# TABLE OF CONTENTS

## EXECUTIVE SUMMARY 1

## LEVELING THE PLAYING FIELD BY ENFORCING THE RULES OF THE GAME 3

- Introduction
- Protecting What You Earn
- Taking on Misclassification
- Tackling Wage Violations in Government Contracts
- Keeping Workers Safe and Healthy
- Protecting Whistleblowers
- Championing the Safety and Health of Our Nation’s Miners and Their Families
- Securing Your Benefits and Savings
- Higher Standards for Employers That Receive Taxpayer Dollars

## ENSURING FAIRNESS IN OUR WORKPLACES 20

- Introduction
- If You Work Extra, You Should Get Paid Extra
- Reducing Lung Disease
- Lifting Wages for Federal Contractors
- Taking Care of Those Who Care For Our Loved Ones
- Reforming H Visa Programs
- Protecting Construction Workers From Preventable Falls
- Moving New Safety and Health Standards
- Reporting and Responding to Severe Injuries
- Improving Injury Tracking
- Protecting and Promoting Retirement Savings
- Protecting Miners
- Equal Recognition for All Families
- Increasing Transparency In Union Elections
- Implementing The Affordable Care Act
- Implementing Mental Health Parity

## SUPPORTING A LIFETIME OF WORK 29

- Introduction

## OUR YOUTH, OUR FUTURE 32

- Job Corps
- Summer Jobs Initiatives
- Youth CareerConnect
EXECUTIVE SUMMARY

To foster, promote, and develop the welfare of the wage earners, job seekers, and retirees of the United States; improve working conditions; advance opportunities for profitable employment; and assure work-related benefits and rights.

The Department of Labor’s mission statement is never more urgent than in a time of economic crisis, like the one President Obama inherited when he took office on January 20, 2009. In the three months before his inauguration, the economy hemorrhaged roughly 2.3 million jobs. The auto industry was flat on its back and nearly left for dead. A housing crisis was devastating families and communities. Among workers fortunate enough to keep their job, chances are they had not seen a meaningful raise in years.

The crisis touched everyone. Katherine Hackett, a Connecticut mother of two soldiers, got a pink slip after a long career in the health care industry and found herself out of work for more than a year. She wore a winter coat around the house because she couldn’t afford to turn the thermostat above 58 degrees. She said she felt a “poverty of spirit.” But thanks to Katherine’s grit and determination—and assistance from a workforce system that had kicked into high gear—she is now excelling in a new job.

Millions of Americans like Katherine Hackett have successfully climbed out of the worst economic crisis in generations. Since 2010, U.S. businesses have added close to 15 million jobs. Unemployment is down from 10 percent to less than 5 percent. Auto sales reached a record high in 2015. All told, the United States has put nearly twice as many people back to work as the UK, Germany, France and Japan combined.

The Labor Department is proud to have played a central role in this historic recovery with targeted investments in the American workforce and a renewed focus on addressing the wage and safety violations that undermine shared prosperity. A new emphasis on job-driven training has helped workers of all ages get the skills they need to compete for in-demand jobs. These programs have enabled millions of workers, including veterans and people with disabilities, to build meaningful careers and punch their tickets to the middle class.

In addition to helping people get jobs, the Labor Department under President Obama ramped up efforts to protect workers’ wages, safety, workplace rights, and retirement security. The Labor Department expanded minimum wage and overtime protections to some two million home health care workers, gave millions more workers across the country access to overtime pay and has worked to implement the president’s executive orders to raise wages for workers on federal contracts and provide them up to seven paid sick days per year. The department implemented another executive order making it illegal for federal contractors or subcontractors to discriminate based on sexual orientation or gender identity. We also took bold steps forward to protect workers’ safety and health on the job. We completed life-saving rules, each one decades in the making: one to limit miners’ exposure to coal dust and move us closer to eliminating black lung disease; and another to protect workers from inhaling high levels of crystalline silica. And we safeguarded working families’ retirement savings from harmful conflicts of interest by publishing a final rule driven by one simple proposition—the client’s best interest should come first.
Although the pace of the recovery has been remarkable, the rising economic tide hasn’t yet lifted all boats. Too many people aren’t getting to share in the prosperity that they help to create. Like the fast food worker in Detroit who was sleeping in her car with her three kids because she had been evicted from her apartment. Like the baggage handler in New Jersey who had to tell his son he couldn’t afford to buy him a birthday present. Like the school bus driver in Connecticut who has to take her baby on her route because she doesn’t have paid family leave.

We have a shared commitment to help these workers—and others like them across the nation and the globe. That’s what makes the Department of Labor the Department of Opportunity. Under the leadership of President Obama, Secretary Thomas E. Perez, and Secretary Hilda L. Solis, the Labor Department expanded opportunity for millions of Americans.
LEVELING THE PLAYING FIELD BY ENFORCING THE RULES OF THE GAME

Introduction

Over the course of the last century, our nation has recognized the need for laws to protect working people—health and safety laws, wage and hour laws, and other protections that ensure working Americans can go to work in safe environments and go home at the end of the day with a decent paycheck. But our nation’s worker protection laws are only as good as the will to enforce them. When President Obama took office, the administration set forth a bold vision for resetting the terms of the bargain that if you work hard and play by the rules, you can make it in America.

This vision included a commitment to revitalizing the Labor Department, putting more investigators in the field to enforce our labor laws and reinforcing the structures that safeguard workers’ basic rights. For example, we hired 300 additional Wage and Hour investigators, bringing the total number to approximately 1,000 investigators enforcing wage laws for 7.3 million workplaces and 135 million workers.

It’s been said that you should “put your good where it will do the most.” President Obama's Labor Department took a new approach, allocating our limited resources in smarter and more creative ways, deploying our inspectors, specialists and lawyers to focus on industries, locations and issues where they could make the most impact for workers.

The importance of this strategic shift cannot be overstated. In order for our nation’s worker protection laws to serve as a credible deterrent to violations, they must be effectively enforced—those who don’t follow the law must be held accountable. Fair wages, safe and humane working conditions, health and retirement benefits, accessibility, gender equality, freedom from discrimination, union democracy and financial integrity—our enforcement of the laws protecting these rights is essential to their sustained viability in American lives.

Protecting What You Earn

Since 2009, the Wage and Hour Division (WHD) has secured nearly $1.6 billion in back wages for more than 1.7 million workers in over 209,000 investigations nationwide. In fiscal year 2015 alone, Wage and Hour investigations resulted in nearly $247 million in back wages and helped over 240,000 workers recoup wages they had been wrongfully denied.

During that time, we have undertaken a data-driven strategic enforcement approach that maximizes the agency’s enforcement resources. Wage and Hour focuses on particular sectors that employ large numbers of vulnerable workers who are more likely to suffer from labor standards violations. These workers often earn low wages, may not understand or know their rights, and are the least likely to complain about unfair and unjust treatment. They often work in jobs where the employment arrangements may be obscured by layers of contracting and subcontracting, the various roles of temporary staffing and payroll services, the terms and conditions of franchise agreements, or other emerging business models that blur the relationship between employer and employee.

We have moved more of our overall investigations toward a carefully selected group of industries that employ these vulnerable workers. These industries include hotel and motel work, agriculture, janitorial services, garment manufacturing and the restaurant industry. The Wage and Hour Division is reaching those workers by devoting three-quarters of its investigations to priority industries (74 percent in fiscal year 2015). In addition, a growing percentage of investigations are directed, i.e., agency-initiated, which allows us to carry out strategies that aim for industry-level compliance.
WHD is conducting directed investigations where evidence shows labor law violations are greatest—that is, in industries where workers are most likely to be mistakenly or deliberately cheated out of their wages, and where they are least likely to speak up and report such violations. The agency is creating ripple effects that impact compliance far beyond the workplaces where we physically conduct investigations, or the organizations to which we provide outreach directly. This includes finding ways to make an investigation of one employer resonate throughout that particular sector and influence the behaviors of employers across that entire industry, to promote compliance across networks of business organizations. Investigations are also smarter and more efficient—and uncovering violations at nearly the same rate as its complaint-driven investigations. In fiscal year 2015, WHD maintained increases in the percent of agency-initiated investigations with 42 percent directed investigations—a 25 percentage-point increase from fiscal year 2010. The agency found violations in 79 percent of these agency-initiated investigations in fiscal year 2015, demonstrating that the agency is focusing on the right industries and the right workplaces within those industries. At the same time, the percent of directed investigations without violations decreased to 21 percent—versus 18 percent in complaint cases —which means the directed investigations are nearly as accurate as complaints in finding violations.

