

**Republican Views and Estimates for FY 2010**  
**Committee on Education and Labor**  
**111<sup>th</sup> Congress, 1<sup>st</sup> Session**  
**March 13, 2009**

The beginning of each new budget cycle is a reminder that the first responsibility of policymakers in allocating the federal budget is to act as good stewards of taxpayers' hard-earned dollars. At no time in recent memory has that principle borne more importance than it does today. America is in the midst of an economic crisis the likes of which we have not seen in decades. Every decision must be undertaken and understood within this context, including the budgetary and policy decisions that impact America's educational system, our workforce, and our retirement system.

Republican members of the Education and Labor Committee support effective investments in programs that ensure every child in America is afforded the highest quality education and that every worker is free to pursue the American Dream. In a time of ongoing war and nearly unprecedented worldwide economic insecurity we believe fiscal responsibility is of the utmost importance, adding urgency to the call for the reduction of wasteful government spending, unnecessary new programs, and bureaucratic federal mandates.

President Obama has put forward a blueprint for the FY 2010 fiscal year that raises serious questions about our shared commitment to fiscal responsibility. Republicans are particularly troubled by what appears to be a pattern of greater government involvement fueled by higher taxes and deeper deficits. At a time when middle class families are fearful of losing their jobs and their homes, Congress should focus on pro-growth policies that foster innovation and job creation, promote American competitiveness, and enhance economic freedom. We must also be mindful that the debts we incur today will be paid for by future generations. For that reason, it is particularly important that we weigh any benefits of new and expanded federal spending against the heavy long-term costs that such spending would impose on our children, grandchildren, and great-grandchildren.

The Committee on Education and Labor oversees programs that impact Americans of every age and economic level. Committee Republicans recognize that education and workforce policies are intricately linked, with both playing a pivotal role in our nation's ability to compete on the international stage. We are focused on strengthening American competitiveness both at home and abroad and preparing America's workers for the challenges of a 21<sup>st</sup> century economy. The American education system can become more competitive by adhering to the principles of accountability, state and local flexibility, parental choice, and funding for what works. The American workforce can become more competitive and more productive by promoting education and job training for high-demand fields, cutting red tape, breaking down barriers between business and education, and helping build a workforce for the future. We encourage our Democratic colleagues to pursue an agenda focused on these priorities.

## **EDUCATION PRIORITIES**

Republicans will continue to advance fiscally responsible reforms in the Committee on Education and Labor to improve educational opportunities from elementary and secondary education through higher education and beyond. With a bold vision for education reform, we have worked to close the achievement gaps in our nation's schools for all students, expand state and local flexibility, empower parents with educational choices, hold programs and schools accountable for increasing student academic performance, and keep college affordable. In a changing marketplace increasingly driven by technology, competition, and knowledge, Republicans are working to build on vital reforms that were set in motion during the past decade -- pressing for constant improvement in education and modernization of outdated federal rules that stifle freedom and innovation. Committee Republicans respectfully offer the following recommendations to the House Budget Committee for its consideration during the FY 2010 budget deliberations.

### **Strengthening K-12 Education through Accountability and Parental Empowerment**

#### *Reforming Elementary and Secondary Education*

The Elementary and Secondary Education Act (ESEA) – last reauthorized as the No Child Left Behind Act (NCLB) – supports the efforts of states and school districts in narrowing the academic achievement gap between disadvantaged students and their peers. Republicans support reform and renewal of this law, and believe it will be most effective as a means to improve educational opportunities for disadvantaged children while maintaining the autonomy and authority of local communities. Consistent with that viewpoint, we are committed to the law's unprecedented opportunities for parental empowerment, giving parents, especially those with children in schools not making adequate yearly progress toward academic achievement, more choices to move their students to higher performing elementary and secondary schools. We have also supported, and continue to support, giving state and local officials additional flexibility to help them tailor programs to better meet their students' unique needs and priorities.

As the 111<sup>th</sup> Congress gears up to reauthorize the ESEA, Republicans will work to ensure that we hold states, schools, and school districts accountable for increasing student achievement and ensuring that students are able to read and perform math skills upon graduation from high school. We will push for policies that put parents in the primary role of decision making when it comes to their child's education, including giving parents the option and the resources to send their sons or daughters to better performing schools. We will also call for continued growth of successful charter schools and the freedom to home school. Republicans will also introduce and support legislation to give states and school districts greater flexibility in how they spend federal funds to allow them to better and more accurately target what students need to achieve. We will support reducing the massive amount of paperwork that it currently takes to comply with federal education mandates and reduce the regulatory burden imposed on state and local officials to help them focus on preparing students for success.

