COMMITTEE ON EDUCATION & WORKFORCE
CHAIRMAN TIM WALBERG

COMMITTEE STATEMENT

Opening Statement of Rep. Ryan Mackenzie (R-PA), Chairman
Subcommittee on Workforce Protections
FECA Reform and Oversight: Prioritizing Workers, Protecting Taxpayer Dollars
May 6, 2025

(As prepared for delivery)

Today's hearing is about examining the *Federal Employees' Compensation Act* (FECA), a more than a century-old law, to consider how it might be improved to benefit injured federal workers while also protecting taxpayers from waste, fraud, and abuse. Enacted in 1916, FECA provides workers' compensation benefits to approximately 2.6 million civilian federal employees, employees of entities wholly owned by the United States (including the U.S. Postal Service), and volunteers with Volunteers in Service to America and the Peace Corps.

The FECA program is administered and adjudicated by the Department of Labor's (DOL) Office of Workers' Compensation Programs. Through this program, DOL provides benefits to individuals who sustain an injury or illness in the performance of duty anywhere in the world. Such benefits include wage replacement, reasonable and necessary medical

treatment related to the injury, vocational rehabilitation and job placement assistance for disabled workers, compensation for the permanent impairment of limbs and use of body systems, and compensation for survivors of employees due to a work-related death.

In Fiscal Year 2024, there were more than 86,000 new FECA cases. From July 1, 2023, to June 30, 2024, the program provided more than $2.9 billion in benefits to more than 178,000 workers and survivors for work-related injuries or illnesses. Of these benefits payments, approximately $2 billion was for wage-loss compensation, $843 million for medical and rehabilitation services, and $143 million for death benefits payments to surviving dependents.

However, FECA is widely considered to be in need of updating, with the last meaningful changes made more than 50 years ago. Critics of the existing program have argued that it is susceptible to waste, fraud, and abuse and that it is overly generous, as many beneficiaries remain on the program well into retirement.

The need for reforming FECA has long been recognized by the presidential administrations from both parties, with the Clinton, George W. Bush, Obama, and first Trump administrations making reform proposals. While these administrations have differed on many matters,

they agreed on many reforms to benefit FECA recipients. Such reforms include making the wage-loss compensation level uniform for all beneficiaries, permitting physician assistants and nurse practitioners to approve claims for FECA benefits, and allowing DOL to communicate with the Social Security Administration to review claimants' employment and wage information.

Federal workers and taxpayers deserve a more efficient and effective program. Working together in a bipartisan fashion, we can create comprehensive changes to ensure the FECA program is meeting the needs of workers and taxpayers. Creating a program that prevents abuse by bad actors, reflects the realities of the 21st century, and provides adequate support to workers is the end goal.

I look forward to hearing from today's witnesses about their perspectives on FECA and discussing their recommendations about reforming this important program.

With that, I yield to the Ranking Member for an opening statement.