As the more strategic enforcement approach has made investigations more effective at finding violations, the average amount of back wages per employee paid continues to increase. In fiscal year 2015, the Wage and Hour Division’s compliance actions resulted in nearly $1,030 in back wages per employee paid in violation—a roughly 30 percent increase over fiscal year 2009. Between 2010 and 2011—with efforts to rebuild the agency fully underway—total back wages increased from $176 million to over $224 million. That trajectory continued in fiscal year 2015, when the agency determined that over $240 million in back wages were due employees.

It is important to place these annual back wage amounts into context. An average of more than $1,000 per worker is real money that has enabled them to put food on the table, cover the rent, provide care for their children, keep the lights on and pay for other expenses. These results illustrate the real-world, life-changing effects and benefits of our work.

WHD’s strategic approach has not only resulted in cases where workers recover the wages they’ve rightfully earned, but also where employers make systemic changes to remedy the practices that could lead to continuing violations in the future. For example:

- Several Utah and Arizona construction companies (operating collectively as CSG Workforce Partners, Universal Contracting, LLC and Arizona Tract/Arizona CLA) deliberately misclassified construction workers. The companies required the construction workers to become “member/owners” of limited liability companies, stripping them of federal and state protections that come with employee status like the minimum wage, overtime and safety protections. These construction workers were building houses in Utah and Arizona as employees one day and then the next day were performing the same work on the same job sites for the same companies but without the legal protections. Further, the companies avoided
paying hundreds of thousands of dollars in payroll taxes. Through our efforts along with other federal and state agencies, more than 1,000 construction workers were paid $600,000 in back wages and damages, and their workplace protections were restored by being once again appropriately classified as “employees.” The companies also took steps to change their own practices, and to implement an educational campaign to promote awareness of the importance of compliance with wage and hour laws in the Arizona residential construction industry.

- Temporary production line workers jointly employed by J&J Snack Foods and multiple staffing agencies were paid more than $2.1 million in back wages and damages after being systematically denied minimum wage and overtime. Our investigators determined that J&J Snack Foods, a nationwide snack food distributor, was a joint employer and as a result had joint liability for compensation to 677 workers in New Jersey and Pennsylvania.

- The department found that Staples Contract and Commercial, Inc., a subsidiary of Staples, Inc., incorrectly terminated a worker’s employment for taking time off to care for his critically ill wife, and secured $275,000 in lost wages, benefits and damages. As part of the settlement, the company is providing Family and Medical Leave Act training nationwide and updating its personnel policies.

One of our top priorities is to ensure that the money we collect through enforcement actions is rightfully and expeditiously paid to the workers who earned it. In most cases, we’re successful in ensuring that employees due back wages receive them. This is not easy work, especially when trying to help working people in sectors of the economy where work is temporary or seasonal in nature, like agriculture, or where tenures may be short-lived, like in the fast food industry or at staffing agencies.

We’ve taken a major step forward to improve our effectiveness in this area with a web tool called Workers Owed Wages. Available in English and Spanish, it allows workers and their advocates to find out – through a user-friendly series of questions – if they are owed wages currently held by us as the result of one of our investigations.

While we continue to collaborate with worker advocates and other stakeholders, such as foreign consulates, to help locate workers entitled to back wages, this new online system is another tool to help put hard-earned wages into the hands of those who have earned them. Since WOW was launched in 2015, we have returned more than $2.1 million in back wages to workers.
Taking on Misclassification

Misclassified employees (i.e., workers who are employees under the law but are classified as independent contractors) are often denied access to critical benefits and protections to which they are entitled, such as the minimum wage, overtime compensation, job-protected family and medical leave, unemployment insurance, worker’s compensation and safe workplaces. At the same time, when businesses skirt the law, they also evade their responsibility to pay into state unemployment insurance and workers’ compensation programs, as well as Social Security and other taxes. Make no mistake about it: misclassification hurts working people, businesses that play by the rules, and American taxpayers. It presents a serious problem for our entire economy.

To make matters worse, in recent years the employment relationship between workers and the businesses receiving the benefit of their labor has fissured as companies have contracted out or attempted to shed responsibilities for their workplace. This has led to reduced clarity about employment relationships. It has also led to more worker misclassification.

Since 2009, we have been engaged in an initiative to combat misclassification. Our Wage and Hour Division and Employment and Training Administration (ETA) are working with the Internal Revenue Service to combat employee misclassification and to ensure that workers get the wages, benefits and protections to which they are entitled. Under this administration, the department has also entered into unprecedented partnerships with 29 states to work together on this issue in a variety of ways — through, for example, information sharing and coordinated enforcement — to ensure that we are all using our resources most strategically, effectively and efficiently to address this significant problem.

These collaborations are making a difference. In fiscal year 2015, WHD investigations of low-wage industries, where misclassification is prevalent, resulted in more than $74 million in back wages for more than 102,000 workers.

Leveling the Playing Field by Ending Misclassification

In August 2015, the department announced that National Consolidated Couriers Inc., based in San Leandro, California, but serving clients across the country, agreed to a court judgment requiring it to pay $5 million in back wages and damages to more than 600 drivers it misclassified as independent contractors, cheating them out of minimum wage and overtime pay. The judgment revealed that, during the course of the our investigation, the employer tried to destroy records showing an employment relationship with its drivers, and had been misclassifying the workers over at least a five-year period.

As the fissuring of the employment relationship and resulting misclassification have spread, helping workers and employers to more clearly understand how to properly classify workers is more important now than ever. Accordingly, the Wage and Hour Division in July 2015 issued an administrator’s interpretation that analyzes how the Fair Labor Standards Act’s definition of “employ” guides the determination of whether workers are employees or independent contractors under the law. This interpretation mirrored the department’s position in recent successful litigation.

The Labor Department believes in giving employers the tools that they need to understand their responsibilities and comply with the law. With its discussion of the relevant law and inclusion of numerous examples, the administrator’s interpretation is one tool to help employers comply with the law while ensuring more working people receive a fair day’s pay for a hard day’s work.
Tackling Wage Violations in Government Contracts

The Davis-Bacon Act and Service Contract Act protect workers’ right to receive the local prevailing wage—keeping government and business from undercutting local contractors, local workers and local economies. Most importantly, these laws guarantee a fair day's pay for a fair day's work. Workers lack the right to sue their employers privately for back wages under these laws. The Wage and Hour Division is their only defense, and we take that responsibility seriously.

The division has increased the number of Davis-Bacon investigations from 406 in 2008 to more than 1,300 in 2015. While we have increased our enforcement involving this law, we are also refining our strategies to ensure that our investigations have much broader impacts, consistent with our strategic enforcement efforts more generally. We are causing prime contractors closer to the top of the chain to evaluate the compliance practices of those below them, and to more closely monitor their subcontractors to ensure they are not skirting the law. We’re identifying pressure points, and applying that pressure, to remove any incentive an employer may have to violate the law. We are also working with our partners in federal agencies to ensure that they are upholding their share of our joint enforcement responsibility and holding prime contractors accountable for abiding by the law.

As with all of our work, enforcement alone is not enough. The Wage and Hour Division has long recognized that enforcement alone will never be sufficient to move the needle on compliance. We are using education and outreach to ensure that contractors have the information they need to comply. In addition to the many materials we provide on our website and in print, every year WHD is proud to work with the contracting community and to present a series of Prevailing Wage Seminars across the country. Hundreds of contractors typically attend seminars we offer.

Keeping Workers Safe and Healthy

Little more than one year into the Obama Administration, the critical importance of safety and health in the workplace was thrown into sharp relief with two of the most devastating industrial disasters in recent American history: a coal dust explosion at the Upper Big Branch Mine in Montcoal, West Virginia, that killed 29 miners on April 5, 2010; and the explosion of the Deepwater Horizon oil rig in the Gulf of Mexico just 17 days later, on April 22, which killed 11 workers. These historic tragedies had far-reaching legal, economic and environmental implications, but it was the wrenching loss of life that most immediately struck the nation.

