



## **Chairman Jack Kingston**

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*Subcommittee on Labor, Health and Human  
Services, Education, and Related Agencies  
House Committee on Appropriations*

### **FY 2015 Department of Labor Budget Hearing April 2, 2014 Opening Statement As Prepared**

Good morning.

Secretary Perez, welcome to the Committee. Mr. Perez was confirmed as Secretary of the Labor Department last July, and though this is his first budget hearing before the Subcommittee, I have no doubt that by now Mr. Perez knows the programs, the policies, and the priorities reflected in this budget request.

Mr. Perez, thank you for stepping into such a demanding role at such a demanding time. In the midst of an unacceptably slow economic recovery, millions of Americans are still unable to find work. I'm sure these last months have been quite a challenge, but I appreciate your role, and your attendance here today to discuss the fiscal year 2015 budget for the Department of Labor.

I intend to be brief in my remarks, but before I yield to my friend, Ms. DeLauro, I do have some concerns I want to address at the outset.

I believe this must be the most anemic recovery to any recession we have endured in recent memory. According to a report by the Center on Budget and Policy Priorities, now almost five years into the recovery, the economy has replaced only 7.8 million of the 8.7 million jobs lost since the start of the recession in December 2007.

To make matters worse, the labor-force participation rate is the lowest level since 1978 and has declined each year since the recession began.

The current unemployment rate of 6.7% belies the fact that millions of Americans have simply given up looking for work and are no longer counted as part of the labor-force.

And yet, there are currently over 4 million job openings. These openings go unfilled due to a persistent skills gap in this country. Employers tell us that they can't find enough skilled workers for the positions they need to fill. The Department has spent more than \$35 billion over the past ten years in training and employment services. It is clear that these job training programs are not working.

Why does job creation in this country continue to be so slow?

At last week's public witness hearing it was made clear to me that the regulatory environment, while not the only factor, is certainly a contributing one. Businesses are so concerned about many of the regulations pending at the Department that they are hesitant to hire new employees. I don't blame them. There is simply no certainty surrounding the regulatory environment they will find themselves in.

Another factor impeding job growth is excessive enforcement. I look at this request and descriptions in the justification material—there is no ambiguity as to where the Department's priorities are. Once again, this Administration proposes to shift funds from compliance assistance to enforcement. Enforcement does not create jobs. It has real costs for employers and is especially burdensome for the small businesses we rely on as the biggest drivers of job growth.

Excessive enforcement has only created an adversarial relationship between business and the federal government.

Instead, we need to be working together to ensure safe workplaces and to create jobs. We need to give businesses incentives to hire more workers. Bad actors should be held accountable, there is no question. But, I believe this proposal represents a backward approach to job creation.

Job training programs are not working.

Employers are facing onerous and overreaching new regulations.

And, with this budget, there is an additional burden of yet more punitive enforcement.

So, I intend to ask questions along these lines in a moment. Thank you for being here, and, at this time, I would like to yield to the Ranking Member, Ms. DeLauro, for her opening statement.

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