

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

May 7, 2008

Good morning Mr. Chairman, Senator Specter, distinguished Members of the Subcommittee, ladies and gentlemen. Thank you for the opportunity to appear before you today to present the Fiscal Year 2009 Budget for the Department of Labor.

The total request for the Department in FY 2009 is \$53.1 billion and 16,848 FTE, of which \$13.0 billion is before the Committee. Of that amount, \$10.5 billion is requested for discretionary budget authority. Our Budget request will allow us to build on the accomplishments achieved in recent years and enable the Department to meet its critical priorities for FY 2009, while helping to achieve the President's deficit reduction goals by reforming programs and reducing or eliminating ineffective or duplicative activities.

NOTABLE ACCOMPLISHMENTS

Over the past seven years, the Department's agencies that protect workers' health, safety, benefits, pay, and union member rights have achieved record-setting results for America's workers and their families. For example:

- Since 2001, the Wage and Hour Division has increased by 67 percent the back wages recovered for workers. In 2007 alone, a record \$220.6 million was recovered for workers, including many vulnerable workers in low-wage industries, who did not receive the wages they were due.
- Between 2001 and 2007, the Employee Benefits Security Administration, which has oversight over nearly every private pension plan in America, closed over 28,000 civil cases and over 1,200 criminal cases; recovered or protected nearly \$11 billion for plans and participants; and, working with the Department of Justice and state and local prosecutors, obtained indictments against more than 800 individuals for crimes against plans and participants.
- Since 2001, the workplace fatality and serious injury and illness rates have fallen to record lows. Since 2002, the overall injury and illness rate has declined by 17 percent and the worker fatality rate has remained at historically low levels.

Perhaps most notable is the reduction in the fatality rate among Hispanic workers, which has declined by 17 percent since 2001.

- Since 2001, the Department's Office of Federal Contract Compliance Programs has posted record results in enforcing equal opportunity rights for employees of Federal contractors, with an increase in financial recoveries of 78 percent between 2001 and 2007. Our efforts to ensure that Federal contractors achieve equal opportunity workplaces resulted in a 245 percent increase from FY 2001 to FY 2007 in the number of Americans recovering back pay and benefits.
- Since 2001, we have rebuilt the Department's Office of Labor-Management Standards' capability to enforce the laws that require union transparency and protect union democracy. As a result, from FY 2001 to FY 2007, the number of financial compliance audits has risen by 226 percent, and the number of convictions has increased by 16 percent.
- We have implemented a number of new programs to assist America's veterans. The Department launched the national *HireVets First* campaign designed to help employers tap this pool of talent as our servicemen and women transition to civilian life. In 2004, the Department created *REALifelines*, a comprehensive new program to provide individualized job training, counseling, and reemployment services to each and every service member seriously injured or wounded in the War on Terrorism.

FY 2009 PRIORITIES

The Department's FY 2009 Budget seeks to build on the success of previous years. The Budget features five critical priorities: protecting workers' safety and health; protecting workers' pay, benefits, pensions, and union member rights; modernizing the temporary foreign labor certification programs; providing additional resources and services for our nation's veterans and transitioning service members; and increasing the competitiveness of America's workforce. In FY 2009, the Department will continue to pursue regulatory reforms and strengthening policies that encourage growth, job creation, and opportunity.

PROTECTING WORKERS' SAFETY AND HEALTH

The 2009 Budget includes \$1.5 billion in discretionary funds for DOL's worker protection activities. Within this funding level, \$833.7 million is requested to enable the Department to continue to pursue its record-setting protection of workers' safety and health.

Mine Safety and Health Administration (MSHA)

The FY 2009 Budget request for MSHA is \$332.1 million and 2,361 FTE. The request will allow MSHA to continue implementing the historic Mine Improvement and New Emergency Response (MINER) Act, the most sweeping mine safety legislation in 30 years.

The request includes \$7.4 million specifically targeted to support and train an additional 55 mine safety enforcement personnel. These additional personnel, in addition to the more than 300 enforcement personnel hired since July 2006, will enable MSHA to complete 100 percent of mandated annual mine inspections in both coal and metal and nonmetal mines. The 2009 Budget will also support MSHA's work to finalize rules on belt air and mine refuge alternatives and implement stronger civil penalties, in accordance with the final rules published in FY 2007 and FY 2008.