### *Continuing the Successful DC Opportunity Scholarship Program*

Republicans remain strongly committed to giving families more educational choices and believe that parents should be able to choose to send their children to higher performing public or private schools if the school they are enrolled in fails to provide a quality education. Empowering parents with greater school choice is a key component in the fight to ensure students are receiving a quality education. During the recent campaign, the President spoke eloquently about the issue of parental empowerment in education, saying that he believes we should:

*“...foster competition within the public school system. Let's make sure that charter schools are up and running. Let's make sure that kids who are in failing schools, in local school districts, have an option to go to schools that are doing well.”*

On potential school choice legislation, he stated:

*“If there was any argument for vouchers, it was, ‘Let’s see if it works.’ And if it does, whatever my preconception, you do what’s best for kids.”*

It is for this reason that Republicans are dismayed that the new Administration has remained on the sidelines when it comes to preserving the successful D.C. Opportunity Scholarship program that was first implemented in the District of Columbia in 2004. This groundbreaking program has helped thousands of low-income students attend the school of their choice. Republicans remain committed to funding and supporting this successful program. Under the program, low-income families are provided scholarships of up to \$7,500 per student per school year so that they may attend a participating nonpublic elementary or secondary school in the District of Columbia. The program currently assists more than 1,700 students, whose families have an average annual income around \$22,736, attend high quality schools. Without this innovative program, these students would be forced to attend public schools, many of which are deemed to be in need of improvement under the requirements of the No Child Left Behind law. The success of the program is also demonstrated in the overwhelming demand: the waiting list to obtain a scholarship is over 7,000 children.

Unfortunately, the FY 2009 Omnibus Appropriations bill includes language added by Senator Dick Durban (D-IL) that effectively phases out this successful choice program by requiring both the U.S. Congress and the D.C. City Council to take steps to authorize the program before any funds can be used for scholarships after the upcoming school year. The *Washington Post* recently described the provision this way: “It is a seemingly innocuous requirement. In truth it is an ill-disguised bid to kill a program that gives some poor parents a choice regarding where their children go to school.” Republicans are committed to reauthorizing the D.C. Opportunity Scholarship program and hope that the Administration and congressional Democrats will join us in providing parents in the District of Columbia with the opportunity to choose a public or private school that best meets the needs of their children. We also urge the Administration and the House Budget

Committee to fully fund the D.C. Opportunity Scholarship program and to repeal the Durban language inserted in the FY 2009 Omnibus Appropriations bill.

*Maintaining Support for the Teacher Incentive Fund*

Committee Republicans strongly support rewarding teachers who excel at educating America's students. Research has shown demonstrated improvements in student achievement for those schools that have been able to implement performance pay mechanisms. Expanding successful programs such as the Teacher Incentive Fund will provide even more school districts with the opportunity to implement innovative compensation systems that improve student performance. The Teacher Incentive Fund is helping to break down the status quo and make it clear that Americans value teachers and principals who are working to improve student achievement. This program encourages states and school districts to develop and implement innovative ways to provide financial incentives for teachers and principals who raise student achievement and close the achievement gap in our nation's high need schools. The Teacher Incentive Fund was first funded at \$99 million in FY 2006 and received \$97.3 million in FY 2008. It is set to remain funded at this level in the FY 2009 omnibus bill.

Republicans were encouraged to see that the President's FY 2010 budget proposal called for additional accountability for teachers and principals. We were also encouraged by the proposal to reward high quality teachers with performance pay. We urge the House Budget Committee to build on the foundation of the last several years and call for a strong investment of at least \$200 million in funding for the Teacher Incentive Fund.