Workplace injuries and illnesses can have a devastating effect on workers and their families. They can force working families out of the middle class and into poverty, or crush a family’s hope of entering the middle class. All working people, including those workers at Deepwater Horizon and Upper Big Branch Mine, deserve to return to their families at the end of the workday safe and secure. The Occupational Safety and Health Administration (OSHA) and the Mine Safety and Health Administration (MSHA), founded in 1971 and 1977, respectively, are charged with ensuring that safety, through enforcement of safety and health regulations in our nation’s workplaces, assistance to employers to help them create and maintain safe working environments and the promulgation of new standards to address emerging dangers. These agencies have been aggressive and innovative in using the full scope of their authorities to fulfill their critical mission. They have embraced new technologies and targeted their resources more effectively based on data. As a result, deaths and serious injuries in our nation’s mines and many other worksites have reached historic lows.

OSHA is a small agency relative to the scope of its mandate. Even with its state partners included, approximately 2,100 inspectors cover 130 million workers, employed at more than 8 million worksites around the nation—which translates to about one compliance officer for every 62,000 workers. Since 2009, the agency has conducted nearly 230,000 workplace inspections and implemented a
special enforcement program to target recalcitrant violators who demonstrate indifference to their legal responsibilities. It has also increased the use of corporate-wide settlement agreements.

However, while the traditional OSHA practice of measuring success by the number of inspections conducted serves a useful purpose, it penalized those field managers that took on more complex and time-intensive inspections. These include inspections involving ergonomic hazards, chemical exposures, workplace violence and process safety management violations.

In October 2015, we implemented a new Enforcement Weighting System to measure OSHA enforcement activity. It assigns greater value to inspections for complex hazards. The new system underscores the importance of the resource-intensive enforcement activity that is focused on some of the most hazardous workplace issues, and allows the agency to more effectively target its resources to those critical hazards.

With these tough enforcement measures in place, OSHA, its state partners, employers, unions and health and safety professionals have together made great strides in reducing the incidence of workplace injuries, illnesses and fatalities. In 1970, an estimated 14,000 workers were killed on the job, an annual rate of 18 per 100,000, or about 38 workers killed on the job every day. Today, with a national workforce almost twice as large, that rate has fallen to 3.4 per 100,000, or about 13 workers per day. Injuries and illnesses also are down dramatically—from 10.9 per 100 workers per year in 1972 to less than 3.2 per 100 workers in 2014. While this represents great progress, 13 deaths a day is still 13 too many families devastated by the loss of a loved one.

March 23, 2016, marked the 11-year anniversary of the BP refinery explosion in Texas City, Texas, that killed 15 workers and injured 170. In the years since, workers have died in similar disasters in West Texas, and Tesoro in Anacortes, Washington, just to name a few.

OSHA believes these incidents are preventable. Investigations generally uncover many warning signs or other deficiencies that management failed to act upon. None of the named explosions had
unpredictable causes; each repeated a lesson that the industry should have already learned.

Workers at the Texas City refinery went to work every day with “an exceptional degree of fear,” according to an internal BP report. In the 30 years before this deadly explosion, one worker had died at the plant about every 18 months. And just three years before the explosion, the company decided not to upgrade key safety equipment in order to save $150,000. Proactive steps by the employer could have saved lives, including the 15 lost in the explosion.

Following the Texas City BP refinery explosion, OSHA issued citations and fines totaling over $21 million—the highest OSHA penalty ever issued at the time. During the current administration, even stronger action was taken; BP was assessed an additional $87 million in fines for violating a settlement agreement. OSHA also initiated an emphasis program and inspected almost every refinery in the country. Inspections and large fines can serve as great deterrents for many employers, but in most cases OSHA’s ability to use these tools is limited by available resources and the low penalties allowed in the OSH Act, despite a recent increase mandated by the Inflation Adjustment Act in 2015. Another limitation is the fact that OSHA’s Process Safety Management standard is more than 20 years old. In 2013, following the West Fertilizer disaster, President Obama issued an Executive Order on Improving Chemical Facility Safety and Security, prompting OSHA and other federal agencies to improve chemical facility safety and security measures, including modernizing the PSM standard.

Our work in holding employers accountable for safety and health practices spans many industries. In 2016, Ashley Furniture entered into a settlement agreement with OSHA following a string of investigations prompted by a worker losing three fingers. Safety inspectors uncovered more than 1000 injuries over a three-year period in a workforce of just 4500 employees. The settlement included a robust safety program to be led directly by a senior company official, independent auditing and a $1.75 million fine.

Republic Steel, a leading North American steel supplier, entered into a settlement with OSHA after the agency investigated reports of fall hazards among workers at a Canton, Ohio, plant. During the course of our investigation, we uncovered serious injuries stemming from falls at that site, and further found a pattern of fall hazards at numerous other Republic Steel worksites. Despite agreeing to fix all hazards cited, Republic Steel continued to violate safety standards, and OSHA has sustained efforts to improve conditions for Republic Steel employees.

Today, we continue our efforts working with federal and state partners, industry groups, labor unions, employers and others to ensure that all employers and employees have the knowledge and tools necessary to prevent these events. Together, we can develop a more effective system for identifying and addressing problems and reach our shared goal that every worker goes home to their family safe and healthy at the end of every shift.

Protecting Whistleblowers

OSHA’s Whistleblower Protection Program enforces the whistleblower provisions of more than twenty whistleblower statutes protecting employees who raise
concerns about hazards or practices that threaten their safety and health, that of their co-workers, or the safety, health or well-being of the American public. These statutes include airline, commercial motor carrier, consumer product, environmental, financial reform, food safety, health insurance reform, motor vehicle safety, nuclear, pipeline, public transportation agency, railroad, maritime and securities laws. (Some laws, such as the Mine Safety and Health Act, also contain similar provisions that give other agencies enforcement authority; see below.)

In 2012, OSHA strengthened the protection of whistleblowers by creating a new Directorate for OSHA’s Whistleblower program, adding new investigators and reducing a sizable backlog of cases while completing more investigations every year. In fiscal year 2014, OSHA awarded approximately $36 million in total damages to whistleblower complainants, and has awarded over $154 million since fiscal year 2009.

Miners, too, risk retaliation for speaking up about dangerous working conditions. When they can’t alert employers to safety and health hazards, it can lead to increased injuries and fatalities. The Mine Act protects them from retaliation for voicing concerns, but these whistleblower protections haven’t always been used. From 2009-2015, the department filed a historic 230 discrimination cases on behalf of miners in seven years, dwarfing the 65 cases filed in the prior 14 years, from 1995-2008. The department also filed to get 179 miners temporary reinstatement from 2009-2015, up from 101 cases from 1995-2008. We are sending the signal that we have miners’ backs when they speak out in the workplace, and mines are safer as a result.

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OSHA whistleblower investigations completed

Fearing the ramifications of injury or illness caused to workers on the job, a small but destructive minority of employers think that the best option is to wish it away and pretend it never happened. It means that they don’t have to consider the expense that it might take to address a known hazard to employees. They can carry on doing business as before, and workers’ well-being is the cost of doing business. When these admonitions fail and working people report an incident, many then face the subsequent threat of retaliation and possible job loss.

Following hearings in 2007 that documented intimidation, harassment and disciplinary action against employees who reported workplace injuries in the rail industry, Congress gave the Labor Department the authority to enforce the employee protection provision of the Federal Railroad Safety Act. Since 2009, OSHA investigated over 1,100 cases under that law in which a worker alleged retaliation for a workplace injury.

A coach cleaner for Metro-North reported to his supervisors that he had injured his knee at work in November 2011. While driving the injured employee to the hospital, a Metro-North supervisor reportedly told the worker that railroad employees who are hurt on the job are written up for safety and are not considered for advancement or promotions within the company.

After OSHA’s investigation, it ordered the company to pay the employee a total of $250,000 in punitive damages, $10,000 in compensatory damages and to cover reasonable attorney fees. These were the largest punitive damages ever awarded by OSHA in a retaliation case under the FRSA.

“When employees, fearing retaliation, hesitate to report work-related injuries and the safety hazards that caused them, companies cannot fix safety problems and neither employees nor the public are safe.”