Occupational Safety and Health Administration (OSHA)

The FY 2009 Budget request for OSHA is \$501.7 million and 2,173 FTE. The request provides resources to support 87,200 Federal and State safety and health inspections.

The request reflects an increase of \$15.7 million and 47 FTE above FY 2008, which includes an increase of \$11.4 million to support enforcement programs and \$5.2 million to provide compliance assistance to employers and employees, especially small businesses. The budget supports OSHA's balanced approach to worker safety and health which includes aggressive enforcement, cooperative programs, outreach, and education.

PROTECTING WORKERS' PAY, BENEFITS, AND UNION DUES

In FY 2009, the Department will also continue its high priority programs to protect workers' pay, benefits and union dues.

Employment Standards Administration

The Department's Employment Standards Administration (ESA) is DOL's largest agency, which administers and enforces a variety of laws designed to enhance the welfare and protect the rights of American workers. The FY 2009 Budget request includes discretionary resources for ESA administrative expenses of \$468.7 million and 3,190 FTE, and a proposal to cancel \$30 million in H-1B fund balances.

Wage and Hour Division

The Wage and Hour Division is responsible for the administration and enforcement of a wide range of worker protection laws, including the Fair Labor Standards Act, Family and Medical Leave Act, Migrant and Seasonal Agricultural Worker Protection Act, worker protections provided in several temporary non-immigrant visa programs, and prevailing wage

requirements of the Davis-Bacon Act and the Service Contract Act. These laws collectively cover virtually all private sector workers, as well as state and local government employees.

The FY 2009 Budget request for the Wage and Hour Division totals \$193.1 million and 1,283 FTE, which excludes \$31 million in estimated fee revenue from DOL's portion of the H-1B visa fraud prevention fee authorized by the 2004 H-1B Visa Reform Act. Given the strict statutory limits on the use of these funds, DOL has only been able to spend around \$6 million in any single year. Therefore, the FY 2009 Budget cancels \$30 million of the H-1B fund balances and proposes amendments to the Immigration and Nationality Act to permit a more effective use of the fraud prevention fees collected under this provision.

The FY 2009 Budget also includes \$5.1 million to hire an additional 75 Wage and Hour enforcement staff to target resources on industries and workplaces that employ low-wage immigrant workers. Finally, the FY 2009 Budget includes \$962,500 for 7 legal enforcement support FTE for the Office of the Solicitor.

Office of Federal Contract Compliance Programs

The FY 2009 Budget request for the Office of Federal Contract Compliance Programs (OFCCP) totals \$89.0 million and 585 FTE. OFCCP is responsible for ensuring equal employment opportunity and non-discrimination in employment for businesses contracting with the Federal government. OFCCP carries out this mandate by conducting compliance evaluations to identify instances of systemic discrimination in the workplace, taking appropriate enforcement action, and providing relevant and effective compliance assistance programs. The FY 2009 Budget request for OFCCP includes \$2.0 million to launch the design phase of the Federal Contractor Compliance System, a new case management system to improve the effectiveness and efficiency of OFCCP's compliance and enforcement strategies. It will replace the existing OFCCP Information System, which was developed more than 20 years ago and is functionally inadequate to meet current program needs.

Office of Workers' Compensation Programs

The FY 2009 discretionary Budget request for administration of the Office of Workers' Compensation Programs (OWCP) totals \$110.2 million and 872 FTE to support the Federal Employees' Compensation Act (FECA) (\$96.2 million) and the Longshore and Harbor Workers' Compensation program (\$14.1 million). The FY 2009 budget for the Longshore program includes \$500,000 for addressing workers' compensation claims submitted under the Defense Base Act for civilian workers in Iraq and Afghanistan.