*Restoring Funding For the Reading First Program*

Republicans strongly support funding for the Reading First program, which focuses on implementing proven methods of early reading instruction in classrooms. Through Reading First, states and districts receive support to apply scientifically based reading research — and the proven instructional and assessment tools consistent with this research — to ensure that all children learn to read on grade level by the end of third grade. Results from the program are clear. Nationally, the percentage of third graders in Reading First schools scoring proficient on state reading assessments has grown nearly eight percent, much faster than overall growth. In addition, state-reported performance data released last year indicates impressive gains in reading comprehension, with improvements seen by nearly every grade and subgroup of students. Twenty-eight of 37 states that reported data experienced an increase in the percentage of students proficient in reading comprehension. Recent reports by the U.S. Government Accountability Office (GAO), the Inspector General, and the Center on Education Policy have all found widespread support for the program among the states. In one Center on Education Policy report, 97 percent of Reading First school districts said that the program was an important or very important cause for increases in students' reading scores.

Unfortunately, congressional Democrats have targeted the program for elimination because of a series of reports from the Department of Education's Inspector General in

late 2006 and early 2007 documenting management errors by the Department in the early implementation of the program. Republicans believe that program mismanagement and misuse of taxpayer dollars is unacceptable, and that's why we acted swiftly to correct these deficiencies and ensure the program would continue to serve students. In fact, it has been more than two years since the Department implemented all of the Inspector General's recommendations for improving oversight of the program; actions that the Inspector General has stated addressed his concerns. Yet despite the clear efforts to reform the program's management, Democrats continue to point to mismanagement as the reason they have defunded the program.

Democrats also point to the findings included in the "Reading First Impact Study: Final Report" conducted by the Institute for Education Sciences (IES) as their reasoning for eliminating the program. While the study did find that Reading First had limited effect on reading comprehension among participating first, second, and third graders, the report also found that the program helped students acquire decoding skills (identifying letters and words) and produced positive and statistically significant impacts on the amount of instruction time spent on the five essential components of reading instruction promoted by the program, including professional development in scientifically based reading instruction (SBRI), support from full-time reading coaches, amount of reading instruction, and supports available for struggling readers.

Republicans believe that Reading First is working in states and schools all around the country. We urge the Administration and the House Budget Committee to restore the previous \$1 billion funding level for the Reading First program so that disadvantaged students and students with disabilities receive the tools that they need to be able to read and succeed in middle and high school.

## **Expanding College Access, Ensuring the Integrity of Federal Financial Aid**

### *Retaining the Federal Family Education Loan (FFEL) Program*

Committee Republicans are deeply troubled by the proposal included in the President's FY 2010 budget to eliminate the Federal Family Loan (FFEL) program. The FFEL program, in existence for more than four decades, has a strong record of making students' dreams of a college education possible. The program provides approximately \$60 billion in federal student loans to students attending over 4,400 institutions each year.

Eliminating this public-private partnership now will cost the country more than 30,000 current jobs, and will have a ripple effect on thousands more. Committee Republicans do not believe this is a prudent path to pursue, especially during these tough economic times.

Currently, institutions of higher education are able to choose between the Direct Loan (DL) program, through which their students borrow directly from the federal government, and the FFEL program, which gives their students a choice of lenders. The DL program reached its peak in 1998 when it encompassed 34 percent of the market. Since that time, schools have migrated away from the program to the extent that only 20 percent of total loan volume was in the DL program last year. Republicans recognize that each program

will see its share of total loans fluctuate over time, and with changing circumstances. For instance, there has been a modest increase in DL volume recently, attributed to the current economic situation. In prior years, volume has shifted from DL to FFEL because of concerns about borrower benefits, customer service, or infrastructure. These shifts, representing a choice by institutions of higher education, are made possible by the existence of two programs that compete with and improve one another.

Colleges and universities and their students also benefit from individualized services and programs made possible by the diversity of FFEL program participants. A one-size-fits-all, Washington-based solution would jeopardize the ability of institutions of higher education to tailor programs that best fit their students' needs.

In talking to institutions that have been in and out of the DL program, Committee Republicans have learned that it could take up to nine months for a single institution, with plenty of staff, to be ready to issue its first loan. We have also learned that the cost to institutions of switching programs could be as much as \$400,000 for staffing costs, system changes, updates, and other infrastructure modifications. With colleges and universities already struggling to meet their expenses and maintain high quality educational programs, Committee Republicans question a proposal that would force schools to spend significant time and money to switch into a program that they have rejected in the past.

