

STATEMENT OF
HILDA L. SOLIS
U.S. SECRETARY OF LABOR
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Chairman Kline, Ranking Member Miller, and Members of the Committee, thank you for inviting me to testify. It is wonderful to be back among my friends and former colleagues. I am also so glad to have the opportunity to speak with the many new members of the Committee. We have a lot in common. I too once was a freshman member of Congress on this Committee. I sat where you now sit so I can empathize with the need to quickly get up to speed on the vast jurisdiction of this Committee – including the many programs and services that the Department of Labor provides for your constituents. I look forward to all of the hard and good work we will do together to help working families across America.

I hope you know that my offer to work with you is genuine. Since I came before this Committee last year, much has changed here in Washington and in the nation. What has not changed is the desire the American people have for us to work together to address the many challenges facing our nation's working families. Undoubtedly, we will not agree on every issue. But I hope we can agree on many and that we can also agree on the end goal – to continue to help bring our country out of the recession with a stronger economy and better opportunities for all working Americans. Only if we make a commitment to this shared goal and pool our energies towards achieving it do we have any hope of success, because the challenges that remain for American workers are still formidable.

I am happy to report that we have already taken some important, and big, first steps towards addressing these challenges, including returning many Americans to the workforce.

But we cannot build a solid foundation for the future while ignoring the millions of Americans who are still out of work. We have to start where we are.

Our economy has clearly made significant progress toward recovery over the last year. Let us remember just how deep and devastating the recession was when President Obama took office. By January end of 2009, 4.4 million jobs had been lost since the start of the recession in December 2007. We saw job losses in almost every sector of the economy, but especially in the manufacturing sector, which lost 1.2 million jobs between the beginning of the recession and the time President Obama took office. Last February when I testified, the best I could say about the jobs picture was that the rate of job loss slowed.

Today, we have much progress to share. In January, the economy added 50,000 private sector jobs. We have now had 11 straight months of private sector job growth, adding 1.1 million private sector jobs in 2010. In addition to the jobs we are seeing added in our survey of businesses about their payroll, our survey of households is showing even more encouraging news. Last month nearly 600,000 more Americans were employed compared to the previous month causing the unemployment rate to fall from 9.4% to 9.0%. While we still have a long ways to go, Americans are showing perseverance and are finding jobs and creating new jobs through self-employment and entrepreneurship.

We still need to see more job creation in order to continue to bring down the unemployment rate and to address the problem of the long-term unemployed. More than 6 million Americans have been jobless and looking for work for over six months. Special challenges arise for people who have been out of work for so long. The Administration is working aggressively to continue to grow the economy, accelerate job creation, and address the special needs of the long-term unemployed. My role is to ensure that workers have the tools they need to succeed and feed our building economic recovery.

You have asked me here today to discuss my priorities for the Department of Labor in the coming year. In his State of the Union address, President Obama spoke of the need to maintain America's leadership in a rapidly changing world so that our economy is competitive – growing and working for all Americans. To do so, he is putting forward a plan to help the United States win the future by out-innovating, out-educating, and out-building our global competition. At the Department of Labor, we are working hard to prepare America's workforce to meet this challenge. My goal is to help foster an economy in which good jobs are available for everyone and American workers are prepared with the skills necessary to be productive in these jobs throughout their lifetime. This means jobs that can support a family. Jobs that are sustainable. Jobs that are safe and secure. Jobs that can lift up the middle class. In short, my highest priority is to get Americans back to work in good jobs. And we must make these investments while also making difficult choices that will put our nation on a sustainable fiscal path.

The best way to describe my priorities for achieving this goal is to look at the Department's accomplishments from the past year. We have made a great start and I plan to continue our good work.

Preparing Workers for 21st Century Jobs

We know that the skills needed to succeed in today's economy are different than they were in the early 80s, or even the mid-90s. Going forward, we must continue to increase the skills of workers at every level. The roots of this recession are deep and complex. The nation and the world that is emerging from the recession are different from the nation and the world that entered it. The key to American competitiveness lies in its workforce being poised to fully participate in the 21st Century economy. That is why this Administration is committed to advancing the skills and education of all workers, and connecting them with potential employers. If we want to get as many people as possible into productive careers that can carry them through their working lives, and to ensure that America has the labor force we need to be competitive in a global

economy, we have got to increase the skill level of our workforce and link job training programs directly with good job opportunities.

As you all probably know, I am a big believer in the promise of the health care and clean energy sectors of the economy. These, and other high growth sectors, will provide the jobs of the future. I am proud of the investment that the Department has made in training workers across the country for these 21st Century jobs. In the health care sector, our nation needs more registered nurses, nursing aides, home health aides and medical assistants to care for our families. The Bureau of Labor Statistics (BLS) projects that health care jobs will experience the largest job growth of any industry over the next decade.

In his State of the Union address, the President called for 80 percent of America's electricity to come from clean sources by 2035, including wind, solar, nuclear, clean coal and natural gas. He is also putting forward measures to ensure that the U.S. is the first country to put one million advanced technology vehicles on its roads. These commitments, coupled with private sector investments, will expand our clean energy economy, producing more green jobs. And with BLS' new definition of "green jobs," the federal government, states and cities, large corporations and small businesses can now better target and track their investments in the green economy. Employers will need skilled workers to develop, build and maintain the systems that harness our country's supply of renewable energy and potential for energy efficiency, a particular emphasis of DOL's recent job training efforts.

The Department's investments in the clean energy economy have focused on three goals:

- 1.) enabling states to develop needed partnerships and plans to better align their workforce and state energy policies leading to employment;
- 2.) building the capacity of established job training providers to train workers for clean energy jobs; and
- 3.) directly supporting education and training services for a diverse community of American workers either seeking entry into or retraining for new and emerging jobs in the clean energy economy.

Workers across the country are now actively participating in health care, clean energy and other in-demand job training programs. They are learning skills and receiving credentials needed to move up career ladders in a rapidly changing economy. Workers are also being connected with employers in these growing industries and in-demand occupations in their local communities. We are seeing the impact of Department of Labor programs in cities and towns all across the country.

In Detroit, a struggling single parent of two small children completed a DOL-funded training program and almost immediately was hired as a contractor for DTE Energy, Detroit's largest utility company. Since securing employment, this worker has already been promoted to supervisor and sees an opportunity in higher education to pursue a degree in engineering. And DOL programs are helping incumbent workers expand their skills as well. A construction worker in Florida, previously at the top of his profession, soon found himself unqualified when

solar panel installation and renewable energy skills became a requirement. He participated in a DOL-funded program and now has an industry recognized Solar Photovoltaic (PV) degree.

Similar successes are occurring in training for other high growth fields, particularly health care. In the District of Columbia, a 26 year-old, African American woman, residing in a neighborhood where unemployment is 30 percent, received DOL-funded training for employment in the health care sector. I am pleased that this trainee graduated from the program and is now employed as a home health aide. Because of her training and credentials, she was able to become self-sufficient and has the skills to advance in her new career in the growing health care sector.

