



DEPARTMENT OF LABOR

Funding Highlights:

- The Department of Labor (DOL) supports the Nation's wage earners, job seekers, and retirees.
- The Budget focuses DOL on its highest priority functions and restores fiscal discipline by eliminating programs that are duplicative, unnecessary, unproven, or ineffective. The Budget also takes steps to reorganize and modernize the Agency's operations so taxpayer dollars are spent efficiently.
- The Budget requests \$10.9 billion for DOL, a \$1.2 billion or 9.7-percent decrease from the 2019 enacted level.

The President's 2020 Budget:

DOL supports American workers, job seekers, and retirees by providing resources and opportunities to improve their skills, find work, and enter or return to the workforce. The Department also safeguards 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 the economy growing. The Budget improves the quality of life for all workers by making targeted, evidence-based investments to help workers remain competitive in the workforce and by eliminating duplicative, wasteful, and non-essential activities.

Builds a Highly Skilled and Competitive Workforce

Expands Access to Apprenticeship. The Budget invests \$160 million in apprenticeship, a proven earn-while-you-learn strategy that equips workers with the skills they need to fill open, high-paying jobs. The Budget also proposes to increase H-1B fee revenues in order to fund additional apprenticeship activities. Apprenticeship is a great solution for employers looking for a skilled workforce and workers looking for an affordable path to a secure future. 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. In 2018, there were 238,549 new apprentices, a 20-year high. DOL is working to further expand apprenticeships by empowering third party "accreditors" to recognize new, industry-driven apprenticeship programs, focusing on those in high-growth sectors where apprenticeships are underutilized, such as healthcare, information technology, and advanced manufacturing.

Closes the Skills Gap by Training American Workers. The Budget proposes to double the American Competitiveness and Workforce Improvement Act of 1998, as amended, fee for the H-1B

visa program to prepare American workers for jobs that are currently being filled by foreign workers, especially in science, technology, engineering, and mathematics fields. The increased revenue would support DOL's grants to expand apprenticeship and provide additional support for technical skills instruction at the K-12 and community college levels through the Department of Education's Career and Technical Education formula grants.

Moves toward Reorganizing and Consolidating the Nation's Workforce Development Programs.

"[W]e recognize the importance of apprenticeships in helping our country's hardworking people develop the competencies that enable success in today's dynamic, 21st [C]entury economy."

President Donald J. Trump
November 9, 2018

Currently, the Federal Government has more than 40 workforce development programs spread across 15 agencies with a total annual cost of approximately \$18 billion. In its *Delivering Government Solutions in the 21st Century* plan, the Administration proposed Government-wide workforce development program consolidation, streamlining separate programs in order to increase efficiencies and better serve American workers. The Administration looks forward to working with the Congress to achieve this necessary restructuring, and the Budget takes steps in this direction by eliminating programs that are ineffective, unproven, or

duplicative.

Supports America's Veterans. The Budget invests in the Nation's veterans, transitioning servicemembers, and their spouses by better assisting their transitions from active duty to civilian life. The Budget increases funding for the Transition Assistance Program to assist servicemembers in their transition to civilian employment. The Budget also provides funding to support military spouses, who are often required to find new opportunities after their spouse has been relocated. In addition, the Budget provides funding for the Veterans Employment and Training Services' core programs, which help improve skills and provide employment opportunities for veterans across the United States.

Reforms Job Corps. Job Corps educates and provides skills instruction to approximately 50,000 disadvantaged youth at 123 primarily residential centers across the United States. The Budget takes aggressive steps to improve Job Corps for the youth it serves by: improving center safety; empowering new, more effective entities to operate centers; focusing the program on the older youth for whom the program is more effective; and closing centers that inadequately prepare students for jobs. 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 25 centers it operates are overrepresented in the lowest performing cohort of centers. The Budget also proposes new legislative flexibilities that would enable the Department to more expediently close low-performing centers, target the program to groups more likely to benefit, and make the necessary capital investments to ensure successful pilot programs. These reforms would save money and improve results by eliminating ineffective centers and finding better ways to educate and provide skills instruction to youth.

Improves the Delivery of America's Economic Statistics. The Budget recognizes the importance of economic statistics for businesses and everyday citizens to make informed decisions and confidently invest in America's future. The Administration urges the Congress to favorably consider the *Delivering Government Solutions in the 21st Century* plan's recommendation to consolidate within the Department of Commerce critical economic statistics programs at the Census Bureau, the Bureau of Economic Analysis, and the Bureau of Labor Statistics, making agency operations more efficient, improving products, and reducing the burden on respondents, while preserving the Agencies' brand recognition and independence.

Modernizes the Unemployment Safety Net to Emphasize Work

Combats Waste, Fraud, and Abuse in the Unemployment Insurance Program. The Federal-State Unemployment Insurance (UI) program has continually had one of the highest rates of improper payments in the Federal Government. More than 13 percent of the program's payments, representing \$3.7 billion, are paid to individuals that do not meet all of the program's eligibility requirements. The Budget takes aggressive steps to address this problem by providing grants to States to combat the top two root causes of improper payments in their programs. The Budget also reduces waste, fraud, and abuse in the UI program with a package of program integrity proposals. These proposals to combat improper payments are based on tools that States already have at their disposal but would require that States use those tools to spend certain UI program funds on activities that reduce waste, fraud, and abuse in the system. The Budget also supports the UI Integrity Center of Excellence, which is developing a data hub to allow States to access a fraud analytics database to identify fraud as effectively as possible.

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 as a result of 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 in today's competitive workforce. 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.

Protects American Workers

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 consider expanding 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, regulations, and enforcement capacity to enable more employers to adopt the AHP model and expand health insurance access for 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 (MSHA) aimed at preventing worker fatalities, injuries, and illnesses through enforcement, outreach, and compliance assistance. The Budget includes funding for additional OSHA inspectors to conduct more inspections in high-hazard industries and for protecting whistleblowers' rights. The Budget proposes a new budget activity within MSHA, consolidating the Coal Mine Safety and Health and the Metal and Nonmetal Mine Safety and Health budget activities. The new enforcement structure would provide the flexibility to address industry changes and maximize the efficient use of MSHA's resources.

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 (PBGC) multi-employer 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 \$18 billion in premiums over the 10-year window. At this level of premium receipts, the program is projected to remain solvent over the next 20 years, helping to ensure that there is a safety net available to workers and retirees whose multiemployer plans fail. The Budget proposes to rebalance premiums in the single-employer program, which insures pension plans that are maintained by individual employers. The Budget proposes to freeze for one year premium rates for well-funded plans, which have faced numerous premium increases since 2012, and shift the premium burden to underfunded plans that pose a greater solvency risk to PBGC.

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 reforms 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 administers 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. 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.

Supports Working Families

Provides for Paid Family Leave for New Parents. The Budget invests in a better future for Americans with a proposal to provide 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. 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.

Makes Government More Efficient

Tackles Duplication and Inefficiency at DOL. 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 information technology, procurement, human resources, financial management, and physical security, are separated across its subcomponents. This creates duplication, limits economies

"Paid family leave enables parents to balance the competing demands of work and family, pursue their careers, and build strong and thriving families. It is an investment in the future of our workers, our families, and our country."

Ivanka Trump
Advisor to the President
July 11, 2018

of scale, and prevents resources from being spent on core mission-related work. DOL is working to centralize these activities to improve oversight, eliminate duplication, save money, and achieve economies of scale. In addition, the Budget includes funding and more flexibilities for DOL's Chief Information Officer to modernize the Department's legacy case management systems by reallocating base resources.