Some proponents of the DL program have argued that the FFEL program should be eliminated because the federal government recently intervened to ensure the program's stability amid the global credit crisis. And it is true that, for the first time in the history of the FFEL program, the federal government did intercede in 2008, as it did with all of the financial sectors. However, this intervention is only temporary. Additionally, it is worth noting that the action taken to stabilize the FFEL program and ensure students would have uninterrupted access to student loans was the *only* effort that has not cost the federal government a dime and may have actually earned money for the government. Once the markets have returned to their normal activity, the successful public-private partnership that has been in existence for over 40 years will resume.

The proposed elimination of the FFEL program also ignores the fact that private sector involvement in student lending has served as a vital backstop, particularly when the DL program has been unable to fully serve students. For example, in 1997, Congress was forced to intervene and pass legislation to assist the DL program in handling a significant increase in consolidation loan volume by allowing private providers to offer those services to students. At that time, the DL program had less than 40 percent of student loan volume. Yet even with the DL program's failure to fulfill its obligation to students at that time, the Clinton Administration and Congress did not propose to eliminate that program because these challenges were perceived as temporary. This experience underscores the belief that healthy competition between the private-sector-led program and the federal government's program is beneficial to both programs and enhances the ability of students to receive low-cost student loans.

Rather than hastily eliminating the FFEL program, Committee Republicans would welcome an opportunity to have a thoughtful and deliberate conversation with all interested stakeholders about an alternative model to continue with a successful public-private partnership that better fits with the advancements we have made since the program's inception. For the past two reauthorizations of the Higher Education Act, Committee Republicans and Democrats have agreed to set aside partisan differences in order to examine the student loan programs in terms of what is best for students. Committee Republicans believe a similar dialogue could lead our efforts in developing a new model for the FFEL program and, possibly, a new, simpler model for the student financial aid programs overall. Committee Republicans urge the House Budget Committee to retain funding for the FFEL program while this effort continues.

### **Ensuring Taxpayer Dollars Are Spent Effectively and Efficiently**

Committee Republicans strongly support strengthening the monitoring and administrative controls at the U.S. Department of Education to ensure that taxpayer dollars are spent effectively, efficiently, and in the best interests of students and parents. With the recent passage of the American Recovery and Reinvestment Act (ARRA), which provided nearly \$100 billion to states, school districts, and institutions of higher education to assist them in meeting their budgetary challenges, we believe that Congress must be vigilant in monitoring and oversight of this unprecedented taxpayer investment.

In numerous reports stretching back more than a decade, the U.S. Department of Education's Office of Inspector General (OIG) has raised concerns over the Department's existing monitoring and oversight of certain programs. For instance, the OIG has stated that it "...continued to identify programmatic weaknesses in Departmental monitoring of SEAs and/or SEA monitoring and oversight of LEAs in nearly all of our audits related to the ESEA..." It also found that, while the Department had taken steps to improve its state monitoring and oversight system, these efforts were not coordinated across all programs. In light of these challenges and the fact that the new State Fiscal Stabilization Fund lacks any fiscal controls, established formulas, or other provisions in place to ensure that the funds are properly spent, Republicans believe we must conduct rigorous oversight of the Department's actions and ensure that they have procedures in place such that these taxpayer dollars are closely monitored and effectively spent.

Committee Republicans are committed to eliminating wasteful spending and restoring fiscal discipline. To help accomplish that goal, Committee Republicans recommend the elimination of failed, redundant and excessive education programs. Many education programs throughout the budget are duplicative of other, larger federal programs. Others have been recommended for elimination after national evaluations deemed them ineffective or without demonstrated results. Some programs remain on the books despite having never been funded by Congress. In addition, many of the programs that fall into these categories are highly restrictive, serving only a limited group of students, or do not constitute an appropriate role for the federal government. Republicans believe that federal education dollars should be focused on programs that put students first. We

believe that means supporting programs that will serve students today without saddling them with overwhelming debt tomorrow.

### *Rejecting New Entitlement Spending*

Committee Republicans are deeply troubled by the new entitlement spending included in the President's FY 2010 budget blueprint. Budget experts agree that "auto pilot" entitlement spending programs – those that are not subject to annual review by congressional appropriations committees – pose the largest threat to our long-term economic health. Yet rather than reining in existing entitlement accounts, the FY 2010 budget proposal creates entirely new, unchecked entitlement spending on initiatives that have historically been funded through the discretionary process that affords the utmost congressional oversight.