Our collaboration with the nation's community colleges is another aspect of our focus on preparing workers for the jobs of the future. That is why we are collaborating with the business community and community colleges on programs to provide the relevant training that industries are looking for, and will surely need more of, as we pave the way to recovery. As a former trustee on a community college board, I know first hand the transformative power these institutions can have in the careers and lives of young and older students. Community colleges ensure that individuals obtain the credentials they will need for good jobs. Since 2005, the Department has invested over \$485 million in over 250 community colleges and related organizations through the Community-Based Job Training Grants. By the end of FY 2010, these grants provided training to over 171,000 individuals, of whom over 72,000 earned a degree or certificate. And it is just as critical that employers who understand the needs and the skills desired in their specific industries are working directly with community college faculty to develop relevant curricula and coursework that prepare workers to succeed in good, safe jobs.

On January 20th, we announced the availability of \$500 million for the Trade Adjustment Assistance (TAA) Community College and Career Training Grants. These competitive grants will provide community colleges and other eligible institutions of higher education with funds to expand and improve education and career training programs suitable for workers who have lost their jobs or are threatened with job loss because of trade with other countries. These training programs must be timely – training must be completed in two years or less – and the overarching goals of these grants are to increase attainment of degrees, certificates, and other industry-recognized credentials and better prepare the targeted population, and other beneficiaries, for high-wage, high-skill employment. The program will also encourage community colleges to develop innovative methods, use data, and replicate evidence-based practices to improve student outcomes and efficiency. For example, grants will support the delivery of online education that can allow students balancing the competing demands of work and family to acquire new skills at a time, place and pace that are convenient for them. We are working with our colleagues at the Department of Education as we prepare to award and administer these grants.

Developing the skills of our nation's youth is also critical to ensuring that our workforce is ready to succeed in the future. After all, today's youth are tomorrow's workforce. The Department has some great success to build on in the coming year. Through our YouthBuild program, we are providing disadvantaged youth with the knowledge and skills required to fully participate in the economy of the 21st Century. As part of the Recovery Act, we awarded 47 of the 62 Green Capacity Building job training grants to YouthBuild programs. These grantees were able to purchase equipment and provide certifications for their instructors to support energy efficiency

and renewable energy industries. These Green Capacity Building grants have enhanced the capacity of these YouthBuild grantees, by allowing them to serve more than 2,750 young people through the program. One great example is the ARCH Training Program here in D.C., where YouthBuild students assembled solar suitcases that were sent to Haiti and were used to power medical equipment in areas with limited, or no electrical power.

Similarly, our WIA Youth program is building a better future for deserving young people and our nation. State and local areas used close to \$1.2 billion in Recovery Act funds to create robust, high-quality programs that served 414,256 youth, including more than 350,000 served during the summers of 2009 and 2010. These young people participated in summer employment opportunities in clean energy, weatherization, solar installation, retrofitting, and health care occupations. These employment opportunities allowed young people to gain job experience that will help them succeed both in higher education and in the workforce.

Take, for example, a young woman who was homeless and trying to escape an abusive boyfriend. She ended up in a shelter in Boston that put her in touch with the Action for Boston Community Development's (ABCD) Health Career Explorations Program. The ABCD program included workshops on self esteem and job readiness that prepared her to take on the challenge of participating in a home health aid certification program and a CPR/First Aid certification program. Her drive and determination helped her land a paid summer internship in the Radiation Department at the Beth Israel Deaconess Hospital. Once at Beth Israel, she found out about the different professional development opportunities available to her. One of these programs was the Medical Interpreters Program. Thanks to the discounted price available to her as a hospital staff member and the sponsorship from the ABCD Youth Explorations program, she was able to take advantage of this program. The WIA youth program really changed this young woman's life by preparing her for a career in the growing field of health care.

Our Job Corps program has a long history of preparing disadvantaged youth for a successful transition into the workforce and we should all be proud of the program's accomplishments. As with all of our job training programs, we are shifting Job Corps to focus on 21st Century jobs. For example, this year Job Corps partnered with the National Healthcareer Association (NHA) to pilot a training and certification program for an Electronic Health Records Specialist job track. As our country shifts to greater use of digital media and paperless recordkeeping, the demand for qualified health record specialists is growing rapidly. The NHA partners with over 1,300 educational institutions through the country to prepare students for national health care-related certification exams. Our pilot, which will run through April of this year, involves a total of approximately 500 full-time students at nine Job Corps centers, including those in many of your home states, such as Virginia, Ohio, New York, Florida, Pennsylvania, and Nevada.

Our Job Corps program does not just help young people in our nation's cities. We are also in rural areas, training students for jobs that make sense in their communities. For example, in Representative Noem's district, we are serving South Dakota's youth for employment throughout the state. Twenty-one year-old Nick Andrews was looking for real world bricklaying experience, and he found lots of it while restoring the Mount Roosevelt Friendship Tower in South Dakota's Black Hills region. Andrews is a student at the state's Boxelder Job Corps Civilian Conservation Center. He joined other center students and a stone mason in an 11-week facelift of the tower,

created to honor President Theodore Roosevelt's support of conservation. The restoration was funded by the Recovery Act in an effort to restore the monument for public use by next July, its 90th birthday. "It is nice to give back to the public," he said about his restoration efforts, adding that at Job Corps, "I learned responsibility and leadership skills."

Chairman Kline, I hope one day you have the opportunity to meet Jay Booker, a Job Corps student in your state of Minnesota, who has turned the technology skills he earned in Job Corps into a job at the Minneapolis-St. Paul Airport. Jay came to Job Corps with a high school degree and a desire to better his life. At the Hubert H. Humphrey Job Corps Center in St. Paul, he received advanced training to prepare him for a career in the transportation industry. He is now a productive, positive contributor to the economy of your state.

While the Department is focused on the jobs of the future, we also understand that workers who are laid off cannot wait until the future to get a paycheck. We are doing everything we can to get workers into jobs quickly. From the first sign of a layoff to starting a new job, the Department is helping your constituents and all Americans navigate the world of job search, education and training, resume writing, and interviewing, thus reinventing their vision of a better future. Our staff also help unemployment insurance claimants with income support needed to help pay their rent, put food on their table, and provide the necessities of life for their families. In fact, 23 million unemployed workers received \$150 billion in unemployment insurance benefits in 2010. We should remember that those workers have an ongoing responsibility to look for new employment while they are receiving unemployment insurance benefits. And, that these benefits help not only those who receive them, but help our entire economy. This year we released a study commissioned by the Bush Administration that found that every dollar of unemployment benefits leads to \$2 spent in the economy, keeping even more Americans in jobs.

We are looking at new strategies for shortening the period of unemployment for unemployed Americans. DOL hosted a national Reemployment Summit for approximately 800 state and local practitioners in December to highlight successful practices, tools, and techniques that are connecting unemployed workers to jobs. Looking ahead, DOL will be funding state models to build a common *front door* to the workforce system that is supported by integrated registration, common customer records, and electronic tools and social networking solutions to finding jobs or job training.