– Assistant Secretary of Labor for Occupational Safety and Health Dr. David Michaels said at the time of the findings.
Championing the Safety and Health of Our Nation’s Miners and Their Families

The 366,000 miners working in the United States today extract nearly 100 different kinds of minerals from the earth. Miners produce the gravel, crushed stone, tar, asphalt, road salt and cement used to build and maintain the nation’s highways. The bridges that span canyons, creeks and rivers are built with ores, rock and minerals produced by miners. Coal generates electricity for our homes, businesses and communities. Gold, silver and copper wiring, ceramic insulators and memory chips are essential components in electronics, such as smartphones, computers and televisions that we use daily. Thousands of everyday consumer goods are made with the fundamental materials secured from the mining process. They range from cosmetics to toothpaste, from cookware and dinnerware to appliances.

The mission of the Mine Safety and Health Administration is to do all that it can to see that our nation’s miners can go to work, put in their shift and return home each and every day safe and healthy.

Since 2009, coal mining deaths and metal and nonmetal deaths have been at their lowest recorded levels in six out of seven years. The industries reduced total fatalities to their lowest levels ever in 2015, with 28 deaths. The all-injury rate (reported injuries per 200,000 hours worked) has been reduced every year since 2009, with the lowest levels ever coming in 2014 at 2.44.

Of course, these deaths and injuries are still too many. But these downward trends are in part the result of MSHA’s tireless efforts to protect those miners on whose strong shoulders so many decades of American industry were borne.

Reforms to the Pattern of Violation Program

Following the worst coal mining disaster in decades at the Upper Big Branch Mine in West Virginia, Assistant Secretary of Labor for Mine Safety and Health Joseph Main made clear that MSHA would no longer tolerate “business as usual”. No longer would statutorily required inspections suffice. No longer would the agency sit back and wait for miners to make a formal complaint. The agency would make inspections on nights and weekends. They would use every tool available to ensure every miner’s life was protected.
One of Assistant Secretary Main’s most immediate priorities when he took the reins of the agency was to reform a long-standing but little used enforcement tool Congress placed in the Mine Act to rein in mines with histories of chronic violations. Section 104(e) of the law authorizes MSHA to issue a “pattern of violations” notice to mine operators that have a pattern of significant and substantial violations. This legal provision had never been used successfully in the law’s 30-year history.

These reforms had immediate results; when MSHA gave teeth to addressing chronic violators in 2010, 51 mines were flagged for possible patterns of violations, and we placed the first mines in history into the POV program. Mine operators took notice, and by 2016, using the same screening criteria, no mines were identified. The most serious mine safety violators dramatically improved compliance during that time. Mines that went through the POV program improved significantly, and those operators reported a 53 percent drop in lost-time injuries. The top 200 mines cited for the most serious violations reduced those violations by 40 percent between 2010-2015.

Unprecedented Legal Action Thwarts Indifference to Miner Safety and Health

In 2010, MSHA took an unprecedented legal action when it filed a motion for preliminary injunction against Freedom Energy Mining Co’s Mine No. 1 for engaging in a pattern of violations that constituted a continuous hazard to the health and safety of the miners. According to the brief MSHA filed, Freedom Energy engaged in a pattern of failing to examine and maintain critical areas of its mining operations.

Freedom Energy Mine No. 1 lies in a particularly dangerous coal seam that releases massive amounts of methane and is prone to roof falls. During the eight regular inspections conducted between July 2008 and June 2010, MSHA issued 1,952 citations and 81 orders to Freedom Energy for violating critical safety standards, including improper ventilation, failure to support the roof, failure to clean up combustible materials, failure to maintain electrical equipment and failure to conduct the necessary examination of work areas. The persistent dangers found there caused MSHA to use its statutory authority to ask the federal court to temporarily shut down the mine until the safety issues were addressed.
Impact Inspection Program

MSHA’s impact inspection initiative, begun in April 2010 following the Upper Big Branch Mine explosion, targets mines with particular problems, such as high numbers of violations or closure orders; frequent hazard complaints or hotline calls; plan compliance issues; inadequate workplace examinations; a high number of accidents, injuries or illnesses; fatalities; and adverse conditions such as increased methane liberation, faulty roof conditions and inadequate ventilation. A key advantage of conducting impact inspections is to target problem mines quickly. If enforcement prevents mines from amassing violation records, there will be overall improvement. Between April 2010 and November 2015, MSHA enforcement personnel conducted more than 1,000 impact inspections and issued 15,532 citations, 1,294 orders and 57 safeguards. An agency review of these targeted inspections indicates improved and sustained compliance with the most serious violations dropping by 41 percent, and lost-time injuries by 5 percent.

Rules to Live By

In 2010, MSHA launched the “Rules to Live By” initiative to prevent mining deaths by focusing on the most commonly cited standards, violations of which have caused or contributed to fatal accidents in the industry. The initiative combines industry outreach and education components with enhanced enforcement efforts. In designing the initiative, we analyzed the causes involved in the deaths of hundreds of miners over a ten-year period to identify the conditions and practices that contributed to the fatalities, safety standard violations, root causes and abatement practices. The three-part “Rules to Live By” initiative that resulted focuses on 28 standards that apply to coal mines and 19 standards applying to metal and nonmetal mines.

In February 2015, we launched two online tools to assist operators, miners, MSHA and others in tracking these violations. The “Rules to Live By” web tool displays the number of violations during the previous inspection quarter for underground mines and the last six-month inspection period for surface mines. It lists the specific “Rules to Live By” standards cited by MSHA and the number of times a mine has been cited for that inspection period. It also provides a comparison between the mine’s average number of violations based on MSHA inspection hours for that inspection period and how it compares to the national average.

MSHA developed a similar underground coal mine examination web tool to track compliance with nine standards associated with hazardous conditions that pose some of the greatest risks to underground coal miners. These nine standards address ventilation, methane, roof control, combustible materials, rock dust, equipment guarding and other safeguards.

In May 2016, we announced that MSHA would be enhancing enforcement of the “Rules to Live By” initiative, as well as coal mine examination rule standards for hazards that pose the greatest risk to miners in underground coal mines. Through this enhanced enforcement, MSHA inspectors will provide mines with a report card on their compliance with the Rules to Live By standards and exam rule. Mines with high violation rates will be subject to impact inspections. These actions will save lives.
29 Lives Not Forgotten

More than six years later, thoughts of the 29 brave Americans who lost their lives on April 5, 2010, remain vivid and painful reminders of the urgency of the work we do to protect America’s miners. The men who died worked in the Upper Big Branch Mine in Montcoal, West Virginia. That afternoon, a coal dust explosion ripped through the underground mine, dooming all but two of the workers inside.

It was the worst U.S. coal mining disaster in 40 years. The tragedy shook the American mining community to its very core.

As a result of one of the most far-reaching accident investigations in MSHA’s history, MSHA uncovered that Massey Energy, then the owner of the mine, promoted and enforced a workplace culture that valued production over safety. In an effort to maximize profit, management knowingly broke the law, endangered miners, and put their lives at risk every time they entered the mine. After extensive investigation, the Labor Department’s findings showed that Massey management created a culture of fear and intimidation in their miners to help hide their reckless practices. In December 2015, the company’s CEO was found guilty of conspiring to violate mine safety and health standards and is currently serving a prison sentence pending appeal.

Immediately following the Upper Big Branch Mine disaster, MSHA conducted a thorough review of its internal practices in order to identify any shortcomings in agency performance. This review, one of the most comprehensive in MSHA history, resulted in the most extensive changes to MSHA’s work in decades.
Securing Your Benefits and Savings

The Labor Department’s Employee Benefits Security Administration (EBSA) protects and promotes employee benefits and retirement security through civil and criminal enforcement actions, as authorized by the Employee Retirement Income Security Act (ERISA). Since the beginning of the 2009 fiscal year, EBSA’s combined efforts have accounted for more than $8 billion in monetary rewards.

- When only including monetary results from investigations that directly impacted plans, participants and beneficiaries, we have recovered more than $1.7 billion affecting 696,403 plans and more than 188.7 million participants. This means money going back into the pockets of workers and their families saving for retirement.

- Under its Voluntary Fiduciary Correction Program EBSA resolved 12,018 violations that employers, plan officials, and service providers self-reported. The program, which aims to protect workers’ benefits by correcting self-identified violations of ERISA, resulted in the voluntary restoration of more than $215 million to employee benefit plans.