For example, in the recent Higher Education Act reauthorization approved by Congress was a new pilot program to increase college persistence and success. The bill also included a number of programs to ensure students are prepared to meet the challenges presented by a college education. Rather than recommending appropriated funding for any of these congressionally created programs, however, the President's budget instead recommends a new entitlement program called the College Access and Completion Fund that is estimated to cost \$2.5 billion in entitlement spending over the next five years.

Committee Republicans are also concerned about the shift of the Pell Grant program from the discretionary side of the budget to the entitlement side. We have a strong record of support for the Pell Grant program, and we are concerned that this change will significantly reduce Congress' ability to monitor funding and conduct proper oversight for a program that has grown rapidly over the last few years and will likely continue to grow in these difficult economic times.

In addition, it is worth noting that entitlement programs are historically more difficult to reform. For example, up until the 109<sup>th</sup> Congress, federal student loan limits had remained essentially stagnant since 1986. Committee Republicans fear that moving the Pell Grant to the entitlement side of the budget will eliminate current flexibility in the program, as well as the ability of Congress to react to changing student needs. The Higher Education Act reauthorization bill contained a number of extremely important changes, such as year-round Pell Grants and providing full Pell eligibility to a student whose parent died while fighting for our country. These important improvements to the Pell Grant program may not have been possible had it been an entitlement program.

According to the President's Budget Blueprint, the upcoming budget will also create a new Nurse Home Visitation program proposed for entitlement spending that totals over \$8.6 billion over the next 10 years. While some home visitation programs have been shown to increase school readiness and promote positive parenting practices, Committee Republicans remain concerned about committing entitlement spending to such a program that would typically be created on the discretionary side of the budget ledger, subject to the annual review of the appropriations committees, and subject to frequent oversight and

reauthorization by the appropriate authorizing committees of jurisdiction. We urge the House Budget Committee to reject new entitlement spending for this activity.

Similarly, the budget blueprint includes a proposal to create a new trigger mechanism which would provide automatic increases in the Low-Income Home Energy Assistance Program (LIHEAP) whenever there is a spike in energy costs. The budget estimates this will cost \$4.3 billion over the next 10 years. Currently, unexpected energy cost spikes are dealt with through the use of a LIHEAP contingency fund, from which dollars are drawn upon a presidential declaration of an emergency. We believe that there may be a way to reform the contingency fund release process that will result in faster allocation of funds to adversely-affected areas without creating new entitlement spending for a program that has never had such a funding structure in its history.

Committee Republicans believe that we should thoughtfully consider comprehensive budget reform prior to adding massive new entitlement spending during unstable economic times. Our nation's heavy debt is already fueled primarily by the skyrocketing growth in entitlement spending. The national debt eats away ever increasing percentages of our country's budget and will make it more difficult for future generations to continue to enjoy the same standard of living that we do today. We urge the House Budget Committee to reject new entitlement spending.

## **WORKFORCE PRIORITIES**

### **Protecting Employee Choice and Freedom from Intimidation under the National Labor Relations Act**

Committee Republicans remain deeply concerned with efforts by congressional Democrats and organized labor to forsake the sanctity of the secret ballot organizing election under the National Labor Relations Act (NLRA) in favor of recognition schemes susceptible to employee coercion, intimidation, and harassment. Congressional hearings have demonstrated the flaws inherent in these schemes, while at the same time highlighting organized labor's increased use of high-profile, high-pressure organizing tactics in the face of dwindling membership and influence. More important, the American public recognizes and rejects this attempt, indicating by an overwhelming margin their opposition to the elimination of the secret ballot.

In the last Congress, Committee Republicans were particularly troubled by the haste with which House Democrats took up the misnamed *Employee Free Choice Act*, H.R. 800. Rather than pursuing legislation that strips workers of their right to private-ballot elections when determining union representation, the Committee should instead explore legislative proposals to ensure that the right of employees to choose union representation or not to choose such representation, free from coercion or intimidation, is fully protected.

Committee Republicans remain steadfast in their opposition to the *Employee Free Choice Act*, and urge Members on both sides of the aisle, in both chambers to reject this fundamentally-flawed assault on workers' rights.