When large-scale, unexpected economic events have occurred in your states, our National Emergency Grants (NEGs) have been there to provide a rapid response to the crisis. Significant dislocation events include business closures, mass layoffs, or realignment and closure of military installations as a result of the Base Realignment and Closure (BRAC) initiative. National Emergency Grants help displaced workers adapt in a changing economy. As many of you know, these grants temporarily expand the service capacity of Workforce Investment Act Dislocated Worker training and employment programs at the state and local levels. National Emergency Grants provide resources to states and local workforce investment boards to quickly help laid-off workers get rehired by offering such services as skills assessments, career counseling, job placement and training to increase occupational skills. Grant funds can also provide supportive services to participants, such as transportation subsidies, child care and income support in the form of needs-related payments.

I would like to share with the Committee one example from California that best illustrates how National Emergency Grants can extend a helping hand to workers and communities hit hard by economic disaster. In late 2009, it became clear that the New United Motors Manufacturing Inc. (NUMMI) plant and several of its suppliers were going to go out of business. The closure of the 5 million square foot plant in Fremont, California presaged economic devastation for the Fremont community. More than 4,300 workers at NUMMI and several of NUMMI's suppliers were at risk of unemployment, with nowhere to go, as NUMMI was the only automotive plant on the West Coast.

The Department worked with the California Employment Development Department on a National Emergency Grant to help NUMMI workers get the training and employment-related services they so desperately needed. Within two months of the NUMMI closure in April of last year, I announced the investment of a \$19,042,012 National Emergency Grant for the training and re-employment of displaced NUMMI plant workers and their suppliers' workers. I made the announcement at the NUMMI Re-employment Center, surrounded by those NUMMI workers who would benefit from the grant. The NUMMI grant covers an estimated 4,350 workers across 29 counties. Additional Trade Adjustment Assistance (TAA) funds are available to pay the costs of vocational re-training, which typically is the most costly component of dislocated worker re-employment assistance. I am happy to report that as of early December 2010, over 4,300 of these dislocated workers had been enrolled and are being served. In fact, the NUMMI Re-employment Center (NRC) classes are filled to capacity, and the NRC is looking for alternative classroom facilities to meet the demand. The scope of services to these dislocated workers project-wide includes needs assessment, counseling, re-employability plan development, vocational re-training, including on-the-job training, and job placement assistance.

NUMMI workers are embarking on every type of new career at a wide array of companies. For example, Ray Morimoto worked at a NUMMI supplier at Injex Industries as a manufacturing engineer. After being dislocated due to the NUMMI plant closure, Ray enrolled at the San Jose NUMMI Career Transition Center (NCTC), work2future. Ray expressed frustration and constant worry in the beginning of his training and job search but kept a consistent, hardworking attitude. Ray attended case manager and job developer appointments to seek advice and guidance and used the NCTC computer center for job search. In addition, Ray participated in the Advanced Transportation Technology & Energy, Energy Efficiency Management Program at West Valley College to enhance his marketability.

Ray called NCTC to tell the staff that he had applied for a job posting from work2future for Chromasun, a solar thermal start-up company, had a successful job interview, and received a job offer for a Lead Manufacturing/Quality Engineer position including benefits and a salary of \$80,000 per year. Shortly after Ray was hired, he assisted Chromasun with the recruitment and hiring of other highly qualified NUMMI colleagues.

The NUMMI workers are finding good jobs. While they made on average \$30.97 per hour last April when NUMMMI closed, in their new jobs they are making an average of \$26.35. That is approximately 85% of their former wage, which is excellent, considering current economic conditions and competitiveness for employment in the Northern California area. We have National Emergency Grant successes like NUMMI in many of your states.

Our NASA-related National Emergency Grant is another example of the Department's commitment to getting involved early and in a comprehensive manner when workers lose their jobs and their families and communities are in need. I am sure that we all read with interest in the newspaper when NASA announced that it was retiring the Space Shuttle. The National Emergency Grant program played a key role in easing the transition of the affected aerospace workers in the Central Florida area. The Brevard Workforce Development Board was awarded a \$15 million National Emergency Grant in June 2010 to help aerospace workers affected by the phasing out of the Space Shuttle and Constellation programs to transition into other occupations.

The grant allows Brevard Workforce and its partners to continue the work they are already doing to help aerospace workers transition into new employment when the Shuttle and Constellation programs end. To date, \$7.8 million of the \$15 million NEG has been released to the Brevard Workforce Development Board.

The National Emergency Grant focuses its training dollars largely on creating on-the-job training (OJT) opportunities with area businesses from Brevard and counties from the surrounding Central Florida Region. The grant also provides occupational classroom training opportunities. These training opportunities are geared toward eventual long-term employment for the transitioning aerospace workers, thus aiding the region's aggressive economic development effort to help create and sustain jobs. Training is targeted at those industries that show the most promise of providing workers with good long-term career prospects in the region: biotechnology, environmental, biomedical, automotive, electronics, telecommunications, geospatial systems, health care, aviation, IT, modeling and simulation and commercial construction.

The change in NASA's schedule for ending the Space Shuttle Program has kept the NASA workers on the job for a while longer than we had anticipated. That delay has given the area workforce agencies extra time to hire and train additional staff and reach out to area employers to find where the jobs will be when the Shuttle program ends. As of mid-January 2011, Brevard Workforce Development Board secured 148 OJT slots with an average hourly wage of \$31.43. We will continue to look for the communities that need this kind of help from the Department in the coming year and will provide the same excellent level of service to those communities, wherever they are.

As we did last year, in the coming year we will focus on ways to train workers that help meet their long-term needs, while also addressing their immediate needs. Many workers simply must find ways to support themselves and their families while seeking training and the Department has done much to meet the needs of these workers. We are advancing and building on "learn and earn" models – such as on-the-job training, Registered Apprenticeship, and transitional jobs – that provide earnings while increasing employability, skills, and opportunities for advancement, particularly for disadvantaged populations. We also will emphasize accelerating learning strategies for low-income and low-skill workers, such as offering basic skills and English language proficiency with career or technical skills training.

The on-the-job training model is one that fits our times. It has tremendous support from both business and labor because it delivers much-needed training and a paycheck for workers, while helping to defray some of the employer's costs of providing that training. In our OJT programs

the employer is reimbursed for a percentage of the wages paid to the worker in training. Participants have a chance to “learn and earn,” gaining skills while getting paid.

For employers, OJT offers the unique opportunity to offset initial training costs to fill positions while building the company’s productivity as the participant learns the job. An OJT arrangement can be the impetus for an employer to create the job opportunity now instead of waiting for higher economic growth. For the long-term unemployed, OJT gets them back into the job market earning a paycheck and refreshing their work skills. We have had great success so far. In an economy where employers are reluctant to hire, OJT is unique among WIA services in that it places the worker directly with the employer, providing the employer with reimbursement for the extra costs of training. And WIA participants who receive OJT typically experience a higher rate of job placement than other participants.

