

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

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Good morning Mr. Chairman, Ranking Member Specter, distinguished Members of the Subcommittee, ladies and gentlemen. Thank you for the opportunity to appear before you today to present the Fiscal Year 2008 Budget for the Department of Labor.

The total request for the Department in FY 2008 is \$50.4 billion and 16,869 FTE, of which \$15.4 billion is before the Committee. Of that amount, \$10.6 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 2008, while helping to achieve the President's deficit reduction goals by reforming programs and reducing or eliminating ineffective or duplicative activities.

As the President has noted, our country's economy is strong and growing. We have seen:

- 42 months of uninterrupted job growth;
- 7.6 million new jobs created since August 2003;
- An unemployment rate that has fallen to 4.5 percent since June 2003;
- An increase in average hourly earnings of 4.1 percent over the past 12 months (before adjustment for inflation); and
- GDP growth of 3.1 percent in 2006.

These achievements are a tribute to the flexibility of our workforce and the dynamism of our economy. The Department's FY 2008 Budget will promote continued economic growth by strengthening the health, safety, and competitiveness of our nation's vibrant workforce.

RECENT ACCOMPLISHMENTS

As an introduction to the FY 2008 Budget, I would like to highlight some of the Department's recent accomplishments, which reflect the strong enforcement of worker protection laws and efforts to assist American workers. For example:

- In 2006, the Employee Benefits Security Administration achieved monetary results in the protection of workers' pension and health benefits that were 94 percent higher than in 2001.
- Since 2001, there has been a nearly 7 percent reduction in the fatality rate, an achievement that can be partially attributed to the Occupational Safety and Health Administration's enforcement and cooperative programs. The fatality rate among Hispanic workers has fallen by 18 percent during the same period. There has been a more than 13 percent reduction in the overall injury and illness rate since 2002.
- In 2006, as a result of the Wage and Hour Division's enforcement, more than 246,000 workers received \$172 million in back wages, including overtime. This is a 30 percent increase over the amount of back wages recovered in 2001.
- The 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 nearly 80 percent between 2001 and 2006. In 2006, OFCCP recovered \$52 million in back pay, salaries, and benefits for over 15,000 employees.
- The Employment and Training Administration has enhanced its services to American workers through innovative initiatives designed to link economic development, education and workforce development.

FY 2008 PRIORITIES

The Department's FY 2008 Budget seeks to build on the success of previous years. The Budget features three overall priorities: protecting workers' safety and health; protecting workers' pay, benefits, pensions, and union dues; and increasing the competitiveness of America's workforce.

PROTECTING WORKERS' SAFETY AND HEALTH

The 2008 Budget includes \$1.5 billion in discretionary funds for DOL's worker protection activities. This funding level will enable the Department to continue its record-setting protection of workers' health, safety, pay, benefits and union dues.

Mine Safety and Health Administration (MSHA)

The FY 2008 Budget request for MSHA is \$313.5 million and 2,306 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.

Since the President signed the MINER Act of 2006, the Department has taken aggressive action to implement and enforce the Act. For example, we have:

- Established new policies regarding the approval of Emergency Response Plans and the creation of a Family Liaison program;
- Proposed regulations to increase the Civil Penalties for violations of safety and health standards;
- Issued information bulletins regarding the provision of post-accident breathable air to trapped miners and guidance for sealing abandoned areas of mines;
- Initiated rulemaking to develop new standards for Mine Rescue Teams;
- Coordinated the first meeting of the Belt Air and Conveyor Belt Materials technical study panel to review the use of belt air to ventilate the mine production area;
- Begun to aggressively hire and train 170 new mine safety enforcement personnel; and
- Issued an Emergency Mine Evacuation Final Rule (ETS).

The FY 2008 Budget will allow the Department to continue these efforts and improve the health and safety of all miners. The request includes \$16.6 million specifically targeted to retain the 170 coal enforcement personnel that were added in 2006 and 2007 in response to the increase in coal mine fatalities. The Budget will support MSHA's efforts to provide for approval of Emergency Response Plans; strengthen compliance through increased civil penalties; improve the safety of abandoned areas of mines; and increase the effectiveness of mine rescue teams. The request allows MSHA to continue testing and evaluating promising new technologies that could be deployed in support of mine rescue operations.

