



DEPARTMENT OF LABOR

Highlights:

- The Department of Labor (DOL) fosters the well-being of wage earners, job seekers, and retirees.
- Given the budget constraints the Nation faces after decades of reckless spending, and the current need to rebuild the Nation's military without increasing the deficit, the Budget focuses DOL on its highest priority functions and disinvests in activities that are duplicative, unnecessary, unproven, or ineffective. The Budget also takes steps to reorganize and modernize the Agency's operations so scarce taxpayer dollars are spent well.
- The Budget requests \$9.4 billion for DOL, a \$2.6 billion or 21-percent decrease from the 2017 enacted level.

The President's 2019 Budget:

DOL promotes the well-being of American workers, job seekers, and retirees by helping them improve their skills, find work, and get back on their feet after job loss, injury, or illness, as well as safeguarding their working conditions, health and retirement benefits, and wages. Workers are the backbone of the American economy, and the Nation needs a skilled and productive workforce to keep its economy growing. The Budget improves the quality of life for all workers by making targeted, evidence-based investments to help workers get ahead and by eliminating duplicative, wasteful, and non-essential activities.

Building a Highly Skilled and Competitive Workforce

Expands Access to Apprenticeship. The Budget invests \$200 million in apprenticeships, a proven earn-while-you-learn strategy that equips workers with the skills they need to fill open, high-paying jobs. Apprenticeship is a great solution for employers looking for a skilled workforce and workers looking for an affordable path to a secure future, yet currently only

"Not only will our apprentices transform their lives, but they will also transform our lives in the truest sense. Today's apprentices will construct the roads and bridges that move our citizens, they will bend the metal and steel that shape our cities, and they will pioneer the new technology that drives our commerce."

President Donald J. Trump
June 15, 2017

550,000 individuals—less than half of one percent of the workforce—participate in apprenticeships each year. As part of implementing the President’s Executive Order “Expanding Apprenticeships in America,” the Department is establishing a new industry-recognized apprenticeship system to modernize and expand the U.S. approach to apprenticeships. DOL is working to empower employers, educational institutions, labor-management organizations, trade associations, States, and other third parties to collaborate to create new, industry-driven apprenticeship solutions. The Department is also pursuing ways to expand apprenticeship opportunities in high-growth sectors where apprenticeships are underutilized, including healthcare, information technology, and advanced manufacturing.

Develops a Plan to Reorganize and Consolidate the Nation’s Workforce Development Programs. The Federal Government has more than 40 workforce development programs spread across 14 agencies with a total annual cost of approximately \$17 billion. Despite changes in the recent reauthorization of the Workforce Innovation and Opportunity Act, the system remains fragmented at the Federal level, perpetuating unnecessary bureaucracy and complicating State and local efforts to meet the comprehensive needs of Americans seeking workforce-related services. The Secretaries of Labor and Education, who administer most of the programs, are working on a comprehensive plan to consolidate and reorganize Federal workforce development programs to ensure that American workers receive the highest quality services possible and are prepared to fill the high-growth jobs of today and tomorrow. The plan will be released as part of a spring 2018 Government reorganization package.

Reforms Job Corps. Job Corps trains and educates approximately 50,000 disadvantaged youth at 125 primarily residential centers across the United States. The Budget takes aggressive steps to improve Job Corps for the youth it serves by: closing centers that do a poor job educating and preparing students for jobs; focusing the program on the older youth for whom the program is more effective; improving center safety; and making other changes to sharpen program quality and efficiency. As part of this reform effort, the Budget ends the Department of Agriculture’s (USDA) role in the program, unifying responsibility in DOL. Workforce development is not a core USDA role, and the 26 centers it operates are overrepresented in the lowest performing cohort of centers. The Budget also announces other reforms to the program, including shifting the outreach and admissions function to States and piloting the use of cooperative agreements with non-profits that have expertise in serving youth to operate centers. These reforms would save money and improve results by eliminating ineffective centers and finding better ways to educate and train youth.

Modernizing the Unemployment Safety Net to Emphasize Work

Reduces Waste, Fraud, and Abuse While Getting Claimants Back to Work More Quickly. The Budget expands Reemployment Services and Eligibility Assessments, an evidence-based activity that saves an average of \$536 per claimant in unemployment insurance (UI) benefit costs by reducing improper payments and getting claimants back to work more quickly and at higher wages. The Budget proposes to create a permanent program that would allow each State to provide these services to one-half of its UI claimants as well as all of its transitioning servicemembers. The Budget also reduces waste, fraud, and abuse in the UI program with a package of program integrity proposals. These proposals would require States to use the tools already at their disposal for combatting improper payments while expanding their authority to spend certain UI program funds on activities that reduce waste, fraud, and abuse in the system.

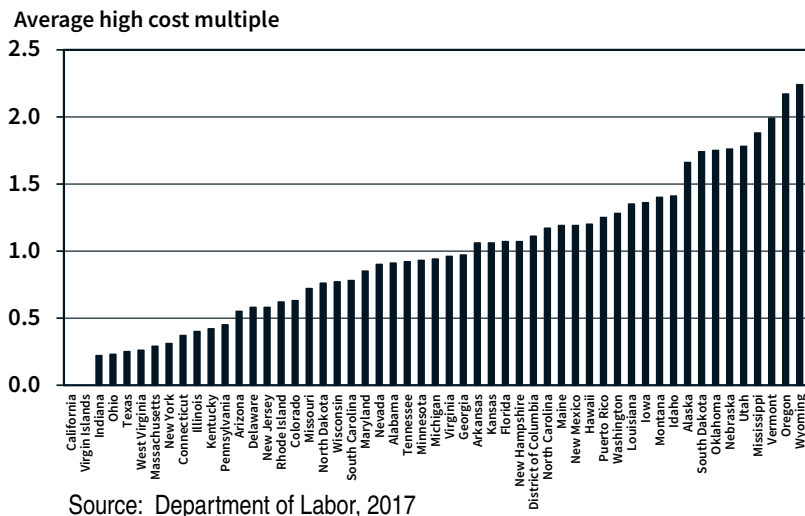
Focuses Trade Adjustment Assistance on Apprenticeship and Other Work-Based Training. The Trade Adjustment Assistance (TAA) program, which provides cash benefits and training to workers who have been displaced by international trade, is in need of reform. A rigorous 2012 evaluation of the program demonstrated that workers who participated in the program had lower earnings than