In June of last year, we announced \$75 million in Recovery Act funds for OJT National Emergency Grants. Those funds went to 41 states, the District of Columbia, and three federally recognized Native American Tribes. These National Emergency Grants, or NEGs, are a one-time funding source to support on-the-job training for the long-term unemployed, especially in areas disproportionately impacted by the recession. For example, in your home state of Oregon, Representative Wu, under the \$2,119,166 OJT NEG that the state received, a total of 14 OJT projects have been established, including some in very rural areas, where the recession has taken a significant toll on small businesses.

During 2010, the Department provided intensive guidance and assistance to our grantees to ensure that they would be good stewards of the money awarded to them. Our efforts included an OJT toolkit website, which has been met with very favorable reviews from our workforce partners, and an all-grantee meeting in August. We have also assisted grantees in the planning process so that they design OJT projects that will maximize job placement. This enhanced and necessary planning process went beyond even the extensive oversight that DOL already conducts for most National Emergency Grants because of the unique nature of the OJT program and the public workforce system’s limited recent experience implementing OJT on a broad scale. I am looking forward to seeing the fruits of our efforts this year when the grantees have fully implemented their programs and the results start coming in. I hope you will share with me any stories you hear from your constituents about the impact of these grants.

I would also like to share with you some information about the success of our Registered Apprenticeship program, which I know is important to many on the Committee. Registered Apprenticeships, like OJT, are “earn while you learn” opportunities. In 2010, more than 100,000 workers entered into a Registered Apprenticeship program. This equates to over 100,000 individuals entering or returning to work, with over 400,000 active apprentices continuing to earn and learn in over 20,000 apprenticeship programs nationwide. In addition, more than 50,000 program participants completed their apprenticeships and received a nationally recognized credential that is portable and provides a path to the middle class. Our apprenticeship programs are serving all segments of the economy. Although many people associate apprenticeship programs with unions, in fact, only 19% of the federally registered apprenticeship programs that the Department oversees are joint labor-management programs. Finally, I am especially proud of the fact that the Office of Apprenticeship recently recognized Wind Turbine

Technician as the first new green occupation to be added to the official list of apprenticeship occupations – another example of how we are working across the Department to best prepare workers for the 21st Century.

For a newly unemployed or underemployed worker, navigating the world of job searching, education and training opportunities, and federal support programs can be daunting. The Employment and Training Administration (ETA) has developed virtual tools that make it easier for unemployed workers to get the assistance they need to get back to work. For example, we launched an exciting new electronic tool on Labor Day called *mySkills myFuture* which makes it easy for unemployed workers to determine how their current background and experience qualify them for other potential jobs. Users are able to view local job postings and locate training and education providers in their area. They are also able to find descriptions, salary information and common job tasks associated with the new occupations they are considering. Since its launch in September of last year, *mySkills myFuture* has received more than 398,000 visitors.

I am also excited about a new career exploration tool called MyNextMove that launched on February 3. MyNextMove.gov provides the public with a more user-friendly tool that simplifies the information that individuals need in order to make informed career decisions. It's written at a reading level that makes accessible to everyone the wealth of existing information on the skill requirements and other characteristics of occupations available in the Occupational Information Network (O*NET).

We have also worked with the White House to upgrade the Worker ReEmployment Portal to provide unemployed workers, including those who have exhausted their unemployment benefits, all the information they need in one place. The site offers a single source for information on jobs, career training, unemployment benefits, and assistance with necessary services such as food, health care, and utility payments. Since its launch, in December 2010, the site has had more than 67,000 visitors. We also are seeking ways to take advantage of on-line learning technology, for example virtual platforms, to reach as many workers as possible with training programs that increase skills and attainment of industry-recognized credentials.

I am also extremely proud of the work the Department of Labor is doing to help our nation's Veterans. Our Veterans' employment and training programs are part of a larger effort to provide a smooth transition process for assisting Veterans, transitioning Service Members and their spouses as they seek to identify and secure productive civilian opportunities. By promoting priority of service for Veterans in the One-Stop Career Center system, we ensure that over 1.6 million Veterans receive the training and employment assistance they need to obtain good jobs. Our homeless programs help nearly 18,000 Veterans in their efforts to reintegrate into the workforce. We provide transition assistance to 127,000 Service Members and spouses as they move from the military into civilian careers. Our Veterans Employment and Training Service is collaborating with the Vocational Rehabilitation and Employment Service of the Department of Veterans Affairs to ensure that Veterans with disabilities receive the training and employment assistance that will enable them to achieve their career goals. The Department is proud to assist our heroes who have served our nation well.

All of the foregoing job training initiatives benefit from the extensive policy analysis, research and technical assistance activities performed by the Office of Disability Employment Policy -- or ODEP as we call it. Job training and job placement initiatives, as well as the labor standards enforcement activities that I will highlight in a moment, are made more effective because of the knowledge resources that ODEP provides on how to enable people with disabilities to have access to -- and receive the benefits of -- these services.

Assuring a Fair and High Quality Work-Life Environment

While it is easy to forget in the midst of a recession, merely having a job is not always enough. We want these to be good jobs that pay fair wages, keep workers safe, and provide basic benefits. The Department's enforcement agencies, including the Wage and Hour Division, help inform workers of their rights and employers of their responsibilities. This is not just good for the workers. It is also good for businesses. Detecting and remedying labor violations protects law-abiding firms from unfair competition against those who flout the law and cut corners by paying workers less than they are owed.

The Department's Wage and Hour Division has made great strides in assuring that workers' rights on the job are respected and that employers who break the law do not have an unfair advantage over the vast majority of employers who play by the rules. In the two years under my leadership at the Department, Wage and Hour has secured impressive amounts of back wages for workers across the country. When an employer in your district violates the Fair Labor Standards Act by not paying the required minimum wage or overtime, that employer is taking money out of the pockets of your constituents. Consider that Wage and Hour was able to recoup over \$10 million in back wages for over 16,000 workers in the state of Pennsylvania since 2009. In Tennessee, Wage and Hour's work on over 1,400 cases resulted in almost 10,000 workers receiving \$7.9 million in back wages. Throughout the country, Wage and Hour has recouped nearly \$400 million in back wages, assessed over \$18 million in civil monetary penalties in over 52,000 cases and impacted nearly 400,000 workers.

I do not want to leave the impression that these cases are just about moving numbers between columns in a ledger. The numbers I have cited represent workers who have been harmed by employers who violate the law and the difficulties that honest employers face trying to compete in industries and geographic areas where Fair Labor Standards Act violations are rampant. For example, conditions in the garment industry have long pushed contractors to cut corners with respect to wages, hours and employment conditions. Wage and Hour and other state and federal enforcement agencies had tried for years to make a difference in this industry, without much success.