### **Improving Health Care Affordability, Quality and Access**

Committee Republicans remain dedicated to the goal of making health care insurance more affordable for all Americans. Committee Republicans are deeply concerned about the rising costs of health care premiums for the approximately 162 million workers and their families who receive their health insurance through their employer. Private health care insurance is largely regulated through the Employee Retirement Income Security Act (ERISA), which provides minimum standards for health plans and preempts individual state legislative health care insurance mandates. For more than 30 years, the current ERISA structure has permitted employers, on a voluntary and nationwide basis, to design high quality, affordable and uniform health care plans that are uniquely tailored to the needs of their workers and families across the country. The vast majority of employees enjoy their health care benefits and many employers want to continue to play a role in providing such benefits; however, any erosion or elimination of ERISA would lead employers to drop coverage, which would result in more uninsured individuals and increase the burdens on the country's health care system. The Committee, as part of ongoing health care reform efforts, should continue to support the current ERISA structure, and expand the ability of employers to provide coverage through the creation of Small Business Health Plans, which will permit businesses to pool resources and provide more individuals with access to quality, lower-cost health care.

#### *Health Care Costs and Reform*

Health care costs, and the corresponding cost of providing health care insurance, continues to dramatically increase every year. Cost growth for employer-provided health benefits over the past five years was approximately double the rate of overall inflation, and average monthly health care insurance premiums increased approximately 60 percent between 2000 and 2006. Although they have moderated somewhat in recent years, these costs continue to increase at unsustainable rates. Rising costs continue to force both employers and employees to shoulder greater financial burdens. Committee Republicans will continue to evaluate health care reform proposals with rising costs in mind.

The President's budget proposal proposes the establishment of a \$634 billion health reserve fund meant to serve as a "down payment" on health care reform, with additional spending to be determined at some future date. The reserve fund is paid for with a roughly equal combination of tax increases and health care-related spending cuts. Committee Republicans stand ready to work with the President and congressional Democrats to enact meaningful health care reform that reduces health care costs, improves quality, and expands access to coverage and services. However, simply raising taxes – particularly in a time of economic crisis – and throwing more money at the health care system will do little to lower costs, improve quality, or expand access to coverage and care.

In 2005, the House passed, with the support of 36 Democrats, the *Small Business Health Fairness Act*. This bill authorized the creation of Association Health Plans, otherwise known as Small Business Health Plans (SBHPs), which would allow small businesses to band together through associations in order to purchase health insurance at a lower cost. The bipartisan bill would increase small businesses' bargaining power with health care providers and insurers, would give small businesses the freedom from costly state insurance benefit mandates, and would lower their overhead costs by as much as 30 percent. These are benefits already enjoyed by larger businesses and labor unions because of their larger economies of scale. The bill would significantly lower costs, increase affordability and reduce the number of uninsured Americans by enabling *bona fide* trade associations the ability to offer uniform health plan coverage nationwide to their members, their employees and families. SBHP legislation was introduced in the 110th Congress, but the Majority took no action on this legislation. In the context of broader health care reform efforts, the Committee should work with the President to enact legislation authorizing SBHPs.

Also, the Committee should carefully consider the impact of efforts to enact federal coverage mandates on employer-sponsored health care coverage, and reject efforts to undermine the federal ERISA system or proposals that result in unjustifiable cost increases. In general, a mandate serves as a directive to an employer health plan to include coverage for certain health care services and increases the cost of insurance coverage. Individuals who have no need for the benefit end up paying for the cost of mandated coverage. Mandates undermine the ability of private health plans to provide individuals with innovative, flexible, high-quality, cost-effective coverage. A proliferation of federal coverage mandates would make it increasingly difficult to develop workable solutions to reduce health care cost growth and increase the number of Americans with health care coverage. Further, although individual states can be innovators in providing new health care coverage arrangements to their citizens, such coverage should not be provided at the expense of ERISA-based health plans, and should not undercut the federal ERISA structure that permits national delivery of affordable, high-quality health care coverage for millions of Americans. The Committee should instead consider legislative proposals, like SBHPs, that build upon and strengthen the ERISA structure.