The administration conducted several high-profile enforcement cases against retirement plan operators in order to recover the lost savings of millions of workers. Some of the novel cases that this administration completed include:

- **Recovering Savings for Victims of Bernie Madoff**
  The crimes of Bernie Madoff extended to retirement and healthcare plans and participants. EBSA was able to recover millions of dollars through criminal and civil cases. In an investigation of Beacon Associates Management Corp., Andover Associates Management Corp., Ivy Asset Management LLC, and J.P. Jeanneret Associates Inc., EBSA found that the firms caused dozens of pension, health and other employee benefit plan clients to lose hundreds of millions of dollars through investments with Madoff and his firm. Specifically, EBSA found that the investment advisor firms violated ERISA by recommending, making and maintaining investments with Madoff and failed to take prudent actions to investigate or monitor Madoff and his purported trading and to disclose the extent of the known risks, irregularities and suspected “red flags” surrounding Madoff’s operation. Additionally, we found that the defendants failed to protect the plans’ interests while collecting tens of millions of dollars in fees for themselves as a result of the Madoff investments. The agency reached a nearly $220 million settlement following its investigation.

EBSA also conducted a criminal investigation involving Madoff that led to his indictment, plea and sentencing. On March 10, 2009, an 11-count criminal information was filed in Manhattan charging Madoff with securities fraud, investment adviser fraud, mail fraud, wire fraud, money laundering, false statements, perjury, false filings with the SEC, and theft from an employee benefit plan. On March 12, 2009, Madoff pled guilty to all 11 counts and was sentenced to 150 years in prison and ordered to forfeit $170 billion.

- **Foreign Exchange Case Leads to Multimillion Dollar Recovery**
  An EBSA investigation of Bank of New York Mellon’s foreign exchange program revealed that for certain transactions with customers, including retirement plans, the bank assigned nearly the worst prices at which currencies had traded in the market during all or part of a day. At the same time, the bank was leading its clients to believe that it was pricing their transactions in a more favorable manner. We concluded that the bank misrepresented and failed to disclose to clients how it was pricing the transactions and that the bank had engaged in a deliberate, prolonged effort to conceal its pricing methods. EBSA determined that the bank’s failure to work prudently and solely in the interest of the plans, its dealings with plan assets to benefit itself and its misrepresentations and failures to disclose its activities were all breaches of the bank’s fiduciary duties to the plans and violated ERISA. In a settlement agreement, Bank of New York Mellon agreed to repay $84
million to employee benefit plan customers who were victimized through the bank’s “standing instruction” foreign exchange trading program.

**Higher Standards for Employers That Receive Taxpayer Dollars**

Contracting with the federal government in return for taxpayer dollars is a great privilege, and contractors are expected to meet the reasonable standards that the government expects of its business partners—standards of non-discrimination and inclusion that reflect our national values. The Labor Department’s Office of Federal Contract Compliance Program (OFCCP) has become one of the foremost civil rights agencies within the federal government, holding contractors to those reasonable standards. From January 21, 2009, through December 2015, OFCCP compliance officers reviewed 26,814 federal contractor establishments. Collectively, those facilities employed 11.1 million workers.

Immediately prior to 2009, OFCCP’s enforcement focused primarily on hiring discrimination in low-wage, entry-level jobs on the basis of race or sex. Today, our enforcement has expanded in scope, including enhanced efforts to remove barriers to equal employment opportunity for veterans and individuals with disabilities, and a robust systemic pay discrimination enforcement program. We are also focused on implementing new mandates to address LGBT discrimination and promoting pay transparency. Even the agency’s historical focus on hiring discrimination cases has been transformed—increasingly spanning multiple establishments, taking on a broader range of jobs, and identifying where discrimination by sex-stereotyping job placements at hire can lead to unequal pay for women and people of color. A new sex discrimination rule, published in June 2016, addresses a variety of sex–based barriers to equal employment and fair pay, including compensation discrimination, sexual harassment, hostile work environments, failure to provide workplace accommodations for pregnant workers, and gender identity and family caregiving discrimination.

OFCCP removes barriers to fair employment and makes victims of discrimination whole again. From January 2009 to December 2015, we found discrimination in 553 cases and recovered $71.1 million in back pay for 133,000 workers and job seekers, and negotiated more than 11,900 job opportunities. Some notable successes include:

- The 2015 Fastenal settlement remedied hiring discrimination with $1.25 million in back pay and 171 job opportunities, and discontinued the use of discriminatory tests that screened out over 8,000 qualified females and African Americans at Indianapolis and Atlanta distribution facilities. Our investigators found that the company engaged in screening and testing practices that discriminated against African Americans and women. Fastenal also destroyed or failed to provide various employment records in an alleged attempt to hinder our investigation. As part of the settlement, Fastenal agreed to discontinue use of its written test and to revise its hiring and recordkeeping practices to ensure they fully comply with the laws and regulations that apply to federal contractors.
• In the 2014 Lincoln Electric settlement, OFCCP secured $1 million in back wages and interest and 48 job opportunities for 5,557 qualified African American applicants who were unfairly rejected for jobs at the company’s facility in Cleveland, Ohio. OFCCP determined that Lincoln Electric’s paper and online application systems created multiple barriers for African Americans to advance in the selection process.

• Three female carpenters in Puerto Rico who faced sexual harassment, unequal pay and even lacked access to a restroom on the jobsite received back wages and the proper bathroom and changing facilities from Constructora Santiago in 2014. At times, the contractor provided no restrooms for women, and female employees were forced to relieve themselves outdoors, sometimes in the presence of male colleagues. Investigators also found that female workers were subjected to unwelcome hostile environment, sexually charged comments, teasing, jokes and pressure to go out on dates.

• A 2012 settlement with Fed Ex resolved sex, race, and national origin discrimination in hiring at 23 locations in 15 states. The settlement included $3 million in back wages and 1,700 job opportunities for over 21,000 applicants, along with wide-ranging reform of the hiring process. OFCCP found evidence that FedEx’s hiring processes and selection procedures discriminated on the basis of sex, race and/or national origin. The 21,635 rejected job seekers represent one of the largest classes of victims of any case in OFCCP’s history.

• A 2011 settlement agreement with Embassy Suites resolved a claim that the hotel failed to reinstate an employee to her original pay and seniority after maternity leave. As part of the settlement, the company agreed to implement a new leave policy for all of its 75 establishments across 24 states.

Since President Obama launched the National Equal Pay Task Force in January 2010, creating a lasting collaboration with the Equal Employment Opportunity Commission, the Department of Justice, and the Office of Personnel Management, OFCCP has helped to ensure equal pay by obtaining more than $5.5 million for nearly 3,000 workers who were paid unfairly.

• In Savannah River Nuclear Solutions (2015), OFCCP resolved systemic pay discrimination in STEM occupations – with a settlement providing $234,895 to 72 female and African American workers.

• The agency settled a case involving nine G&K Services locations across the country, for $1.8 million (2015), to resolve allegations that the company discriminated against female laundry workers by steering them into lower-paying positions.

Voluntary compliance is always OFCCP’s goal. But when we cannot achieve voluntary compliance, we turn to litigation to hold federal contractors accountable so everyone plays by the same rules.

• The agency filed ten lawsuits against contractors who denied OFCCP investigators access to documents, data or worksites—even though as Chief Judge Royce C. Lamberth of the D.C. District Court explained in United Space Alliance v. Solis (2011), “[s]ubmission to such lawful investigations is the price of working as a federal contractor.”

Are you or someone you know part of this settlement? G&K Services Company Locations: CA, CO, IA, IL, MN, NC, TX

You may be eligible for back pay or job opportunities. Visit dol.gov/ofccp/cml
Waging the Fight Against Human Trafficking in the United States

The Department of Labor has an important role to play in the fight against trafficking in persons in the United States and abroad, ranging from leveraging our law enforcement partnerships, and employment and training expertise, to strategic grant funding and labor diplomacy overseas. The Wage and Hour Division is often the “first responder” to low-wage worksites, detecting evidence of trafficking alongside its civil enforcement efforts. The department has enhanced its capability to detect and refer such cases to federal law enforcement agencies around the country through enforcement-specific training and the development of a detection and referral mechanism. We are also often called on to calculate the restitution due to victims in criminal prosecutions.