Instead of targeting contractors, who are often small businesses, Wage and Hour is focusing on manufacturers, often larger employers, by invoking the long-ignored "hot goods" provision of the Fair Labor Standards Act. The "hot goods" provision prohibits the movement of goods in commerce that have been manufactured in violation of the law. Manufacturers and retailers who do business with unscrupulous contractors put at risk their ability to make good on promised orders. This pressure on the manufacturers and retailers encourages them to create compliance

programs for their contractors and subcontractors and has the potential to reform the whole industry – without the Department having to investigate thousands of businesses.

In California, we used this strategy successfully to secure \$158,952 for 110 garment workers who worked for Angel's Finishing, Inc. – a contractor of the high-end clothing manufacturer, Joe's Jeans. These garment workers were working extremely long hours finishing high-end jeans that were later shipped throughout the U.S. and sold at exclusive department stores such as Macy's, Neiman Marcus, Dillard's, Bloomingdale's, Saks Fifth Avenue, and Nordstrom. Angel's Finishing was paying workers on a piece-rate basis without regard for minimum wage and overtime pay for all hours worked (for example, they forced employees to work off the books on weekends).

This was a clear case of a company enjoying profits on the backs of vulnerable workers who were not paid the proper wages. Following this investigation, the Department pursued an action that prohibited the shipment of goods produced by Joe's Jeans contractor until all back wages had been paid. When Angel's Finishing refused to make the workers whole, Joe's Jeans was forced to step forward and accept liability for its contractor's violations. In addition to paying the full amount of back wages, Joe's Jeans was also required to conduct periodic monitoring of its contractor for wage and overtime law compliance, as well as education and outreach efforts, and to discuss the financial terms of its contracts to ensure the contractor's financial ability to comply. By pursuing this case and other similar cases in the garment industry, the Wage and Hour Division has helped level the playing field for all law-abiding employers in the industry and more workers are getting the pay they are entitled to by law.

When employers cheat workers out of their wages, these workers pay lower taxes to the Treasury than they would have paid. Employers in turn pay lower taxes on those wages, which means that vital programs like unemployment insurance are inadequately funded and available for workers. Without strategic enforcement, this underground economy is allowed to thrive and we all lose.

Throughout the past year, Wage and Hour focused on finding strategies for best leveraging the Department's resources to transform industries and level the playing field for all employers. Wage and Hour has found that aggressively enforcing the law when industry leaders disregard it can have a beneficial effect throughout the industry. For example, Wage and Hour reached settlements with Tyson Foods and Pilgrim's Pride, the country's largest poultry processors. These processors had failed to pay workers for the time they spent putting on and taking off protective and sanitary gear they needed to wear in the workplace. The settlements require these processors to pay all of their production employees for all of this work in all of their facilities. You can imagine that it would be difficult to convince a small poultry processor to pay its workers for this time when the industry giants were not. As a result of Wage and Hour's successful enforcement actions, vulnerable workers and small businesses throughout the poultry industry are better protected.

Wage and Hour is also tasked with protecting youth on the job. I am so pleased to share with you a real success story that has made a difference in the lives of many of your constituents. In 2009, Wage and Hour found egregious child labor and other labor-related violations in the blueberry fields of New Jersey, North Carolina, and Michigan. In addition to assessing penalties,

Wage and Hour took a comprehensive approach to ending the dangerous practices it had uncovered. Our staff met with farm groups, community organizations, and state and local agencies to be sure that employers understood their obligations and that workers understood their rights.

When Wage and Hour went back into the blueberry fields in 2010, there were no children working unlawfully in those fields. Representative Walberg and Representative Woolsey, as the new Chair and ranking Member of the Workforce Protections Subcommittee, I am sure you are both pleased to know that we are succeeding in preventing children in Michigan from working under dangerous and unlawful conditions on your state's commercial blueberry farms. Again, I am proud of the Department's thoughtful use of resources to transform an industry that was abusing American workers.

In addition to this great work to change industry practice so that workers and their wages are protected, the Department's Wage and Hour Division is also playing an important role in assuring high quality work-life environments. Achieving work-life flexibility is another priority of mine, which includes enforcement of the Family and Medical Leave Act (FMLA). As you know, the FMLA entitles eligible employees to unpaid, job-protected leave for certain family and medical reasons. Some of the most compelling stories we have about our enforcement efforts come from workers who were reinstated in their jobs with back wages after the Department intervened in support of their rights to FMLA leave. For example, Wage and Hour received a complaint from a woman in Georgia who was battling cancer. She was out on unpaid medical leave and recuperating from a major surgery, preparing for another. Her employer cancelled her health insurance just before the 2nd surgery and was preparing to terminate her. Not only was the surgery postponed, but without insurance she could not afford to see her doctors or get her prescriptions filled. After the Wage and Hour Investigator explained the terms of the FMLA to the employer, the employer agreed to reinstate the worker and restore her health insurance in time for the surgery.

The Wage and Hour Division recently assumed another responsibility related to work-life flexibility, enforcing the new break time for nursing mothers law, ensuring women who choose to breastfeed their infants have the ability to continue to do so even after they return to work. We are working expeditiously to ensure both nursing moms and employers have the guidance they need to not only invoke their rights and comply with the law, respectively, but also make the appropriate arrangements that work both for the nursing mother and the employer. The Department's role in this effort will undoubtedly help nursing moms achieve a balance between their jobs and caring for their children, and help employers retain good workers at great economic benefit to them and the workforce overall.

The President's FY2012 budget establishes a \$23 million State Paid Leave Fund within the Department of Labor that will provide competitive grants to help states that launch paid-leave programs that are affordable for employers and workers. Addressing work-life balance is a priority of this Administration and benefits workers, employers and families. We look forward to working with Members of the Committee on work-life balance proposals and funding for programs that help workers be productive and successful in our economic recovery.

At my Department of Labor, we will hold accountable anyone who treats workers unfairly, whether they are employers or unions. I am extremely proud of the work that the Office of Labor Management Standards has been doing to protect union workers. Consistent with our theme of pursuing the worst of the worst, OLMS has increased its criminal convictions each year since I came to the Department. In 2008, OLMS enforcement efforts resulted in 103 convictions; in 2009 121 convictions and in 2010, 130 convictions. Despite these difficult budgetary times, our budget request for OLMS is level with our request for last year.

The Department's Office of Federal Contract Compliance (OFCCP) is also protecting workers and strengthening our economy by opening the doors of opportunity for all of workers. Over the past two years OFCCP has negotiated conciliation agreements on behalf of more than 34,250 workers, resulting in more than \$19 million in financial awards and over 3,600 potential job offers for workers who have been subjected to discrimination. Of particular note is an agreement recently reached with federal contractor Green Bay Dressed Beef that includes a \$1.65 million settlement for 970 women who were subjected to hiring discrimination. The agreement also netted 248 potential job offers. As the economy shows signs of growth, OFCCP continues to ensure that American companies leverage the benefits of hiring a well-trained and diverse workforce. To these ends, its focus is on strengthening enforcement, implementing regulatory reform and broadening outreach.