### **Monitoring and Assessing the Family and Medical Leave Act**

This year marks the 16<sup>th</sup> anniversary of enactment of the Family and Medical Leave Act (FMLA). As employers and employees near almost two decades of experience with the law, the Committee should review the requirements of the FMLA, examining areas where the Act has worked as intended, and where it may have failed to do so. With bipartisan support, the 110<sup>th</sup> Congress expanded the FMLA to provide important new leave benefits for our armed forces, reserves, and family members. Committee Republicans commend the Department of Labor for issuing regulations to implement these provisions, and for proposing the first revision of FMLA regulations in the Act's history, clarifying issues that have arisen under the Act, its regulations, and its interpretation by various courts. In

this Congress, Committee Republicans will focus their efforts on oversight of both pre-existing and new leave provisions of the FMLA, and will support efforts, legislative and otherwise, to ensure that the FMLA effectively reflects the needs of the 21<sup>st</sup> Century workplace. At the same time, Committee Republicans will be vigilant with respect to any proposal that would impose costly and onerous new burdens on employers, particularly those that would mandate the provision of paid leave.

### **Retirement Security for Workers and Their Families**

Committee Republicans remain dedicated to the goal of enhancing retirement security, with continuing attention to both employer-sponsored defined benefit and defined contribution pension plans. Building upon the enactment of the landmark *Pension Protection Act of 2006*, the Committee should continue to work to ensure pension security for all Americans by expanding coverage for a greater number of workers, creating flexibility in the voluntary private pension system, and encouraging adequate funding in order to meet workers' retirement needs.

At the same time, Committee Republicans are mindful of the dramatic impact the 2008 economic downturn has had on retirement savings in all retirement vehicles. For these reasons, Committee Republicans supported legislation in 2008 to adjust key provisions of the *Pension Protection Act* and other retirement laws to reflect the challenges presented by the historic and unanticipated financial climate.

Committee Republicans remain committed to supporting policies that will help Americans rebuild their hard-earned savings as quickly as possible, while ensuring that the federal government does not hinder those efforts toward recovery. Committee Republicans will also work to preserve and improve our private pension system, while opposing proposals that seek to replace that system with one run by the federal government. In short, Committee Republicans will support efforts to maintain the viability of our private-sector pension system, and stand ready to ensure that our nation's pension laws meet both that short-and long-term economic challenges that confront employers and their workers.

### **Supporting Job Training Through the One-Stop System**

Republicans are committed to a dynamic, results-oriented job training system that can effectively serve job seekers and workers in need of retraining. In order to strengthen the lagging economy, Republicans believe Congress should develop new strategies and identify innovative ways to meet the needs of our nation's workers and businesses.

The nation's primary assistance for unemployed and underemployed workers is authorized through the Workforce Investment Act of 1998 (WIA). Congress passed WIA in 1998 to reform the nation's job training system that had been fragmented, contained overlapping programs, and did not effectively serve job seekers and employers. The authorization for WIA expired on September 30, 2003; while the ranks of the unemployed continue to grow, it is vitally important that WIA be reauthorized now.

Republicans will continue to work to improve job training opportunities for Americans striving to get back to work by streamlining unnecessary bureaucracy, fostering economic development, expanding employment and advancement opportunities for workers, and promoting the creation of high-skill and high-wage opportunities so that we can compete in the global economy. The nation's workforce investment system must be reauthorized and reformed so that it can respond quickly and effectively to the changing needs of job seekers. Increasing the skill level of the nation's adults and youth is central to Congress' effort to improve the economy.

While the American Recovery and Reinvestment Act provides \$3.95 billion to the Department of Labor for job training and employment services authorized under WIA (more than double the program's current funding levels), the entirety of the funding must be obligated by 2010. This means that these dollars can only be spent on non-recurring programs, and that programs with ongoing needs may have difficulty sustaining services after the stimulus dollars have been expended.

Committee Republicans remain concerned that the Democrats' failure to reauthorize the Workforce Investment Act in a timely fashion has left key job training programs vulnerable to funding concerns and rescissions through the appropriations process. For example, the FY 2008 Appropriations bill included a \$250 million rescission of unspent but obligated funds from FY 2005 and FY 2006. It is clear that each year that WIA is not reauthorized, the program becomes more vulnerable to raids on its funding, which weakens the overall effectiveness of these proven job training programs. We are hopeful that reauthorization of WIA will occur this year, and therefore urge the House Budget Committee to include sufficient funding to maintain this successful system.

### **Guest Worker Programs**

As the Committee continues its oversight of temporary guest worker programs, Committee Republicans would encourage Committee Democrats to support the Department of Labor's recently-revised regulations making key processing improvements to the H-2A and H-2B programs, streamlining the application process and worker recruitment time frames, and instituting new requirements designed to discourage abuse and violations. Committee Republicans believe that the Department has made meaningful progress to update these programs and make them relevant and useful for employers and workers alike, and hope the Committee will support the Department's efforts to implement these important reforms.

