



Opening Statement

COMMITTEE ON EDUCATION & LABOR

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The Hon. Robert C. "Bobby" Scott • Chairman

Opening Statement of Chairman Robert C. "Bobby" Scott (VA-03)
House Committee on Education and Labor Full Committee Hearing
Examining the Policies and Priorities of the U.S. Department of Labor
2175 Rayburn House Office Building
Wednesday, May 1, 2019 at 10:15 a.m.

Mr. Secretary, I want to begin by thanking you for appearing before this Committee today. This hearing is an opportunity to discuss the Department of Labor's budget request for Fiscal Year 2020 as well as the many important issues under your jurisdiction.

As its mission statement makes clear, the Department of Labor's responsibility is to "foster, promote, and develop the welfare of the wage earners, job seekers, and retirees of the United States."

Unfortunately, the proposed Fiscal Year 2020 budget for the Department of Labor cuts programs and policies that are designed to serve this mission.

The President's budget proposal, which slashes the Department of Labor's funding by 10 percent, or \$1.2 billion, reflects the Administration's lack of support for hardworking people who are struggling to get ahead.

For example, our economy increasingly demands and rewards high-skilled employees, but the President's proposed budget cuts fall hardest on workforce development programs that provide workers a path to financial security.

Specifically, the Job Corps is cut by 41 percent and the Reentry Employment Opportunities Program, which provides a second chance to formerly incarcerated individuals, receives a 16 percent cut.

This budget proposal also seeks to expand untested workforce training programs at the expense of proven, high-quality apprenticeships.

For example, the Registered Apprenticeship program has long offered generations of Americans workforce training opportunities that provide good wages and benefits and a pathway to a rewarding career. However, the Department's new industry-recognized apprenticeship programs, or IRAPs, are not accountable to quality standards that protect the interests of workers and taxpayers. This has the effect of undermining workforce training programs that are recognized anywhere in the country – from Norfolk to Seattle – and can reshape the future for individuals, their families, and their communities.

The Occupational Safety and Health Administration, or OSHA—which is responsible for protecting Americans' right to safe working conditions—is also in desperate need of a funding increase. Nearly 3 million workers experienced a serious workplace injury or illness in 2017—and more than 5,000 workers were killed on the job.

At current staffing levels, OSHA only has enough resources to inspect workplaces once every 165 years. There are now fewer OSHA inspectors today than at any time in its 49-year history. Yet, the president's budget allots no additional funding to improve workplace safety.

When compared to the massive tax cut recently given to corporations and the wealthiest Americans, the Administration's refusal to invest in workers and middle-class families is an insult to hardworking people across the country.

Regrettably, the priorities articulated in the FY 2020 budget request are consistent with the Department's actions over the past two-and-a-half years.

The Department of Labor has opposed two of the most significant efforts to immediately raise wages and improve the standard of living for millions of American workers.

After nearly 10 years with no increase, the federal minimum wage has lost more than 15 percent of its value. Today, there is no place in America where a full-time minimum wage worker making \$7.25 an hour can afford a modest 2-bedroom apartment.

But the Administration's only response has been to criticize our efforts to *gradually* raise the minimum wage without offering any alternative. A wide body of rigorous research and the experience of states and cities across the country demonstrate that gradually raising the minimum wage to \$15 an hour will be good for workers, good for businesses, and good for the economy.

I hope the Administration will follow the evidence and join our effort to give millions of low-wage workers a raise that is long overdue.

The Department has not only opposed raises for low-wage workers, it has undermined raises for middle-class workers as well.

Under your leadership, the Department abandoned the Obama-era overtime rule that would have expanded overtime pay protections to an estimated 4.2 million salaried workers and strengthened protections for an additional 8.9 million salaried workers.

In its place, the Administration is offering a new overtime proposal that leaves behind more than 8 million workers and erases the Department's obligation to update the rule to keep pace with inflation, which will deny even more workers overtime protections in the years to come. Compared to the Obama-era overtime rule, the Trump Administration's proposal will cost middle-class workers \$1.2 billion in wages every year.

The Department's record on workplace safety, workers' right to organize, workers' access to affordable health care has also undermined the health and wellbeing of the American workforce.

OSHA has moved to weaken workplace safety standards, including protections against exposure to beryllium, a metal that can cause cancer and severe lung disease. It has removed standards covering toxic chemicals and combustible dust from the regulatory agenda, while relegating to the back-burner standards to protect health care workers from exposure to infectious diseases such as Ebola, pandemic flu, and MRSA.

After decades of declining rates of black lung disease, the scourge has returned at epidemic levels. Experts point to silica exposure as the culprit. But while we have developed new technology to monitor exposures, the Mine Safety and Health Administration, charged with safeguarding miners, is failing to act.

Meanwhile, the Black Lung Trust Fund that provides most miners' black lung benefits is drowning in red ink and the Administration has failed to support funds for black lung benefits.

And the Department has played a central role in the Trump Administration's sabotage of the Affordable Care Act by expanding the use of junk health care plans.

These plans not only put participants at risk of losing key consumer protections, they increase health care costs for all Americans by diverting younger, healthier Americans away from the general insurance pool.

The Department has repeatedly attempted to erase the contraceptive coverage benefit that an estimated 62.4 million women currently enjoy under the ACA. Despite failing to withstand multiple legal challenges, the Department has attempted to implement rules that would leave many female employees, students, and their dependents with no insurance options for contraceptive coverage.

Finally, last August, the Department's Office of Federal Contract Compliance Programs, the OFCCP, quietly issued a directive that would expand the right of federal contractors to justify employment-based discrimination based on their religiously-held views. Directive 2018-03 grossly undermines Executive Order 11246 which was enacted by President Lyndon B. Johnson to ensure that federal contractors enact affirmative action programs and **not** discriminate on the basis of race, color, religion, national origin, gender, and other factors. The Department's indefensible directive turns the Executive Order on its head to provide federal contractors with religious-based defense to discriminate with taxpayer funded dollars.

Taken together, it is clear that hardworking Americans across this country cannot count on the Department of Labor to advocate on their behalf.

Mr. Secretary, for too long, we have acted as though a growing economy means what is good for the economy is inherently good for all workers. But evidence and experience demonstrate that the benefits of economic growth are not being shared by workers and their families.

Even as the stock market hits record highs, one in 9 workers is paid a wage that leaves them in poverty, even when working full time and year-round. More than 4 in 10 American households still cannot cover a \$400 emergency medical bill. Four in 5 workers are living paycheck to paycheck.

Those numbers are not cause for celebration; they are cause for action to address the inequality that continues to plague workers, families, and communities across the country.

We must recognize that what's good for **workers** is good for the economy, not the other way around. In other words, a strong economy exists only when everyone can succeed. This is achievable when the Department fulfills its duty to put workers first.

Mister Secretary, I look forward to this opportunity to discuss the important issues under your Department.

Now, I will yield to the Ranking Member for the purpose of an opening statement.