Ensuring Workplaces Are Safe and Healthy

Another goal that I hope we all agree on is to ensure that every job in America is a safe job. Even in a recession, no worker should have to risk his or her life to bring home a paycheck. Our worker safety and health agencies – OSHA and MSHA – are on the front lines protecting workers from workplace hazards. Even though we have made incredible progress in protecting workers on the job since these two agencies were established decades ago, it is still wholly unacceptable that nearly 4,400 workers died last year on the job and over 3 million were seriously injured.

One of my top priorities for OSHA in the coming year is to continue its outreach to vulnerable workers, such as young workers, minorities, older workers, and workers with low literacy skills who work in low-wage and high-risk industries with little or no access to information and resources on preventing injuries and illnesses. When I came before the Committee last year, I shared with you our plans for a National Action Summit for Latino Workers Health and Safety in Houston. I am happy to report that we held the summit last April in Houston and it was a remarkable success. We welcomed representatives of business, labor, faith-based and community organizations. OSHA is continuing its extraordinary outreach efforts this year.

OSHA's work on the Deepwater Horizon Oil Spill response in the Gulf states was a great example of this broad-based outreach effort in action. During the peak of the operations, more than 47,000 men and women were involved in responding to and cleaning up the oil spill each day. This included more than 42,000 response and cleanup workers employed by BP and its contractors, 1,600 members of the National Guard, and more than 2,400 federal employees. Many workers faced potential exposure to weathered oil, oil byproducts, dispersants, cleaning

products, and other chemicals used in the cleanup process. Depending on their assignments, these workers also faced potential hazards from extreme heat, slips, falls, material handling, electrical hazards, and more. OSHA initiated outreach to scores of community organizations representing a wide range of workers and to employers providing the clean up services. OSHA distributed over 50,000 health and safety publications in three languages to workers in the Gulf. In addition, OSHA worked closely with employers, including BP, to ensure that workers had the appropriate protective equipment, adequate training, and information about heat stress in particular. The result was a remarkably safe experience for the workers participating in the clean-up effort.

Of special note, when I came before you last year, I reported on the largest fine in the history of OSHA levied on BP. I have an important update on that case. Since OSHA issued the BP fine – which it issued only after it found that the company had not fulfilled its promise to abate hazardous conditions after a horrendous and preventable accident at its Texas City Refinery that killed 15 workers – OSHA has been working closely with BP to reform its safety practices at the refinery. As part of the settlement of a large portion of the BP fines, OSHA and BP agreed on specific steps that BP would take by March of 2012 to address the safety hazards at its facility and reform its safety practices. In addition, the settlement allows OSHA to monitor BP’s compliance to see that it eliminates the types of conditions that caused the disaster. I consider this agreement a model of how OSHA can work with business to transform the culture of safety for the benefit of all involved

Another way OSHA is working with business to reform the culture of safety is through its Alliance and compliance assistance programs. As many of you probably already know, the President’s budget for 2012 requests continued funding for the Voluntary Protection Program – a welcome development in the business community. OSHA will also continue to fully support its On-site Consultation Program. I hope you have all heard from small businesses in your districts that have benefited from this program. In 2010, more than 26,000 small and medium-sized businesses that employ over 1.5 million workers received on-site assistance from OSHA’s On-site Consultation Program free of charge.

These cooperative programs and outreach efforts are providing the Agency with information on safety and health practices and improve our ability to communicate with industry and hard-to-reach workers. As a result, OSHA is able to operate more effectively and responsively.

In addition to the comprehensive economic feasibility reviews we conduct, OSHA has taken several steps in recent weeks to enhance our dialogue with small business about the impact of OSHA regulations. For example, in response to the concerns raised by the small business community to OSHA’s proposal to reinstate an additional step for recording musculoskeletal disorders on the OSHA injury logs, OSHA temporarily withdrew the proposal from Office of Management and Budget (OMB) review, and it is now working with the Small Business Administration’s Office of Advocacy to meet with small business owners and other stakeholders to discuss their concerns. OSHA’s focus – protecting workers on the job – will never change, but we are open to talking to all who have good ideas about how to get there.

While we work with the business community on minimizing the regulatory burden, I want you all to know that OSHA will continue to aggressively enforce our safety and health laws against those employers who refuse to play by the rules and who put profits above their workers' lives. Often, strong enforcement is the only option to get the attention of recalcitrant employers. Moreover, strong enforcement protects business by creating a fair market for them to compete in. The vast majority of employers in our nation care deeply for their employees and spend their hard-earned revenue on running a safe workplace. We cannot sit by while they are forced to compete with employers who unlawfully cut corners on safety.

OSHA took action when workers in Pennsylvania were put at risk while working for CA Franc Construction in Washington, PA – a roofing contractor who refused to take even the most rudimentary steps to protect its workers. CA Franc repeatedly refused to allow workers to use fall protection when they worked on steeply pitched roofs. In 2010, employee Carl Beck fell to his death. He was 29 years old and left behind two children. It must have caused Mr. Beck's family endless anguish and grief to know that fall protection equipment was available on the roof with Mr. Beck, but the owner of CA Franc would not let him use it. OSHA issued citations to CA Franc for its egregious violation, and the owner pled guilty to a criminal charge related to Mr. Beck's death.

You can be sure that going forward, OSHA will continue to protect your constituents from these kinds of hazards, while working with employers in your districts who want to play by the rules.

The dangers of mining are well documented. However, we should not and must not accept a certain number of fatalities in our nation's mines every year as inevitable. The heart-breaking events at Massey Energy Company's Upper Big Branch (UBB) mine in Montcoal, West Virginia last year, remind us that we must stand firmly and defend the right of every single miner to a safe and healthy workplace, in recognition of our commitment to the principle that they need not risk their lives each day for a paycheck at the end of the week.

The past year at MSHA has been an extraordinarily challenging one. I am, however, immensely proud of the work that our Assistant Secretary Joe Main and the whole team at MSHA have done to both respond to the UBB disaster and to continue the critical day-to-day work of the agency. All of us at the Department of Labor appreciate the support that we received from my good friend George Miller as Chairman of this Committee at the time of the disaster and in its aftermath. In addition, we appreciate the recent comments from you, Chairman Kline, recognizing the steps that MSHA has taken to strengthen enforcement since last April 5th.

MSHA has undertaken extraordinary measures to ensure that it is using every tool at its disposal to reform the behavior of repeat violators. Since April 2010, MSHA has conducted more than 200 impact inspections across the country. These inspections target mines that merit increased agency attention and enforcement due to their poor compliance history or particular compliance concerns. The results of these impact inspections are cause for serious concern. While some of the operators pursued in our impact inspections have taken remedial actions to clean up their operations, MSHA continues to issue citations to a significant number of these operators for violations of the most basic and necessary safety standards. The results of the inspections

demonstrate that despite MSHA's stepped up efforts and the memory of the UBB tragedy, intransigence persists in some corners of the mining industry.