The OWCP budget includes mandatory funding totaling \$108.2 million and 598 FTE for the Department's role in administering the Energy Employees Occupational Illness Compensation Program Act (EEOICPA). EEOICPA provides compensation and medical benefits to employees or survivors of employees of the Department of Energy and certain of its contractors and subcontractors, who suffer from a radiation-related cancer, beryllium-related disease, chronic silicosis or other covered illness as a result of work at covered Department of

Energy or DOE contractor facilities. The 2009 Budget requests that resources for the EEOICPA program activities carried out by the National Institute for Occupational Safety and Health be requested directly in the Department of Health and Human Services budget. This funding request will enhance congressional oversight, while improving the financial management and transparency of EEOICPA's dose reconstruction and Special Exposure Cohort program.

Lastly, OWCP's FY 2009 Budget includes \$37 million in mandatory funding and 195 FTE for its administration of Parts B and C of the Black Lung Benefits Act, and \$52.7 million and 127 FTE in FECA Fair Share administrative funding.

The 2009 Budget includes two legislative proposals affecting OWCP programs that play a critical role in protecting workers' economic security, by providing monetary and medical benefits to Federal employees and coal miners whose ability to work has been diminished by an occupational injury or illness. The first re-proposes reforms to FECA to update its benefit structure, adopt best practices of State workers' compensation systems, and strengthen return-to-work incentives. This proposal is expected to generate government-wide savings of \$377 million over ten years. The second is a proposal to restructure, and eventually retire, the mounting debt of the Black Lung Disability Trust Fund—a debt that now stands at \$10 billion.

Office of Labor-Management Standards

The FY 2009 Budget request for the Office of Labor-Management Standards (OLMS) totals \$58.3 million and 369 FTE. OLMS enforces provisions of Federal law that establish standards for union democracy and financial integrity. OLMS conducts investigative audits and criminal investigations, primarily for embezzlement; conducts civil investigations of union officer elections and supervises remedial elections where required; administers statutory union financial reporting requirements; and provides for public disclosure of filed reports. OLMS also administers employee protective provisions created under federal transit legislation. The resources requested will allow OLMS to continue all core mission work and to further the goals of union financial integrity, democracy, and transparency.

Employee Benefits Security Administration

The Department's Employee Benefits Security Administration (EBSA) protects the integrity of pensions, health plans, and other employee benefit plans holding some \$5.6 trillion in assets for more than 150 million Americans. The FY 2009 Budget request for EBSA is \$147.9 million and 867 FTE. The request will maintain the strong enforcement record of recent years, and support oversight of pension and health care plans and other employee benefits. Also in FY 2009, EBSA will transition to a streamlined, entirely electronic filing system for the Form 5500 Annual Report which is filed by approximately one million employee benefit plans. These reports provide essential information on pension and other benefit plans' financial condition, investments, and operations. The move to electronic filing will substantially reduce processing times for the Form 5500 and improve the reliability of the data reported on the form. By making data on the funding of pension and other benefit plans more

transparent and accessible, this new system will support the President's efforts to strengthen retirement security for the nation's workers and retirees.

Pension Benefit Guaranty Corporation

The FY 2009 request for the Pension Benefit Guaranty Corporation's (PBGC) administrative expenses is \$444.7 million. The PBGC is now responsible for paying the benefits of 1.3 million workers and retirees. While the Pension Protection Act of 2006 made significant structural changes to the retirement system, the PBGC is still not solvent on a long-term basis. Although PBGC will be able to pay benefits for some years to come, it is projected to be unable to meet its long-term obligations under current law. Further reforms are needed to address the \$14 billion gap between PBGC's liabilities and its assets. If there is not enough money in the system to cover worker benefits, taxpayers are at risk for having to cover the shortfall. The FY 2009 Budget proposes to give PBGC's Board the authority to adjust premiums to produce the revenue necessary to meet expected future claims and retire PBGC's deficit over ten years. Proposed premium reforms will improve PBGC's financial condition and safeguard the future benefits of American workers and retirees.

INCREASING THE COMPETITIVENESS OF AMERICA'S WORKFORCE

Reforming the Workforce Investment System

The FY 2009 Budget request for the Department's Employment and Training Administration (ETA) is \$6.3 billion in discretionary funds and 1,148 FTE, which includes the 152 FTE associated with the legislative proposals for application fees in the permanent and temporary labor certification programs. Through innovative reforms, the budget request for ETA will allow the Department to increase the competitiveness of the American workforce in a knowledge-based economy.

