 2012, the Department will invest \$30 million in program evaluations, overseen by our Chief Evaluation Officer, and also requests authority to set aside funds from major program accounts for evaluation. The Department's evaluations will build our knowledge of which strategies and approaches are most effective and ensure that resources are invested in high-impact areas.
- The budget request includes an investment of \$25 million to modernize the Department's information technology infrastructure. This initiative will eliminate redundant systems, improve operating efficiency, and help cut costs.
- The Department of Labor is dedicated to increasing its transparency. The FY 2012 budget request includes funding for the Office of Information Services, a new unit to centralize and accelerate the Department's ability to respond to Freedom of Information Act requests.

CONCLUSION

The tough choices made to develop the FY 2012 budget request reflect that too many Americans are ready, willing, and able to work – but cannot find a job. While fiscally responsible, the Department of Labor request provides targeted investments to help workers and firms better find each other, prepare Americans with the skills needed for the jobs of today and the jobs of the future, and ensure that we have a fair and equitable labor market for firms and workers. Our efforts will help to get America back to work, foster safe workplaces that respect workers' rights, provide a level-playing field for all businesses, and help American workers provide for their families and keep the pay and benefits they earn. I am committed to achieving the goal of *Good Jobs for Everyone* while the Administration focuses on our shared long-term goal of reducing the Federal deficit. I believe it is possible to do both and stand ready to work with you in the weeks and months ahead on a responsible way forward.

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