



Chairman Hal Rogers

House Committee on Appropriations

Fiscal Year 2017 Budget Hearing: Department of Labor
March 15, 2016
Opening Statement As Prepared

Mr. Chairman, thank you for yielding. Secretary Perez, we are pleased to have you with us this morning to discuss the President's Fiscal Year (FY) 2017 budget request for the Department of Labor.

At the outset, I want to thank you for your interest in and travel to my congressional district in recent months. As you are aware, over the last seven years, Eastern Kentucky has been hit hard with the loss of over 10,000 coal jobs, and more recently, the temporary shuttering of the AK Steel plant in Ashland. As a result, we have worked at the local level to establish a bipartisan regional community development initiative known as Shaping Our Appalachian Region (SOAR) that is designed to help diversify and grow the economy. Thank you, Secretary Perez, for speaking at the SOAR Summit last year and highlighting the importance of education and job training. As you saw during your visit, SOAR is partnering with workforce development groups like the Eastern Kentucky Concentrated Employment Program to help create jobs and opportunities. Important pieces of this initiative include innovation, workforce development, and job creation, and I appreciate your continued support of these programs in the budget – as well as your continued interest in SOAR.

Turning to your budget request as a whole, regretfully, I must repeat a message I have conveyed at nearly every budget hearing to date. As you know, last year, Congress and the President reached an agreement setting discretionary budget caps for Fiscal Year 2016 and 2017. I am proud that the Omnibus bill for FY 2016 adhered to the terms of that bipartisan agreement. Congress made the tough choices necessary to live within our means and we will do it again for FY 2017. That said, I am very disappointed that the President has put forth a budget request filled with gimmicks in order to avoid the very same budget caps he signed into law last year. For Fiscal Year 2017, the Department of Labor requested \$12.792 billion in discretionary funding, which is a 5% increase over Fiscal Year 2016 enacted levels. This number proposes increases for nearly every program at the Department of Labor. This proposal is unrealistic given current law under the Bipartisan Budget Agreement.

In particular, I am extremely troubled by the Department's proposal to create unauthorized new mandatory grant programs with no proposed legislative language or justification. Your mandatory funding proposals include \$3 billion for the American Talent Compact, \$5.5 billion for the Opening Doors for Youth program, and the list goes on. Combined, these mandatory proposals are larger than the entire Department of Labor's discretionary budget. Not only are

these proposals functionally unworkable, but this Committee does not have jurisdiction over mandatory programs.

Finally, the Department's partisan regulatory agenda is also very disturbing. A final Department of Labor rule is anticipated soon relating to the definition of fiduciary. I, along with Speaker Ryan and a majority of Members of Congress, have repeatedly laid out the horrible impact this regulation will have on small businesses and individuals saving for retirement. Yet this Agency has pushed full-steam ahead with this regulation that will force financial advisors to stop working with individuals that have small retirement accounts. Along with the fiduciary rule, you are also working on rules on overtime requirements, minimum wage, and paid leave for federal contractors. This agency is a prime example of rulemaking gone amok, and I hope that we can have a discussion about how to rein these activities in.

Thank you for joining us today, Mister Secretary, I look forward to hearing your testimony. Thank you, Mr. Chairman, and I yield back.

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