The United States competes in a global economy that is far different from the international markets of the past. In the future, as in the past, our long-term economic growth will also be enhanced by supporting international trade, by opening world markets to U.S. goods and services and by keeping our markets open. Congress can help create jobs and economic opportunity by passing the pending Free Trade Agreements with Colombia, Panama and South Korea. As our nation's economy and businesses transform to meet the challenges of the 21st century, so too must the government systems and structures that support our economic growth and job creation.

It is in this context that the President has sought to transform worker training programs into a demand-driven system that prepares workers for jobs in growth sectors of the economy. The workforce investment system should recognize and strengthen workers' ownership of their careers, and provide more flexible resources and services designed to meet their changing needs.

American workers will need higher levels of education and skills than at any time in our history, as evidenced by the fact that almost 90 percent of new jobs in high-growth, high-wage occupations are expected to be filled by workers with at least some post-secondary education. However, the current workforce investment system does not provide the necessary education and training opportunities for workers. Too much money is spent on competing bureaucracies, overhead costs, and unnecessary infrastructure, and not enough on meaningful skills training that leads to employment opportunities and advancement for workers.

To increase the quality of training offered, as well as the number of workers trained, the Department proposes legislative reforms to consolidate funds for the following programs into a single funding stream:

- Workforce Investment Act (WIA) Adult Program;
- WIA Dislocated Worker Program;
- WIA Youth Program; and
- Employment Service programs (including Employment Service formula grants, labor market information grants, and grants for administration of the Work Opportunity Tax Credit).

States would use these funds primarily to provide Career Advancement Accounts (CAAs) to individuals who need employment assistance. CAAs are self-directed accounts of up to \$3,000, an amount sufficient to finance approximately one year's study at a community college. The accounts could be renewed for one additional year, for a total two-year account amount of up to \$6,000 per worker. CAAs would be used to pay for expenses directly related to education and training. The accounts would be available to both adults and out-of-school youth entering the workforce or transitioning between jobs, and incumbent workers in need of new skills to remain employed. The funds would also be used by states to provide basic employment services such as career assessment, workforce information, and job search assistance to job seekers. By removing bureaucratic restrictions that can prevent workers from being trained, increasing the flexibility of state and local officials to shift funding to where it is most needed, and requiring the majority of dollars in the system to be spent on training, these reforms will significantly increase the number of individuals who receive job training and attain new and higher-level job skills.

Community-Based Job Training Initiative

The FY 2009 Budget provides \$125 million for the fifth year of grants under the President's Community-Based Job Training Initiative. This competitive grant program leverages the expertise of America's community colleges and takes advantage of the strong natural links between community colleges, local labor markets and employers to train workers for jobs in high-demand industries. In October 2005, the Department awarded the first grants totaling \$125 million to 70 community colleges in 40 States. A second competition for Community-Based Job Training Grants was held in the summer of 2006, and in December 2006, the Department awarded \$125 million in grants to 72 entities in 34 states. In March 2008, the

Department awarded \$125 million to 69 community colleges and community-based institutions that competed successfully for the third round of Community-Based Job Training Grants. The Administration strongly supports providing standalone funding for this program, rather than redirecting funds from the National Reserve, which should be preserved to allow the Department to respond to emergency and unanticipated situations.

Foreign Labor Certification

The FY 2009 Budget builds on our successes in reforming the Foreign Labor Certification programs. The Department has eliminated the backlog in the Permanent (PERM) program, which peaked at 363,000 applications in 2005. In the FY 2009 Budget, the Department is requesting \$78 million for the foreign labor programs, an increase of \$24 million from FY 2008. The request includes \$7.5 million for a new case management system for the foreign labor programs, \$5.7 million to assist states in processing anticipated H-2A and H-2B workload increases, \$4.0 million for Federal staff to process anticipated workload increases, and \$6.2 million to restore funds for inflationary costs not provided under the FY 2008 Omnibus appropriation. This system will allow on-line application filings, replace four separate systems with a single integrated system, and combat fraud by allowing ETA to track employers' use of the various programs.