Last year, for the first time, MSHA sought a federal court injunction under Section 108(a)(2) of the Mine Act. The lawsuit was filed against Freedom Energy Mining Company's Mine No. 1 in Kentucky. The egregious conditions in that mine led us to believe that the mine operator was engaged in a pattern of violation of the mandatory safety and health standards under the Mine Act, which constituted a continuing hazard to miner health and safety. In fact, the operator of the mine agreed that it could not comply with health and safety standards at that mine and ended production at the mine. The lawsuit was successfully resolved when MSHA and Massey, the Freedom Energy operator, agreed to a court order that requires Massey to ensure the safety of miners during the shutdown process and protects the livelihood of the displaced Freedom miners.

MSHA has also revamped the Pattern of Violation (POV) program to make it more effective and recently published a Notice of Proposed Rulemaking to make additional changes in the POV process. In addition, MSHA is moving forward with measures to improve rock dust standards to prevent explosions and to encourage operators to find and fix violations before they harm miners. We are using the funds provided to the Department in the supplemental appropriations bill to reduce the backlog of contested cases before the Federal Mine Safety and Health Review Commission.

Looking forward, I can assure you that MSHA will continue its impact inspections and its strategic and comprehensive use of all of its enforcement powers. Furthermore, in 2011, we will conclude the investigation into the cause of the UBB disaster and will share whatever additional lessons that tragedy has to teach us. We have learned much already, from our post-UBB efforts, and first and foremost, have learned that if we want to truly change the behavior of the worst of the worst in the mining industry, as I am sure we all do, MSHA needs additional tools. This Committee has a proud history of standing up for miners and being a vigilant protector of their safety and health. I look forward to working with all of you in the coming year on using the lessons of UBB to give MSHA the tools it needs to better protect miners.

Finally, I would be remiss if I did not bring the Committee up to date on MSHA's campaign to finally end the scourge of black lung disease in coal country. Last year, MSHA published a proposed rule to reduce miners' exposure to respirable coal mine dust. This year, MSHA is moving forward with public hearings on the proposed rule and will continue its comprehensive strategy to end Black Lung which, along with the proposed rule, includes enhanced enforcement, collaborative outreach and education and training to help prevent this terrible disease.

Securing Retirement and Health and Welfare Benefits

My definition of a good job encompasses not only fair pay and safe conditions, but also fair benefits and a secure retirement. The Department's Employee Benefits Security Administration (EBSA) works to protect the security of retirement and other employee benefits for America's workers, retirees and their families and to support the growth of our private benefits system. In fulfilling that role, EBSA oversees approximately 708,000 private sector retirement plans, approximately 2.8 million health plans, and a similar number of other welfare benefits plans that

provide benefits to approximately 150 million Americans. These plans hold over \$5 trillion in assets.

This year, EBSA took many important steps to help the many who fear that they will never achieve a secure retirement. For those Americans who must rely on 401(k)-type plans to finance their retirements, the Department proposed a new rule to improve the transparency of 401(k) fees to ensure that their hard-earned savings are not unwittingly being eroded by unreasonable fees. In addition, we extended a helping hand to workers and retirees who need better information about how to manage their plan investments. Our proposed rule on investment advice will make the whole process of choosing investments more transparent and comprehensible. We hope to make these rules final in 2011.

When your constituents' hard earned retirement savings or other benefit plan assets are put at risk, EBSA's enforcement resources are put to work. In 2010, EBSA had tremendous success in protecting employee benefits through both civil and criminal enforcement actions. EBSA achieved total monetary results in Fiscal Year 2010 of \$1.05 billion. Although EBSA always tries to pursue voluntary compliance or civil enforcements actions first, when necessary we will use our criminal authority. In 2010, EBSA closed 281 criminal investigations that led to the indictment of 96 people.

In fact, this year EBSA initiated a Criminal Enforcement National Project to target the worst abusers of the trust given to those who administer benefit plans. The Project pursued people like Gary Merritt, Vice President of Bemcore, Inc., a company located in Ohio. When a Bemcore employee left the company and sought to move the balance of his 401(k) account at Bemcore to an IRA, Mr. Merritt instead deposited this employee's life savings into a Bemcore account and then spent the money. Mr. Merritt pled guilty to one count of embezzlement.

As with all of our worker protection agencies, EBSA tries to finely calibrate the type of action needed. Our Office of Participant Assistance is dedicated to providing compliance assistance, education and outreach for workers, retirees and their employers. In 2010, our Benefits Advisors helped more than 370,000 participants and employers and recovered over \$164 million through informal negotiations. One example in Chairman Kline's home state of Minnesota shows how Benefits Advisors are helping your constituents. When a resident of Northfield, Minnesota contacted our Benefits Advisors about his employer's denial of his application for the COBRA subsidy provided for in the Recovery Act, the Benefits Advisor brought together the participant and the employer to work out the problem. The Benefits Advisor was able to determine that the denial was inadvertent – due to an administrative error. Together they fashioned a solution that allowed the participant to apply his overpayment to future premiums. EBSA will continue to protect your constituents as zealously in the coming year using all of our tools – from compliance assistant to criminal enforcement – according to the common sense of our professionals.

I also intend to continue to look at issues facing defined benefit plans and proposals to help these plans keep their commitments to workers and retirees. Defined benefit plans play a critical role in the retirement security of millions of Americans by providing workers the ability to have a secure and dignified retirement. The President's Budget proposes to strengthen the defined

benefit system by shoring up the solvency of the Federal agency that acts as a backstop to protect pension payments for workers whose companies have failed. More than 1.5 million workers and retirees already look to the Pension Benefit Guaranty Corporation (PBGC) for their benefits and PBGC insures plans covering 40 million others. The Budget would give the PBGC Board the authority to adjust premiums and direct PBGC to take into account the risks that different sponsors pose to their retirees and to PBGC. This will both encourage companies to fully fund their pension benefits and ensure the continued financial soundness of PBGC.

Enhancing Accountability

Another top priority for the Department in the upcoming year is to continue our commitment to the highest level of accountability. I see three main facets to our commitment to accountability: transparency, evidence-based decision making, and fiscal responsibility. In his State of the Union address, the President made clear that now is the time to make the hard choices to reduce our deficit without sacrificing the investments we need to win the future. Through smart budget choices and rigorous program evaluations, we can ensure that public funds are being used wisely and effectively.

Our commitment to transparency can best be seen in how we set our strategic plan and regulatory agenda. We embarked this year on an unprecedented outreach effort to inform our strategic planning process. We directly engaged Congress, our career staff, stakeholders, and the general public in the process. This outreach effort was multi-layered – not just posting a one-time notice. We conducted listening sessions in the field, held web chats, posted the draft Strategic Plan on our website, and solicited public comments to a dedicated email address. In addition, our staff sat with congressional staff to talk through an early draft of the plan and invite their input into the process. These efforts started early and continued throughout the strategic planning process. The result is strategic goals that are about workers, accountability, and doing what works. These goals reflect the desires of the American people and they guide everything we do.