In 2011, WHD first began to complete U visa certifications, when appropriate, for victims of certain qualifying crimes detected in connection with its workplace investigations. In 2015, WHD expanded its U visa certifications to include additional qualifying crimes and also began to certify T visas, which are specific to trafficking victims and allow access to additional services. These visas provide legal status to victims of human trafficking and other qualifying crimes who assist, or may be helpful to, law enforcement or other officials in prosecuting these crimes. (For more information, see http://www.dol.gov/general/immigration/u-t-visa.)

Obtaining employment and access to economic opportunity is a critical element of any survivor of trafficking. In this administration, we have worked to leverage employment and training resources and expertise to help survivors of trafficking reenter the workforce and move on with their lives when they are ready to. We have provided updated guidance and training to the public workforce system, and engaged with sister agencies to explore the unique barriers to employment faced by this vulnerable population, while furthering knowledge on promising practices in service delivery to help survivors get back on their feet.
ENSURING FAIRNESS IN OUR WORKPLACES

Introduction

Under President Obama, the Labor Department has used its authority to make major improvements in the working life of millions of Americans, whether raising their wages or helping them stay safe and healthy on the job. To keep pace with a constantly shifting workplace landscape, we have used our rulemaking authority, guidance, and the implementation of executive actions in a variety of key issue areas, soliciting the input of the public and stakeholders to help craft thoughtful solutions to challenging problems.

In the area of workplace safety and health, for example, the leaders at OSHA, reinvigorated an agency that had been dormant in its promulgation of new standards for many years. One of our new rules to protect workers from the fatal effects of silica dust had been recognized as necessary for more than 80 years. The ability of this administration to carry these reforms across the finish line is one of our greatest successes.

The push for common-sense standards that give workers the protection they deserve in the contemporary economy was equally robust throughout the department, with example after example of bold thinking leading to advancements to ensure economic fairness for all of America’s workers. A spirit of openness guided every step in the process. A wide variety of stakeholders were invited to make their voices heard and given a seat at the table—private-sector employers, labor unions, nonprofits, workers, state and local governments, and foundations—to build a broad coalition and forge lasting partnerships to address inequality and create shared prosperity.

The results are rules that level the playing field for employers who do the right thing and for the workers on whose shoulders our economy flourishes.

If You Work Extra, You Should Get Paid Extra

The nation has made a remarkable recovery since the Great Recession, but many Americans haven’t yet reaped the benefits. Stagnant wages have left many feeling as though they are working harder, but falling farther behind. In recent decades, the erosion of overtime standards—a critical feature of the Fair Labor Standards Act—has undermined the economic stability of many white-collar workers. Because of the erosion of the salary threshold over time, an exception to overtime protections originally meant for highly compensated executive, administrative and professional employees now applies to workers earning as little as $23,660 a year. For example, a convenience store manager, fast food assistant manager, or some office workers may be expected to work 50 or 60 hours a week or more, making less than the poverty level for a family of four, and not receive a dime of overtime pay.

So the Department of Labor took action to restore the promise of the Fair Labor Standards Act—the bedrock of worker protection laws—extending overtime protections to more than 4 million white collar workers. The new regulation, finalized in May 2016, and effective in December 2016, is a critical step toward ensuring that hard-working Americans are compensated fairly and have a chance to get ahead.

Reducing Lung Disease

Crystalline silica kills hundreds of American workers and sickens thousands more each year. These very small silica dust particles are hazardous when workers breathe them in. They can cause silicosis, an incurable and progressive disease as well as other respirable diseases, including lung cancer, chronic obstructive pulmonary disease, and kidney disease. An understanding of the health hazards associated with breathing in dust is nearly as old as civilization itself—going all the way back to the ancient Greeks and Romans—and experts have
known how to control it for decades, but regulations had not evolved with the science.

In 2016, the Occupational Safety and Health Administration took bold action to potentially save hundreds of lives a year. The agency enacted a new rule which will substantially reduce the permissible exposure limit to silica dust, setting it at 50 micrograms per cubic meter of air—half the current exposure limit for general industry and five times more stringent than the current exposure limit for construction. The rule provides flexibility to employers—small businesses in particular—as they implement the new standard.

The rule came too late to help workers like Alan White, a former foundry worker from Buffalo whose life will be cut short by years of breathing in silica dust at his former workplace. In 2013, Alan told OSHA Administrator Michaels, “As a new grandfather, I probably will not be able to run with my grandchild through the park as I had hoped. Even simple tasks like walking and talking on a cell phone are difficult and my outlook is downhill from here.” OSHA’s efforts will significantly reduce the likelihood of future cases like Alan’s will be prevented.

Lifting Wages for Federal Contractors

No one who works a full-time job should have to live in poverty. President Obama restated that value proposition in his 2013 State of the Union address, calling on Congress to raise the federal minimum wage, which has been frozen at $7.25 per hour for more than seven years and has lost 20 percent of its value since the 1980s. A fair minimum wage has historically enjoyed bipartisan support; in fact, since it was first established by President Franklin D. Roosevelt, every president but two has enacted an increase in the minimum wage.

In the absence of Congressional action to lift wages during his administration, President Obama on February 12, 2014, signed Executive Order 13658. This action raised the minimum wage to $10.10 per hour for certain workers employed on or in connection with covered federal contracts, and provided for annual cost
of living increases going forward. Today, the minimum wage for covered contractors is $10.15 per hour. The Executive Order and the implementing regulations from the Department of Labor benefited hundreds of thousands of people increasing their pay. It also improves taxpayers’ return on their investment, as higher wages make for a more productive workforce, thus improving the quality and efficiency of services provided to the government.

**Taking Care of Those Who Care For Our Loved Ones**

In 2007, then-Senator Obama participated in an event called “Walk a Day in My Shoes,” paired with a home health care worker in California named Pauline Beck. Pauline was one of millions of home care workers who perform hard, heroic services without the full protection of our employment laws.

In an aging society where more seniors and people with disabilities prefer living with dignity in their homes, home health care workers are more in-demand than ever. But until recently, these workers – 90 percent of them women and half of them women of color – had been left out of the American promise of a fair day’s pay for a hard day’s work. It undermines our basic bargain when an estimated 40 percent of home care workers rely on public assistance to make ends meet.

In October 2013, the department published the **Home Care Final Rule**, which extends minimum wage and overtime protections under the Fair Labor Standards Act to most home health care workers. The Final Rule gives nearly 2 million workers like Pauline Beck the same basic protections already provided to most U.S. workers – including those who perform the same jobs in nursing homes. This step will also help ensure that home care consumers have access to high-quality care from a stable and increasingly professionalized workforce.

For two and a half years the department worked thoughtfully to implement this rule, never losing sight of two key principles: bringing basic worker protections to those who care for our loved ones while ensuring that persons with disabilities and older individuals can continue to live and work in their communities. The Home Care Final Rule is vital to the nearly two million workers who provide compassionate and competent care to our loved ones who wish to remain in their homes and communities.

**Reforming H Visa Programs**

Through H-2A and H-2B rulemaking efforts, the department strengthened protections for U.S. and foreign workers. Under the 2010 H-2A rulemaking, the department mandated that U.S. workers included in the job order or any agricultural work performed by H-2A workers, regardless of date of hire, receive no less than the same wage as foreign workers. We also expanded transparency by creating a national electronic job registry where job orders are posted through 50 percent of the contract period under the H-2A program, and prohibited cost-shifting from the employer to the worker for recruitment fees, visa fees, border crossing fees and other U.S. government mandated fees.

Under the 2015 H-2B rulemaking, the Labor Department and the Department of Homeland Security required employers to include more real-time recruitment efforts and offer work to former U.S. employees first. In addition, we established a national electronic job registry, strengthened protections with respect to wages and working conditions that must be offered to H-2B and U.S. workers, and established the prevailing wage methodology for the H-2B program.
Protecting Construction Workers From Preventable Falls

Falls are the leading cause of death in construction. In 2010, OSHA restored requirements for residential fall protection, mandating that employers provide the same protections to residential construction workers that OSHA’s fall protection standard had mandated in 1992. Over the past three years, we have partnered with tens of thousands of employers across the country who stopped work to train millions of workers in “stand down” events to prevent fatal falls in the construction industry.