Occupational Safety and Health Administration (OSHA)

The FY 2008 Budget request for OSHA is \$490.3 million and 2,186 FTE. The request provides resources to support 89,700 Federal and State safety and health inspections.

With an emphasis on enforcement, complemented by compliance assistance, OSHA will focus on those high-hazard industries where we typically find large numbers of non-English speaking workers. In FY 2008, all elements of OSHA's intervention strategies ó enforcement, training, compliance assistance, outreach, cooperative programs and guidelines ó will be brought to bear to protect this vulnerable population. The request for OSHA includes \$4.6 million and 13 FTE to expand OSHA's Voluntary Protection Programs (VPP), a cooperative health and safety recognition program that has been very effective in reducing illness and injury rates. Employers participating in VPP achieve lost-time injury and illness rates that are 50 percent lower than their industry average.

PROTECTING WORKERS' PAY, BENEFITS, AND UNION DUES

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) administers and enforces a variety of laws designed to enhance the welfare and protect the rights of American workers. The FY 2008 Budget request for administrative expenses for ESA is \$699.6 million and 4,082 FTE.

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 2008 Budget also includes resources to hire additional Wage and Hour investigators to strengthen enforcement resources for industries and workplaces that employ low-wage, immigrant workers. The Budget also re-proposes legislation to increase civil monetary penalties associated with violation of child labor laws, raising the penalties from \$11,000 to \$50,000 for violations that result in the death or serious injury of youth in the workplace, and increasing the penalty to \$100,000 for willful or repeat violations that result in death or serious injury. The Administration expects to transmit legislation to the 110th Congress shortly, and urges Congress to act swiftly to pass it.

The FY 2008 Budget request for the Wage and Hour Division totals \$182.4 million and 1,336 FTE, which excludes \$31.0 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 strict statutory limits on the use of these funds DOL has been unable to spend more than \$5 million in any single year and entered 2007 with more than \$60 million in unspent balances. The FY 2008 Budget cancels \$50 million of these balances and amends the Immigration and Nationality Act to permit a more effective use of the fraud prevention fees collected under this provision going forward.

Office of Federal Contract Compliance

The FY 2008 Budget request for the Office of Federal Contract Compliance Programs (OFCCP) totals \$84.2 million and 625 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. During FY 2008, OFCCP will use its Active Case Management and Functional Affirmative Action Programs to target non-compliant contractors and continue to improve the effectiveness of OFCCP's enforcement activities, meaning more workers will be protected.

Office of Workers' Compensation Programs

The FY 2008 discretionary Budget request for administration of the Office of Workers' Compensation Programs (OWCP) totals \$106.6 million and 867 FTE to support the Federal Employees' Compensation Act (FECA) (\$93.4 million) and the Longshore and Harbor Workers' Compensation program (\$13.2 million).

The OWCP budget also includes mandatory funding totaling \$104.7 million (including \$55.4 million for HHS/NIOSH) and 275 FTE to administer Part B of the Energy Employees Occupational Illness Compensation Program Act (EEOICPA), and \$56.9 million and 189 FTE for Part E of the Act. 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.

Lastly, OWCP's FY 2008 Budget includes \$37.6 million in mandatory funding and 201 FTE for its administration of Parts B and C of the Black Lung Benefits Act, and \$52.3 million and 127 FTE in FECA Fair Share administrative funding.

The 2008 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 the Federal Employees Compensation Act 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 \$608 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 approaches \$10 billion.

Office of Labor-Management Standards

The FY 2008 Budget request for the Office of Labor-Management Standards (OLMS) totals \$56.9 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 for embezzlement and other financial mismanagement; 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 to further the goals of financial integrity, union democracy, and transparency. The Budget also supports legislation that would authorize OLMS to impose civil money penalties on unions and others that fail to file required financial reports on a timely basis.

