DEPARTMENT OF LABOR

Since 2001, the Administration:

- Strengthened the pension system to ensure that Americans have a secure retirement;
- Posted the strongest-ever worker protection enforcement results;
- Revised outdated regulations in order to better protect workers by strengthening overtime protections and improving the transparency of labor union finances;
- Published the first-ever regulations explaining the reemployment rights and protections for National Guard, Reserve, and active duty servicemembers serving in the War on Terror and elsewhere around the world;
- Removed barriers to the participation of faith-based and community organizations in grant programs; and
- Created programs to bring community and technical colleges, employers, and job-seekers together to prepare workers for high growth jobs. To date, these programs have prepared 51 thousand workers for high-growth jobs.

The President's 2008 Budget:

- Protects workers' safety, health, pay and benefits through strong enforcement of the Nation's labor laws;
- Expands training opportunities to more workers by streamlining the job training system to better prepare workers to compete for 21st Century jobs;
- Safeguards workers' pensions by assuring the long-term solvency of the Federal pension insurance system; and
- Reduces improper Unemployment Insurance payments and Unemployment Insurance tax evasion.

FOCUSING ON THE NATION'S PRIORITIES

Protecting Workers

The President's 2008 Budget builds upon the Department of Labor's (DOL's) successes in advancing worker protections, providing $1.5 billion to ensure that DOL meets its responsibilities under more than 180 worker protection laws. Since 2001, increased productivity in the Department's Employment Standards Administration has resulted in record-level recoveries of back wages, improved employer compliance with wage laws, and increased transparency of union finances.

Ensuring the safety of the Nation's workplaces is a key part of DOL's mission. While workplace fatalities are at historically low levels, more work remains. 2006 was a deadly year in mining, with 47 fatalities in the coal industry—the most since 1995. To address these problems and implement improvements in the MINER Act, the President's Budget includes a $36 million, or 13-percent, increase for the Mine Safety and Health Administration (MSHA) to strengthen enforcement—particularly in the Nation's more than two thousand coal mines. This increase will allow MSHA to retain the 170 additional coal enforcement personnel that were hired with 2006 supplemental funding.

Reforming the Job Training System

The 2008 Budget again proposes job training reforms that will give States more flexibility to deliver workforce services tailored to their unique needs and focus resources on training workers instead of supporting bureaucracy. The reforms will consolidate several similar programs, cut Federal red tape, limit amounts spent on overhead, and create Career Advancement Accounts—worker-directed accounts that give workers the resources necessary to increase their skills and better compete for 21st Century jobs. The President's job training reform proposal would significantly increase the number of workers receiving training while saving taxpayer dollars.

Strengthening the Link Between Training and Jobs in Demand

Over the last several years, the Administration has made the Nation's workforce investment system more responsive to the needs of workers and employers. The 2008 Budget continues these important initiatives. The Budget requests $150 million for Community-Based Job Training Grants, which help community colleges and related organizations expand their capacity to train workers for jobs that are in demand in local economies. Since 2005, the program has provided grants of $250 million—funds that will be used to train an estimated 100,000 workers. Complementing this program is the High Growth Job Training Initiative, which supports partnerships of training providers, employers, and the public workforce investment system that commit to training workers for jobs in high growth industries like biotechnology and health care. Since its inception, the program has trained approximately 51,000 workers, and a total of 128,000 are expected to be trained by 2008.

Safeguarding Worker Pensions

The Pension Benefit Guaranty Corporation (PBGC) protects the defined-benefit pension plans of 44 million Americans against losses that may occur when a plan terminates. When underfunded pension plans terminate, PBGC assumes responsibility for paying the insured benefits. More than 620,000 workers and retirees now receive their benefits from PBGC. The recent termination and anticipated terminations by U.S. businesses of large pension plans have put a strain on the pension insurance system and impose an increasing burden on employers who sponsor healthy pension plans.

In his 2007 Budget, the President proposed comprehensive pension reform to strengthen protections for the pensions upon which American workers rely. The Congress responded by passing, with bipartisan support, the Pension Protection Act. The Act made significant structural reforms to the retirement system, but further premium changes are needed to address the $19 billion gap between PBGC's liabilities and its assets. Although PBGC will be able to pay benefits for some years to come, it is projected to be unable to meet its long-term obligations under current law. If there is not enough money in the system to cover worker benefits, taxpayers are at risk for having to cover the shortfall.