Moving New Safety and Health Standards

In 2012, OSHA updated its Hazard Communication Standard to improve worker comprehension of the hazards of the chemicals they work with while harmonizing it with world standards. OSHA also updated the almost 40-year-old Electric Power Transmission and Distribution; Electric Protective Equipment standard to add flexibility and prevent fatalities during the construction of electric power transmission and distribution lines. OSHA also issued a major revision to its standard covering safety when operating cranes and derricks in 2010. Additionally, 23 years after issuing a standard to protect general industry workers in confined spaces, OSHA issued a standard providing similar protections to construction workers in 2015.

Reporting and Responding to Severe Injuries

As of January 1, 2015, employers must report all work-related fatalities within 8 hours, and all work-related inpatient hospitalizations, amputations or losses of an eye within 24 hours. In the first full year of the reporting program, employers notified OSHA of 10,388 incidents involving severe work-related injuries, including 7,636 hospitalizations and 2,644 amputations. These new requirements enable OSHA to reach many more employers whose workers have suffered a severe injury, either through an inspection or rapid response investigation, which encourages employers to investigate the root causes of the incident and take steps to prevent future injuries from occurring.

Improving Injury Tracking

OSHA also published a final rule in May 2016 that requires certain employers in high hazard industries to electronically submit to OSHA injury and illness records that they are already required to keep. Portions of these records will be available to the public as well. Applying the lessons of behavioral economics, OSHA believes that expanding access to timely, establishment-specific injury data will encourage many employers to increase their safety performance, preventing worker injuries, without OSHA conducting additional inspections. The data will also enable OSHA to more effectively focus its enforcement and compliance assistance resources where workers are at greatest risk. This is better for employers, employees, employee representatives, job seekers, customers, potential customers, and researchers, not to mention OSHA’s mission of preventing illnesses and injuries.
Protecting and Promoting Retirement Savings

The department’s regulatory agenda for retirement savers has focused on strengthening consumer protections and expanding savings opportunities for America’s workers and their families.

The historic conflict of interest rule makes sure that professionals providing retirement investment advice have to give advice that’s in the best interest of their clients. The rule clarifies the scope of the definition of a fiduciary so that it clearly incorporates brokers and others giving investment advice to employees in 401(k) plans, IRA owners, other retirement savers and certain plan sponsors. A White House Council of Economic Advisers analysis found that conflicted advice by financial advisers results in annual losses of about $17 billion a year for investors. The rule will help American workers keep more of that hard-earned money, rather than putting it in the pockets of unscrupulous advisors through hidden fees and conflicted advice.

One-third of America’s workers do not have access to a retirement savings plan through their employers. At the 2015 White House Conference on Aging, the President directed the department to support the growing number of states trying to promote broader access to workplace retirement saving opportunities for America’s middle class workers.

In November 2015, we published a proposed regulation to provide a new safe harbor from ERISA preemption for state-sponsored IRAs that conform to certain provisions. If this rule is made final it would allow for automatic enrollment of employees in such programs so long as they are given the ability to opt-out and employers are minimally involved. For instance, employers would make the automatic deductions from employee paychecks, but the employees and states would retain control of the program and IRA accounts. At the same time, we published guidance for states seeking to create ERISA-compliant 401(k) programs for workers who do not have access to retirement plans through their employers. Although the federal courts, not the Department of Labor, are the ultimate arbiters on such programs, the department is trying to help reduce the risk of litigation challenges to state retirement savings initiatives.

In October 2015, the department released new guidance clarifying that an ERISA pension plan can invest in projects or companies that serve the common good, while keeping at the forefront the fiduciary obligation to invest prudently and for the exclusive benefit of retirees and workers. The guidance also acknowledges that environmental, social and governance factors may have a direct relationship to the economic and financial value of an investment and when they do, they are proper components of the fiduciary’s analysis of the economic and financial merits of competing investment choices.

Protecting Miners

The Mine Safety and Health Administration has published nine rules during the Obama Administration, including Proximity Detection to prevent common crushing injuries leading to deaths (2015); a Respirable Dust Rule to prevent black lung disease, which replaced an outdated and inadequate rule (2014); and a pattern of violations rule to rein in chronic violators (2013). Since MSHA’s End Black Lung campaign kicked off in 2009, underground mine dust levels have dropped every year. They reached their lowest levels in 2015, when the new respirable dust rule’s more stringent sampling requirement took effect.

MSHA’s Respirable Dust Rule, along with more stringent sampling, has resulted in extraordinary compliance. From August 1, 2014 through July 31, 2015, the first full year of the respirable dust rule, nearly 99 percent of 61,000 samples collected by operators and MSHA were in compliance.
“CLICK, CLICK, CLICK”

By Secretary Tom Perez

In 2014, I traveled with Assistant Secretary of Labor for Mine Safety and Health Joe Main to Morgantown, W.Va., for a historic announcement. We published a new regulation to move us closer to ending black lung disease by limiting miners’ exposure to coal dust. At the NIOSH facility where we made the announcement, I couldn’t help but notice one dominant, abiding sound in the room: the click-click-click of oxygen tanks attached to miners who struggle to draw every breath.

When most Americans think about people dying at work, they think of dramatic, news-making industrial accidents like the Upper Big Branch Mine disaster or the explosion at the West, Texas, fertilizer plant in 2013. But silent killers like coal dust and other chemical hazards are some of our most urgent workplace safety challenges.

The new regulations are already going a long way toward helping us eradicate black lung disease once and for all. No one should have to sacrifice their life for their livelihood – we’ve worked hard in the Obama Administration to make sure no one does.
Equal Recognition for All Families

Family recognition—the principle that all married couples and their children should have equal access to workplace and other privileges and benefits—is a matter of basic fairness. Until very recently, many LGBT families had no legal access to federal benefits based on marriage, like family leave or many insurance, pension or other spousal benefits. These benefits provide critical economic and personal support for workers and families.

Over the last two decades, a growing movement for LGBT equality and a series of landmark legal rulings have transformed American family policy. The Obama Administration took decisive steps to build on this movement and enshrine the principles of dignity and equality for LGBT people at the federal level. From pushing for the repeal of “Don’t Ask, Don’t Tell” to ending the legal defense of the Defense of Marriage Act, President Obama's actions have contributed to ending the intolerable disenfranchisement of LGBT people that persisted for far too long. As the administration took these profound actions, the Labor Department worked to reform workplace policy so that every person in our nation can realize their highest and best dreams, no matter who they are or whom they love.

In 2013, the Supreme Court struck down the part of the Defense of Marriage Act that limits “spouse” and “marriage” to opposite-sex marriages, and President Obama instructed every federal agency to implement full and equal recognition for married same-sex couples and their children throughout federal programs and regulations as soon as possible.

At the direction of the Secretary, the department completed a full assessment of all programs and benefits that needed to be updated in order to implement equal recognition for families. In doing so, we sought to ensure consistent federal family leave rights, regardless of whether the state in which a married same-sex couple currently lives recognizes such marriages. Following the laws of the state or jurisdiction where the couple got married—called a “place of celebration” rule—means recognizing lawfully married couples no matter where they live.

In the case of the Family and Medical Leave Act, known as the FMLA, the Wage and Hour Division formally revised its regulations in order to cover legally married same-sex couples wherever they live. The FMLA provides many American workers unpaid job-protected leave for their own serious health condition, the birth or adoption of a child, or to care for a spouse or family member with a serious health condition. The FMLA also provides certain military family leave benefits. In 2015, the department completed the process of updating the FMLA regulations, issuing a new rule that changed the definition of “spouse” to include all legally married same-sex couples under a “place of celebration” standard.

With the new rule, eligible employees in legal same-sex marriages can take leave on the same basis as all other married couples. The Williams Institute estimates this change will benefit about 118,000 individuals with same-sex spouses. The basic promise that no one should have to choose between the job they need and the family they love now applies equally to all married couples.