There has been much in the news lately about the efficiency of the regulatory process and the wisdom of particular regulations. I have no doubt we will this morning and in the future have a healthy debate about the Department's regulatory agenda and particular regulations we have promulgated. I welcome that exchange. What is beyond debate, however, is the extent of our efforts to engage a wide swath of the public in our regulatory process. The Department of Labor goes above and beyond the requirements of the Administrative Procedure Act to ensure that the public has a voice in our process. We are the only Department in the Executive Branch that has held public webchats for every regulatory agenda we have published in this Administration. To date, more than 17,400 people have participated in our webchats. That includes reporters, advocates for workers, business owners, and congressional staff. During these chats, the public has a chance to pose hard questions directly to our Assistant Secretaries about why they are or are not proposing to regulate in a particular manner. Anyone who tells you that we only talk to one segment of society or our doors are closed to a certain group is not paying attention.

We are not afraid of scrutiny at the Department of Labor. That is because we are constantly scrutinizing ourselves. We have adopted a rigorous self-evaluation program of which I am extremely proud. By using data and evidence to drive our budget development and program

planning, while constantly evaluating the impact and outcomes of our work, we ensure that our collective efforts are as effective as possible. This year, we have brought on board a Chief Evaluation Officer, Jean Grossman. Dr. Grossman is helping us plan and design rigorous evaluations to measure the impact of our programs and build knowledge of what works and what doesn't. She is also working closely with our program offices to make sure evaluation and data collection are carefully considered as we execute our programs.

We are emphasizing outcome measures that will tell us by how much we are actually improving the lives of American workers. For example, our worker protection agencies will now focus on developing strategies that leverage our interventions to create a deterrent effect, reporting on compliance levels for all workplaces covered by our laws, not just those that are investigated in a given year, and looking for evidence that workers are in fact safer each year.

In addition, we are not assuming that just because we have done something before it is necessarily the best way to accomplish our goals. We are committed to improving how we do our job. That is why the President's budget includes almost \$300 million in Labor's budget for the Workforce Innovation Fund, which would be funded through 8 percent set-asides from the Youth, Dislocated Worker, Adult, and Employment Service formula programs. Programs within the Department of Education would also contribute to the Innovation Fund with the goal of promoting collaboration and the development of bold systemic reforms to improve program delivery and outcomes for individuals. If our Innovation Fund grantees can find better ways to achieve our workforce training and education goals, we will happily adapt our programs to take advantage of these new ideas.

Accountability also means being cognizant of the difficult budgetary times in which we find ourselves. As I have mentioned, I have sat where you now sit so I know how seriously you take your responsibility to ensure that the Executive Branch is wisely spending the money you vote to give us. We have looked for duplication in our programs and cut where necessary. For example, last year we eliminated the Employment Standards Administration, which created an unnecessary layer of bureaucracy and interfered with the effectiveness of its component programs. The President's budget includes many difficult choices. The funding of the Workforce Innovation Fund is an example of having to make tough choices. When first proposed in the FY 2011 budget, these innovations were largely funded by additions to the budget. This year, the proposal is largely financed out of current resources, by shifting resources from an underutilized, slower-spending set-aside within the Workforce Investment Act (WIA). In this way, we are putting our money where our beliefs are.

Tough budget times also require that we look for more and better partners in our work to leverage and align resources to support working families. ETA is leading our efforts in this area. ETA will work closely with the Department of Education in particular to ensure that training and education policies and procedures are coordinated to help students and workers access all the services they need to obtain good jobs and avoid any duplication of effort between the two Departments. We also are working with the Departments of Health and Human Services, Interior and Agriculture on new opportunities for disadvantaged youth for summer employment that open up pathways to further education and career success. ETA also has an active partnership with DOE's Office of Energy Efficiency and Renewable Energy. Together

these offices are leveraging investments made in information technology to help workers address the mismatch between skills needed and the skills available in the workforce by accessing sophisticated online training. Partnerships must not only be at the federal level, and so we are also working closely with partners at every level of the workforce system. For example, through a collaborative federal-state workgroup, ETA has developed a new vision and framework for connecting UI claimants to workforce services and getting them back to work as soon as possible.

Moving Forward Together

As I mentioned at the outset, I believe the American people are counting on us to work together. I hope in my testimony you will find many areas where we can all agree that the Department is doing its job of training and protecting American workers and leveling the playing field for employers who play by the rules. In addition, I believe that there are legislative areas in which we can come together to improve the Department's programs.

Reauthorization of the Workforce Investment Act remains at the top of my list of legislation that should be able to garner bipartisan support. It has in the past and it should again in the current Congress. The reauthorization process presents a unique opportunity to promote innovation in the public workforce system, build on its strengths, and address its challenges. We can help more workers gain a foothold in the middle class by making sure that they have the skill set to succeed in the 21st Century. The Administration's goals for the reauthorization of the WIA include:

- 1) Streamlining service delivery – providing easy access and clear information to individuals and employers in need of service;
- 2) One-stop shopping for high quality services – One-Stop Career Centers should provide access and referral to comprehensive employment, training, and education services across different programs and better utilize technology to improve customer service;
- 3) Engaging employers on a regional and sectoral basis – training programs are often most effective when they are developed on a regional basis reflecting the labor market or on a sectoral basis focusing on a particular industry;
- 4) Improving accountability – performance measures must be designed to hold programs accountable for better results, without creating incentives to deny services to those most in need of assistance, and results should be made available in a transparent way to all; and
- 5) Promoting innovation – WIA should promote the funding of new and creative practices and support the replication of those practices that are successful throughout the workforce system.

We stand ready to provide assistance to the members of this Committee from both parties as you move forward with your efforts in this area.

As I mentioned earlier, I believe that we can find a way to pass a bipartisan mine safety bill. It has been done before and we owe it to the memory of the lost UBB miners, their families, and those who go into the mines every day to do it again. The full resources of MSHA and my office are available for any assistance we can provide.

Conclusion

We at the Department of Labor come to work every day to do our best to create economic opportunities for the American people. I hope I have shown you that we are making a difference in the lives of your constituents and workers throughout the country. We are:

- Providing job seekers the skills necessary to land good paying jobs of the future and linking employers looking to hire with Americans looking for work;
- Ensuring that every employer takes responsibility for the safety and health of all their workers and leveling the playing field for employers who want to do the right thing; and
- Fighting to make sure that workers are paid the hourly and overtime wages they have earned, that they do not encounter discriminatory barriers to work, and that they get the health and retirement benefits for which they bargained for.

These goals may seem basic and modest, but for American workers they mean a life of dignity and security. We will undoubtedly have a vigorous debate about how best to achieve these goals, but if we can agree that we all want to end up in the same place – in a country with a robust economy that works for everyone – our debate will be constructive and civil. I look forward to working with you and together ultimately ensuring good jobs for American workers.