Employee Benefits Security Administration

The Department's Employee Benefits Security Administration (EBSA) protects the integrity of pensions, health plans, and other employee benefits for more than 150 million workers. The FY 2008 Budget request for EBSA is \$147.4 million and 855 FTE. The request includes a \$5.5 million increase to be supplemented with \$2.5 million of agency-absorbed costs to complete the replacement of EBSA's outdated, paper-based ERISA Filing and Acceptance System, known as EFAST. I note that the amount of the FY 2008 EFAST2 funding request may be reduced pending the final resolution of EFAST2 funding in FY07, and we appreciate the opportunity to continue working with the Committee on this important project. The new electronic filing system for Form 5500 reports will strengthen the protection of employee benefits by greatly reducing processing times for Form 5500 filings and improving the reliability of Form 5500 data. 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 Pension Protection Act of 2006 made important structural reforms to the defined benefit pension system, but further premium changes are needed to restore long-term solvency to the pension insurance program. The President's FY 2008 Budget proposes to adjust insurance premiums paid by underfunded pension plans to address the nearly \$19 billion gap between the liabilities and assets of the Pension Benefit Guaranty Corporation (PBGC). 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. The proposed reforms would improve PBGC's financial condition and safeguard the future benefits of workers and retirees.

PREPARING WORKERS FOR NEW OPPORTUNITIES

Reforming the Workforce Investment System

The FY 2008 Budget request for the Department's Employment and Training Administration (ETA) is \$8.3 billion in discretionary funds and 1,196 FTE, not including the 120 FTE associated with the PERM fee legislative proposal. 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. 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.

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 educational 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 and the Welfare-to-Work 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 instead of infrastructure, 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 2008 Budget provides \$150 million for the fourth 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. These grants will be used to increase the capacity of community colleges to provide training in local high growth, high demand industries and train new and experienced workers for jobs in these industries. The Department plans to hold the competition for the FY 2007 Community-Based Job Training Grants in the summer of 2007.

YouthBuild

In the summer of 2006, Congress unanimously passed the YouthBuild Transfer Act to transfer the YouthBuild program from the Department of Housing and Urban Development to the Department of Labor, as recommended by the White House Task Force on Disadvantaged Youth. The FY 2008 Budget includes \$50 million for YouthBuild to provide competitive grants to local organizations for the education and training of disadvantaged youth age 16-24. Under these grants, youth will participate in classroom training as well as learn construction skills by helping to build affordable housing. Within DOL, YouthBuild will take advantage of better connections to the workforce investment system, closer association with occupational safety and health and youth employment protection programs, stronger ties to Job Corps and apprenticeship programs, new links to the President's High Growth Job Training Initiative, improved access to the postsecondary and community college system, and stronger connections to employers and local labor markets.

Reintegration of Ex-Offenders

The FY 2008 Budget requests \$39.6 million for a program that brings together the President's Prisoner Re-entry Initiative (PRI) and the Responsible Reintegration of Youthful Offenders (RRYO) program. This new consolidated program would avoid the duplication of efforts that currently exists between PRI and RRYO and adopt the practices of these two efforts that have shown great promise in boosting employment and reducing recidivism among ex-offenders. Through competitively awarded, employment-centered grants that holistically address the multiple challenges facing offenders upon their release, the Reintegration of Ex-Offenders program would tap the unique strength, networks, and relationships of faith-based and community organizations to reach out to ex-offenders to help them find jobs and build new lives.

Strengthening Unemployment Insurance Integrity and Promoting Re-Employment

The FY 2008 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 and increase recoveries and delinquent tax collections by a total of \$2.3 billion over five years.
- A \$40 million discretionary funding increase to expand Reemployment and Eligibility Assessments (REAs), 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 already has yielded quicker returns to work for UI beneficiaries. We estimate that annual benefit savings of \$205 million 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 2008 Budget requests \$350 million for the Senior Community Service Employment Program (SCSEP). The Department is pleased that the recently reauthorized Older Americans Act includes many of the Administration's reform proposals to streamline SCSEP and increase the number of persons who may enjoy the benefits of unsubsidized employment. The Department expects that legislative reforms will improve program efficiency and reduce costs compared to the previous program design. We are optimistic that the important reforms included in SCSEP reauthorization — including the elimination of inappropriate fringe benefits, caps on the duration of program participation, additional flexibility to provide training, and increased emphasis on placement in unsubsidized employment — will allow SCSEP to use

funds more efficiently, serve more participants per dollar, and allow participants to achieve greater economic self-sufficiency than ever before.