In FY 2009, the Department will complete its reforms to the H-2A and H-2B Temporary Labor programs. The budget also proposes legislation to authorize cost-based, employer-paid application fees in the foreign labor programs to cover the costs of running the programs. This will enable the programs to efficiently manage the workload with a predictable funding source. It is essential to prevent the re-emergence of backlogs in the PERM program, and to streamline processing under the temporary programs.

A Second Chance for Ex-Offenders

As you know, last month the President signed into law the Second Chance Act of 2007. This Act builds on the work begun under the President's Prisoner Re-Entry Initiative, and authorizes the Department of Labor to award grants to nonprofit organizations to provide mentoring, job training and job placement services to assist eligible offenders in obtaining and retaining employment. The Second Chance Act authorizes \$20 million to be appropriated in each of Fiscal Years 2009 and 2010 for these grants. The Administration will work with the Congress to determine the appropriate level of funding for the new program within the FY 2009 Budget request of \$39.6 million for Reintegration of Ex-Offenders, the predecessor pilot program.

Strengthening Unemployment Insurance Integrity and Promoting Re-Employment

The FY 2009 Budget continues the Administration's efforts to ensure the financial integrity of the Unemployment Insurance (UI) system, and help unemployed workers return to work promptly. Our three-pronged approach includes:

- A package of legislative changes that would prevent, identify, and collect UI overpayments and delinquent employer taxes. These changes include: allowing states to use a small amount of recovered overpayments and collected delinquent taxes to support additional integrity efforts; authorizing the US Treasury to recover UI benefit overpayments and certain delinquent employer taxes from Federal income tax refunds; requiring states to impose a penalty on UI benefits that individuals obtain through fraud and using those funds for integrity activities; and requiring employers to include a “start work” date on New Hire reports to help identify persons who have returned to work but continue to receive UI benefits. We estimate that these legislative proposals would reduce overpayments of UI benefits by \$5.0 billion and employer tax evasion by \$400 million over ten years.
- A \$40 million discretionary funding increase over the FY 2008 enacted level to expand Reemployment and Eligibility Assessments, which review UI beneficiaries’ need for reemployment services and their continuing eligibility for benefits through in-person interviews in One-Stop Career Centers. This initiative has already yielded quicker returns to work for UI beneficiaries. We estimate that a total of \$155 million in benefit savings could result from this investment.
- A legislative proposal to permit waivers of certain Federal requirements to allow states to experiment with innovative projects aimed at improving administration of the UI program, and speeding the reemployment of UI beneficiaries.

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

Senior Community Service Employment Program

The FY 2009 Budget requests \$350 million for the Senior Community Service Employment Program (SCSEP). At this level, SCSEP will support 72,000 participants. This program was rated “ineffective” by the Performance Assessment Rating Tool (PART), largely due to inadequate competition in the grants process, lack of data on program performance and impact, and duplication with other federal programs. Recent legislative reforms, though limited in terms of their promotion of competition, will promote improvement in program efficiency (allowing more participants to be served per dollar), collection of performance data, and the share of participants placed in unsubsidized jobs.

Job Corps

The budget includes \$1.6 billion to operate a nationwide network of 123 Job Corps centers in FY 2009. Job Corps provides training to address the individual needs of at-risk youth and ultimately equip them to become qualified candidates for the world of work. The request includes \$59 million for the construction of new Job Corps centers. In the FY 2006 appropriation act, the Congress directed the Department to transfer the Job Corps program out of the Employment and Training Administration (ETA) into the Office of the Secretary. The

2009 Budget again proposes to return the program to ETA, where it had been administered for more than 30 years, to ensure close coordination with the other job training and employment programs administered by ETA, including the YouthBuild program.