### **Modernizing the Fair Labor Standards Act**

Numerous hearings held by the Committee over the past several years demonstrated the need to update the 1938 Fair Labor Standards Act's regulatory scheme. In response to the clear need for reform, the Bush Administration undertook a historic initiative to update that regulatory scheme and ensure the regulations reflect the intent of Congress and the realities of a 21<sup>st</sup> century workforce.

The updated regulations have provided a catalyst for compliance and helped to ensure that the law is more relevant for today's workforce. In addition, the changes have helped to clarify workers' rights to overtime, assisted employers in determining how to pay their employees, and assisted the Department of Labor in its enforcement of these important workplace protections. Committee Republicans believe the Department of Labor should continue efforts to utilize a combination of strong and effective targeted enforcement, technical assistance, and education to promote and encourage compliance under the FLSA.

In addition, as the Committee continues its focus on ways for employers to provide more family-friendly workplaces, Committee Republicans believe the Committee should place a high priority on looking at ways to eliminate impediments within the FLSA, which prevent employers and employees from working out mutually beneficial and innovative arrangements regarding compensation and flexibility in work schedules. In particular, flexible compensatory time arrangements would help many employees in their attempts to achieve a better balance between work and family obligations.

### **Reforming the Federal Employees' Compensation Act**

Committee Republicans support efforts to improve the administration and management of the Federal Employees' Compensation Act (FECA). In particular, the Committee should examine ways to improve overall FECA program management, simplify certain administrative aspects, and strengthen the integrity of the program. Committee Republicans are committed to working with the new Administration to identify areas to improve the efficiency of the workers' compensation program for federal employees, while ensuring that the program is responsive to the needs of injured federal employees.

### **Enhancing Workplace Health and Safety**

Committee Republicans continue to recognize that a business has no greater asset than its employees. As such, Republican Committee Members remain committed to pursuing policies that will encourage and allow employers to provide their workers with a safe and healthy work environment – including policies that promote cooperative programs between employers, employees, and the federal government.

#### *Occupational Safety and Health Administration*

The Committee should work with the Obama Administration to improve the performance of the Occupational Safety and Health Administration (OSHA) by promoting health and safety in the workplace through increased compliance assistance for employers, in addition to targeted enforcement initiatives. According to the Department of Labor, the occupational injury and illness rate has declined every year since 2003. The Committee has long supported the Labor Department's cooperative approach toward reducing worker injuries and illnesses, which has been coupled with vigorous enforcement. To this end, Committee Republicans are concerned that the Administration's FY 2010

budget proposal ignores the successful progress made through OSHA's cooperative programs – programs that provide compliance assistance to employers and employees, particularly small businesses – and instead relies on an adversarial “gotcha” mentality.

#### *Mine Safety and Health Administration*

The Mine Safety and Health Administration (MSHA) continues to implement the *MINER Act*, comprehensive mine safety legislation that was enacted into law during the 109<sup>th</sup> Congress. The bipartisan legislation focused on the need to upgrade mining technology, empower MSHA through strengthened enforcement, and ensure an industry-wide comprehensive review of safety and health. In addition, the *MINER Act* required the Department of Labor to complete a number of regulatory actions on a very aggressive timeframe. To date, MSHA has met every statutory requirement set forward by the *MINER Act*. Committee Republicans support a budget that reflects the priorities of the *MINER Act* and its implementation, including efforts to update existing technology, train new inspectors, and improve industry practices. Committee Republicans oppose efforts to re-write the *MINER Act*. Such efforts ignore the fact that the *MINER Act* is still being implemented, and is therefore premature. Moreover, these efforts include policy proposals that could actually undermine ongoing improvements in miner safety.

### **CONCLUSION**

Republican members of the Committee on Education and Labor believe the federal budget is a statement of priorities. The fiscal challenges we face as we prepare the FY 2010 budget are daunting, but those challenges must not deter our commitment to reform. Republicans stand ready to work with Committee Democrats, the Committee on the Budget, and the Obama Administration to enact fiscally responsible reforms on behalf of students, workers, and retirees. When we see policies that diverge from that goal, we will offer principled alternatives that protect taxpayers while ensuring a world-class education system and a dynamic workforce able to compete in the 21<sup>st</sup> century.

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