Job Corps Transfer

The Budget includes \$1.5 billion to operate a nationwide network of 123 Job Corps centers in FY 2008. 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. 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 2008 Budget 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. Moving the program back to ETA will ensure these young people have access to the principal experts on labor markets as well as other youth employment programs.

OTHER PROGRAMS

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 2008 Budget request is \$228.1 million and 244 FTE. This will enable VETS to maximize employment opportunities for veterans and protect their employment and reemployment rights.

The \$161.9 million requested for State grants will help over approximately 700,000 veterans seeking reemployment services. The FY 2008 Budget includes \$23.6 million for the Homeless Veterans Reintegration Program (HVRP), allowing the program to provide employment and training assistance to an estimated 15,100 homeless veterans. In addition, the Budget requests an additional \$2.5 million to meet the increased demand for Transition Assistance Program (TAP) services. It is projected that the number of departing service members receiving TAP Employment Workshops will increase from 160,000 in FY 2007 to 170,000 in FY 2008. TAP Workshops play a key role in reducing jobless spells and helping service members transition successfully to civilian employment. The FY 2008 request will also enable VETS staff to carefully monitor our performance in administering the Uniformed Services Employment and Reemployment Rights Act (USERRA) to protect the civilian job rights and benefits of veterans and members of the armed forces, including members of the Guard and Reserve and others.

Bureau of Labor Statistics

In order to maintain the development of timely and accurate statistics on major labor market indicators, the FY 2008 Budget provides the Bureau of Labor Statistics (BLS) with \$574.4 million and 2,431 FTE. This funding level provides BLS with the necessary resources to continue producing 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.

Office of Disability Employment Policy

The FY 2008 Budget request provides the Office of Disability Employment Policy (ODEP) with a total of \$18.6 million and 40 FTE. The FY 2008 Budget reflects a decrease in ODEP's grantmaking function, which duplicates those of other Federal agencies like the Department of Education. The FY 2008 Budget focuses ODEP on its core and critical 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.

Bureau of International Labor Affairs

The request for the Bureau of International Labor Affairs (ILAB) in FY 2008 is \$14.1 million and 58 FTE. In recent years, ILAB has had a very large grantmaking function, duplicating activities that are carried out by State, USAID, and other agencies with a larger role in international affairs. The Budget returns ILAB to its core mission of developing international labor policy and performing research, analysis, and advocacy. It 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 (TVPRA) 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 70 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 2008 Budget includes \$103.1 million and 643 FTE for the Office of the Solicitor (SOL). This amount includes \$95.5 million in discretionary resources and \$7.7 million in mandatory funding. The Solicitor's Office provides the legal services that support the Department, including the Department's enforcement programs. This appropriation level will allow SOL to provide legal services for the nearly 200 laws the Department must enforce, including new legislation that Congress recently passed to strengthen mine safety and retirement security. The FY 2008 Budget includes \$3.5 million and 23 FTE to provide additional legal support for DOL client agencies, and \$4.4 million to support 30 FTE who are currently providing certain auxiliary administrative services to client agencies that are closely related to legal services provided by SOL. 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.

Women's Bureau

The FY 2008 Budget includes \$9.8 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 ongoing efforts to implement the President's Management Agenda. In August 2001, President Bush sent to Congress his President's Management Agenda (PMA), a strategy for improving the management and performance of the Federal government. The agenda 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 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 Initiatives; Real Property Asset Management; and Eliminating Improper Payments.

I am proud to say that the Department was the first Cabinet agency to earn "green" ratings in all five government-wide PMA scorecards. By the close of FY 2006, the Department had achieved two additional "green" ratings, for its efforts to Eliminate Improper Payments and support the President's Faith-Based and Community Initiative. In December 2006, DOL was honored with the President's Quality Award for excellence in Expanded Electronic Government, in addition to previous Presidential honors received for management excellence.

The Program Assessment Rating Tool, or PART, is central to our efforts at the Department of Labor to improve the performance of our programs. To date, thirty-two 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 its five-year plan to conduct re-assessments of programs that have previously undergone a PART review.

CONCLUSION

With the resources we have requested for FY 2008, 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 2008.

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

Thank you.