SECURING EMPLOYMENT RIGHTS AND OPPORTUNITIES FOR VETERANS

Veterans' Employment and Training Service

This nation's commitment to our veterans must be honored. No veteran should return home without the support that is needed to make the transition back to private life a smooth and successful one. For the Department's Veterans' Employment and Training Service (VETS), the FY 2009 Budget request is \$238.4 million and 234 FTE. This will enable VETS to maximize employment opportunities for veterans and protect their employment and reemployment rights.

The \$168.9 million requested for VETS to provide state grants under the Jobs for Veterans Act includes an increase of \$7 million above the FY 2008 level and will help approximately 700,000 veterans seeking employment in the civilian workforce. The additional funds will help serve 185,000 Transition Assistance Program (TAP) participants in domestic and overseas workshops, an increase of 25,000 participants above the FY 2008 level. TAP employment workshops play a key role in reducing jobless spells and helping service members transition successfully to civilian employment. The FY 2009 Budget includes \$25.6 million for the Homeless Veterans Reintegration Program (HVRP), allowing the program to provide employment and training assistance to an estimated 15,100 homeless veterans. The FY 2009 request will also enable VETS' staff to more effectively administer the Uniformed Services Employment and Reemployment Rights Act (USERRA) to protect the civilian employment opportunities and re-employment job rights and benefits of veterans and members of the armed forces, including members of the Guard and Reserve.

OTHER PROGRAMS

Bureau of Labor Statistics

In order to maintain the development of timely and accurate statistics on major labor market indicators, the FY 2009 Budget provides the Bureau of Labor Statistics (BLS) with \$592.8 million and 2,418 FTE. This funding level allows BLS to focus resources on its core surveys that produce sensitive and critical economic data, including the Consumer Price Index (CPI) and the monthly Employment Situation report. The CPI is a key measure of the Nation's economic well-being that directly affects the income of millions of Americans. To ensure that the CPI is accurate and up-to-date, the Budget includes funding of \$10.4 million to continually update the housing and geographic samples that underlie the index to ensure that these samples fully incorporate the most recent demographic and geographic trends and changes. The current sample was derived from the 1990 Census and has not been updated since the late

1990s. In addition, the budget requests \$8.7 million to cover the rising cost of the Current Population Survey, including enhanced efforts to safeguard respondent confidentiality, secure data, and maintain response rates.

Office of Disability Employment Policy

The FY 2009 Budget request provides the Office of Disability Employment Policy (ODEP) with a total of \$12.4 million and 40 FTE. The FY 2009 Budget reflects the elimination of ODEP's grant-making function, which duplicates those of other Federal agencies. The FY 2009 Budget returns ODEP to its core mission of providing national leadership in developing disability employment policy and influencing its implementation to increase employment opportunities and the recruitment, retention and promotion of people with disabilities. The request also includes a transfer of \$550,000 to the BLS to finalize ODEP's partnership with BLS in the development and testing, and for BLS to begin and sustain monthly publication, of the unemployment rate for people with disabilities.

Bureau of International Labor Affairs

The request for the Bureau of International Labor Affairs (ILAB) in FY 2009 is \$14.8 million and 58 FTE. In recent years, ILAB has had a very large grant-making function. Several federal agencies have grant initiatives that support the objectives of improving international labor conditions and providing educational opportunities to children. DOL believes funding for such international grant activities should be provided to the Department of State, so it can better coordinate these projects. The Budget returns ILAB to its mission of developing international labor policy and performing research, analysis, and advocacy. The President's Budget also includes \$1.5 million to allow ILAB to monitor the use of forced labor and child labor in violation of international standards, as required in the Trafficking Victims Protection Reauthorization Act of 2005.

The requested funding levels would allow ILAB to implement the labor supplementary agreement to NAFTA and the labor provisions of trade agreements negotiated under the Trade Act of 2002, participate in the formulation of U.S. trade policy and negotiation of trade agreements, conduct research and report on global working conditions, assess the impact on U.S. employment of trade agreements, and represent the U.S. government before international labor organizations, including the International Labor Organization.

ILAB will continue to implement ongoing efforts in more than 75 countries funded in previous years to eliminate the worst forms of child labor and promote the application of core labor standards.