The 2008 Budget reflects the President's continued commitment to restoring the solvency of the pension system by proposing to adjust insurance premiums paid by underfunded pension plans. PBGC premiums are currently far lower than what a private financial institution would charge for insuring the same risk. These reforms would improve PBGC's financial condition and safeguard the future benefits of American workers.

Reducing Improper Unemployment Insurance Benefit Payments and Enhancing Unemployment Tax Integrity

The Unemployment Insurance (UI) program, a joint Federal-State partnership funded through employer payroll taxes, provides monetary benefits to eligible workers who become unemployed through no fault of their own. Despite States' efforts to reduce improper payments, over $3.3 billion in benefits were mistakenly paid in 2006. The Administration proposes a package of legislative changes that would reduce UI improper payments by $4.8 billion and reduce employer tax evasion by almost $400 million over 10 years. The legislative proposal would:

- Impose a penalty for UI benefit overpayments resulting from fraud;
- Enlist private collection agencies in the recovery of fraud overpayments;
- Penalize employers when their repeated inactions lead to overpayments to former employees;
- Collect delinquent benefit overpayments and unemployment taxes through garnishment of Federal income tax refunds;
- Boost States' resources to go after benefit overpayments and UI tax evasion by allowing them to use a portion of recovered funds on fraud and error reduction; and
- Decrease benefit overpayments by providing more accurate date-of-hire information in State and national new hire directories so that States can quickly stop unemployment benefit payments to those people who have gone back to work.

Department of Labor
(In millions of dollars)

	2006 Actual	Estimate 2007	Estimate 2008
Spending			
Discretionary Budget Authority:			
Training and Employment Services: [1]			
Existing law	4,931	5,254	4,155
Legislative proposal	—	—	745
Unemployment Insurance Administration	2,508	2,508	2,561
Employment Service/One-Stop Career Centers: [1]			
Existing law	850	846	778
Legislative proposal	—	—	–745
Community Service Employment for Older Americans	432	432	350
Bureau of Labor Statistics	537	537	574
Occupational Safety and Health Administration	472	472	490
Mine Safety and Health Administration	278	278	313
Employment Standards Administration	411	411	448
Employee Benefits Security Administration	134	134	147
Veterans' Employment and Training	222	223	228
Departmental Management	231	231	252
Bureau of International Labor Affairs	73	73	14
Office of Disability Employment Policy	28	28	19
All other	195	271	240
Total, Discretionary budget authority	11,302	11,697	10,569
Memorandum: Budget authority from enacted supplementals	*167*	—	—
Total, Discretionary outlays	11,902	12,106	11,437
Mandatory Outlays:			
Unemployment Insurance Benefits	31,275	31,994	34,238
Trade Adjustment Assistance	764	837	889
Pension Benefit Guaranty Corporation [2]	–2,618	316	1,115
Black Lung Benefits Program: [3]			
Existing law	1,377	1,371	1,344
Legislative proposal	—	—	2,315
Federal Employees' Compensation Act:			
Existing law	68	196	93
Legislative proposal	—	—	–9
Energy Employees Occupational Illness Compensation Program Act	1,017	1,112	1,368

Department of Labor—Continued

(In millions of dollars)

	2006 Actual	Estimate	
		2007	2008
H–1B Training and Foreign Labor Certification Administration:			
Existing law	66	177	157
Legislative proposal	—	—	65
All other	–684	–661	–708
Total, Mandatory outlays	31,265	35,342	40,867
Total, Outlays	43,167	47,448	52,304
Credit activity			
Direct Loan Disbursements:			
Pension Benefit Guaranty Corporation	87	93	93
Total, Direct loan disbursements	87	93	93

[1] 2008 reflects the Administration's proposal to merge four grant programs and create Career Advancement Accounts.

[2] Net mandatory outlays are negative when offsetting collections exceed outlays. The Budget proposal to increase premiums for unfunded pension plans would have no outlay effects until 2009.

[3] 2008 reflects the Black Lung debt refinancing, which includes a one-time payment to Treasury. There is no Government-wide budgetary effect until 2014, when the excise tax rates would be extended.