the comparison group at the end of a four-year follow-up period,¹ in part because they were more likely to participate in long-term job training programs rather than immediately reentering the workforce. However, this training was not targeted to in-demand industries and occupations—only 37 percent of participants became employed in the occupations for which they trained. The Budget proposes to refocus the TAA program on apprenticeship and on-the-job training, earn-as-you-learn strategies that ensure that participants are training for relevant occupations. States would also be encouraged to place a greater emphasis on intensive reemployment services for workers who are not participating in work-based training, getting those workers back into the workforce more quickly.

Strengthens the Unemployment Safety Net.

States are responsible for funding the benefits they provide under the State-administered UI program. In order to avoid raising taxes on employers in the middle of a recession, States should build balances that would allow them to cover benefits when unemployment spikes. Despite years of recovery since the Great Recession, many States’ UI accounts are still not adequately financed—as of September 30, 2017, only 24 States had sufficient reserves to weather another recession. The Budget pro-

Unemployment Insurance Reserves by State



Source: Department of Labor, 2017

poses to strengthen the incentive for States to prepare for the next recession and adequately fund their UI systems by reducing Federal tax credits in States with particularly low reserve balances.

Protecting American Workers

Secures Safe and Healthy Workplaces. The Budget maintains targeted investments in the Occupational Safety and Health Administration (OSHA) and Mine Safety and Health Administration aimed at preventing worker fatalities, injuries, and illnesses through enforcement, outreach, and compliance assistance. The Budget increases OSHA Federal Compliance Assistance to assist employers who want help protecting their workers through cooperative programs.

Makes Health Insurance More Affordable for Small Businesses. The President’s Executive Order “Promoting Healthcare Choice and Competition Across the United States” directed the Secretary of Labor to expand access to health coverage by allowing more employers to form Association Health Plans (AHPs), arrangements under which small businesses may band together to offer competitive and affordable health insurance to their employees. The Budget supports this initiative by increasing funding for the Employee Benefits Security Administration to develop policy and enforcement capacity to expand access to AHPs.

¹ <https://www.mathematica-mpr.com/our-publications-and-findings/publications/the-evaluation-of-the-trade-adjustment-assistance-program-a-synthesis-of-major-findings>

Rebuilds DOL's Role in Overseeing Union Integrity. To help safeguard labor union democracy and financial integrity, the Budget takes steps to restore the Office of Labor-Management Standards' investigative workforce, which has fallen by more than 40 percent during the past 10 years. The Budget would strengthen protections for union members by supporting more audits and investigations to uncover flawed officer elections, fraud, and embezzlement.

Protects Americans' Pensions. The Pension Benefit Guaranty Corporation's multiemployer program, which insures the pension benefits of 10 million workers, is at risk of insolvency by 2025. As an important step to protect the pensions of these hardworking Americans, the Budget proposes to add new premiums to the multiemployer program, raising approximately \$16 billion in premiums over the 10-year window. At this level of premium receipts, the program is more likely than not to remain solvent over the next 20 years, helping to ensure that there is a safety net available to workers whose multiemployer plans fail.

Reforms the Federal Employees' Compensation Act. The Budget proposes to reform the Federal Employees' Compensation Act program, which provides workers' compensation benefits to Federal employees injured or killed on the job and their survivors. The proposed reform would save taxpayer dollars by modernizing program administration, simplifying benefit rates, and introducing controls to prevent waste, fraud, and abuse.

Puts American Workers First. DOL handles the labor certification component of foreign temporary work visa programs, which ensure that American workers are not unfairly displaced or disadvantaged by foreign workers. The certification programs lack a reliable workload-based source of funding, which has created recurring seasonal backlogs for employers and hindered DOL's ability to enforce protections for workers. The Budget proposes to establish fees to create a workload-based funding source and place responsibility for funding this work on the program's users rather than taxpayers.

Supporting Working Families

Provides for Paid Family Leave for New Parents. The Budget invests in a better future for Americans with a fully paid-for proposal to provide six weeks of paid family leave to new mothers and fathers, including adoptive parents, so all families can afford to take time to recover from childbirth and bond with a new child. Using the UI system as a base, the proposal would allow States to establish paid parental leave programs in a way that is most appropriate for their workforce and economy. The Administration looks forward to working with the Congress to advance policies that would make paid parental leave a reality for families across the Nation.

Making Government More Efficient

Tackles Duplication and Inefficiency at the Department of Labor. DOL is acting to implement in-house reforms consistent with the President's directive to reorganize and improve the Federal Government. Many of DOL's administrative activities, including procurement, human resources, financial management, and physical security, are separated across its subcomponents, creating duplication and wasting resources that would be better spent on core mission-related work. As part of its plan, DOL is centralizing these activities to improve oversight, eliminate duplication, save money, and achieve economies of scale. In addition, the Budget gives more tools to DOL's Chief Information Officer to modernize the Department's antiquated information technology systems by reallocating base resources.