Office of the Solicitor

The FY 2009 Budget includes \$108.2 million and 643 FTE for the Office of the Solicitor (SOL). This amount includes \$100.8 million in discretionary resources and \$7.4 million in mandatory funding. The Solicitor's Office provides the legal services that support all of the

five critical priorities of the Department, including litigation and legal advice necessary to the success of the Department's enforcement programs. This appropriation level will allow SOL to provide legal services and legal enforcement support for the nearly 200 laws the Department must enforce, including recently enacted legislation to strengthen mine safety and retirement security. The requested appropriation level is essential to allow SOL to fulfill its primary mission of ensuring that the nation's labor laws are forcefully and fairly applied, and providing the legal assistance necessary to ensure that the Department's mission goals identified for FY 2009 are achieved.

Women's Bureau

The FY 2009 Budget includes \$10.2 million and 60 FTE for the Women's Bureau. This budget will allow the Women's Bureau to continue its mission of designing innovative projects addressing issues of importance to working women and providing information about programs and policies that help women succeed in the 21st century workplace.

President's Management Agenda and Department-wide Management Initiatives

Before I close today, Mr. Chairman, I also want to highlight the Department's sustained efforts to implement the President's Management Agenda (PMA). In August 2001, President Bush sent to Congress his Management Agenda, a strategy for improving the management and performance of the Federal government. The PMA called for focused efforts in the following five government-wide initiatives aimed at improving results for citizens: Strategic Management of Human Capital; Competitive Sourcing; Improved Financial Performance; Expanded Electronic Government; and the Performance Improvement Initiative (formerly Budget and Performance Integration). DOL is also responsible for three of the PMA initiatives that are found only in selected departments: Faith-Based and Community Initiative, Real Property Asset Management, and Eliminating Improper Payments.

I am proud to say that, in June 2005, the Department became the *first* Cabinet agency to earn "green" ratings in all five government-wide PMA initiatives. Through the PMA, the Department placed a strong emphasis on human capital and E-Government – both of which strengthen the integration of all the PMA initiatives. DOL's MBA Fellows program – which I established in 2002 – has been successful in bringing on bright new talent as we build a foundation of future leaders at the Department. And our E-Government efforts have provided numerous solutions that have supported our management efforts. I remain particularly proud of the Department's role as the managing partner of *GovBenefits.gov* – a partnership of Federal agencies that provides improved, personalized access to government programs.

DOL is making progress and achieving results in eliminating improper payments. To better support these efforts, DOL was instrumental in ensuring the enactment of the *State Unemployment Tax Act (SUTA) Dumping Prevention Act of 2004* – which President Bush signed into law in August 2004. This law provided State UI programs access to the National Directory of New Hires (NDNH). In 2005, the Department's Office of the Chief Financial

Officer and the Employment and Training Administration launched an Unemployment Insurance (UI) pilot program in three States to determine how a cross-match between the NDNH and State UI claimant data could help identify individuals no longer eligible to receive UI benefits. The pilot program showed significant potential to detect and reduce improper payments and now 41 States are actively matching against the NDNH. These steps have resulted in the saving of millions of taxpayer dollars, but we have more work to do – and we are committed to seeing this effort through to the end.

In recognition of our efforts since 2001, DOL has been honored with four President's Quality Awards from the Office of Personnel Management for our achievements and management excellence in implementing the PMA.

The Program Assessment Rating Tool, or PART, remains central to our efforts at the Department of Labor to improve the performance of our programs. To date, thirty-five DOL programs have been assessed through the PART. The PART assessments have not only been useful to informing the public and policy makers of our programs' strengths and weaknesses, but they have provided our programs and their managers a systematic method of self-assessment. A PART review helps inform both funding and management decisions aimed at making programs more effective. The Department is actively implementing program improvements identified through PART assessments – and looks forward to building upon our progress to date.

CONCLUSION

With the resources we have requested for FY 2009, the Department will continue its strong enforcement of worker protection laws, provide innovative programs to increase the competitiveness of our nation's workers, secure the employment rights of veterans, and maintain fiscal discipline.

Mr. Chairman, this is an overview of the programs we have planned at the Department of Labor for FY 2009.

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

Thank you.