In a series of other actions, the department revised many important benefits programs to fully include all marriages under a “place of celebration” standard. For example, the Employee Benefits Security Administration, which protects the security of the retirement, health and other workplace related benefits of America’s workers and their families, updated guidance regarding the terms “spouse” and “marriage” in rules that apply to most private sector pension and health plans. The guidance requires plans to read these
terms to include legally married same-sex couples, regardless of where they currently live. Our Office of Workers’ Compensation Programs (OWCP) issued a bulletin clarifying that spouses and surviving spouses of federal employees in same-sex marriages have equal access to workers’ compensation benefits. This office also made similar updates to other workplace injury programs, including one it administers on behalf of certain current and former Department of Energy employees and contractors and subcontractors who worked on the nuclear weapons program, and another on behalf of longshore workers.

Whether it is taking leave to care for an ill spouse, bonding with a new baby, or having the peace of mind that loved ones will have access to health, pension or workers’ compensation benefits if they need them, family recognition goes far beyond changing legal definitions. It recognizes the value of all families and all workers.

**Implementing The Affordable Care Act**

The Patient Protection and Affordable Care Act of 2010 (ACA) assigned the Department of Labor, specifically the Employee Benefits Security Administration, significant new responsibilities. The department continues to develop and implement insurance market reform regulations in conjunction with the Department of Treasury and the Department of Health and Human Services. To date, the department has issued approximately 50 regulations, requests for information, and proposed rules, to implement the market reform provisions under the ACA, including banning pre-existing condition exclusions, allowing children to stay on their parents plan until they are 26 years old, and eliminating annual and lifetime limits. The department intends to continue to implement the ACA and related health coverage reforms, such as the Mental Health Parity and Addiction Equity Act.

**Implementing Mental Health Parity**

Since the enactment of the Mental Health Parity Addiction Equity Act of 2008 (MHPAEA), EBSA has been committed to full implementation of MHPAEA. DOL issued interim final regulations in 2010 and final regulations in 2013 to implement the parity provisions. In addition, to help group health plans and consumers better understand the requirements, to date, DOL has issued eight sets of frequently asked questions on MHPAEA.
I have had the remarkable privilege of seeing up close how the Affordable Care Act is working. I wanted to hear some of the stories of the 20 million Americans who have gained coverage since portions of the law went into effect. That’s 20 million Americans who no longer have to make the heartbreaking decision between keeping the lights on and getting a cancer screening, 20 million Americans who are no longer one hospital bill away from bankruptcy, 20 million Americans who can live with a little peace of mind.

In Salt Lake City, I met Victor Saldivar, a small-business owner who was priced out of health insurance a few years ago, like too many other Americans. Everything changed when the Affordable Care Act marketplace opened up in Utah. With help from the call center, Victor signed up for a plan that costs him $55 per month with a $500 deductible. When he was having a hard time breathing last fall, he was able to see a doctor and get the bloodwork done to diagnose him with kidney cancer. On January 8, 2015, Victor’s kidney was removed. He told me, “Without the Affordable Care Act, I’d be dead within a year.”
SUPPORTING A LIFETIME OF WORK

“America means very little if it doesn’t mean opportunity for all its people.”

– Sen. Edward Kennedy

Introduction

The first day of a person’s first job: for Secretary Perez, it was picking up golf balls at the local driving range in Buffalo, N.Y.; for Secretary Solis, it was delivering lunches and leading activities as a recreational aide at her community center in Los Angeles. A first opportunity to work and learn—or lack thereof—can make all the difference in a person’s life.

In today’s economy, successful career paths are not always linear. In the modern job market, we sometimes need the help of a strong partner. The department offers an extraordinary set of resources to help American workers climb the ladder of opportunity. As retired Senator Tom Harkin of Iowa has said, “It’s a ladder, not an escalator, but with grit and determination—and sometimes a little boost—anything is possible.”
During the Obama Administration, the Labor Department has collaborated more closely than ever with our partners in the federal government to serve America’s diverse workforce. The ability of workers to find a job is directly related to their health care needs and their access to educational opportunities, which are in turn connected to their eligibility for nutrition assistance, their veteran’s status or their housing challenges. We are working side-by-side with federal partners and stakeholders to revitalize and transform the public workforce system, through implementation of the Workforce Innovation and Opportunity Act and the its vision for a more integrated, job-driven approach to help change lives through employment and career advancement, and provide skills needed to help businesses grow and regional economies thrive.

Many of these resources are available at the department’s network of more than 2,500 American Job Centers throughout the country, only a call or a click away. During the past seven years, the Labor Department has helped many millions of people navigate successful career paths: From program years 2008 to 2014, our programs helped place nearly 50 million individuals in new jobs. More than 140 million participants received job-related services, including 1.5 million participants who completed training programs. Over 10 million veterans were served. Between July 2014 and June 2015 alone, our Employment and Training Administration served over 14.5 million participants, with over 6.5 million previously unemployed people finding jobs. During this one-year period, approximately 150,000 individuals completed training programs. Of the 14.5 million participants, 1 million were veterans.

* These numbers represent individual visits/requests, with some people receiving services more than once.
These services do more than help individual workers and their families—they jumpstart the entire economy. With well-oiled movements of talent from opportunity to opportunity within the labor market, businesses and entrepreneurs can hire the workforce they need to grow and prosper. Take Andra Rush. There aren’t many stories more American than that of her Detroit Manufacturing Systems, which is perhaps why President Obama chose to tell her story in his 2014 State of the Union Address.

In June 2012, Andra Rush, a Native American businesswoman from Michigan, founded Detroit Manufacturing Systems and brought hope to hundreds of workers in the Motor City. It was the largest manufacturing company in 20 years to relocate to the city of Detroit.

Rush’s first customer was the Ford Motor Co., building the dashboard consoles and other interior components for the Mustang and the F-150 pickup truck. Today, Detroit Manufacturing Systems employs some 700 workers, and is continuing to expand and compete for new business as the auto industry continues its remarkable comeback.

Of the 700 employees at Detroit Manufacturing Systems, around 600 came through the city’s American Job Center. The AJC used its deep roots in the community to assess, test, and screen thousands of workers to find those with the skills Rush and her fledgling business needed to grow. Some of those workers were unemployed at the time they were hired. Even more were underemployed or receiving public assistance of some kind, but each was ready, willing and able to help grow Rush’s business.

Rush’s relationship with the local workforce system and the skilled workers it provided Detroit Manufacturing Systems was a principal factor in her decision to invest and locate in Detroit. She knew she could count on having the pipeline of workers with the skills her business needed to grow.

American businesses and companies locating here can only grow as quickly as our pipeline of skilled workers can supply them. For Rush and so many like-minded business owners and entrepreneurs, their ability to bring a jolt of energy to the American economy relies on our willingness to upskill America, to meet workers where they are, and provide them with the tools to take that next step.
OUR YOUTH, OUR FUTURE

Job Corps

With the help of the department’s Job Corps program, every year tens of thousands of American young people, often impacted by economic disadvantages and difficult circumstances, are provided with the skills and credentials they need to rise above their beginnings. These are young people like Shakira Brown of Norfolk, Virginia, who graduated from the Woodstock Job Corps Center in Woodstock, Md., at the age of 19 in 2014. Here is how she described her experience just after her graduation:

“I worked at IHOP. I wanted something more, something that would help me pay the cell phone bill and the car insurance bill, because I was barely getting by. But without a trade or skill, no one would hire me. I also realized that I wasn’t surrounded by a very positive energy…”

“When I got [to Job Corps], I thought I would learn to be a security guard, but during the tour of all the programs offered at the center I met Darrel Jones, the welding instructor. He persuaded me to give the welding program a shot. And that decision changed my life. I love welding. At first, there were some ups and downs. I didn’t feel confident that I could be a good welder. Mr. Jones believed in me. Not only did he help me become a great welder—and I am a great welder—he also made me a better person. He guided me through important aspects of life—about making the right choices and setting goals. He’s an all-around real person and I’m grateful to have him in my life.

“This week, I got some great news. I GOT A JOB! I’ll be working as a welder at the Chesapeake shipyard in Norfolk. Now I’ll be back in my hometown, but I feel like I have the drive and the sense of purpose to avoid all the negativity that was around me before.”

In August 2014, Job Corps celebrated the 50th Anniversary of President Lyndon Johnson’s signing of the Economic Opportunity Act, part of his wider “War on Poverty,” which established the program. Since then, more than 2.7 million young people have been given a boost toward attaining their dreams through the program.

During the Obama Administration, the program has taken tremendous strides toward meeting the needs of a 21st Century workforce. The bipartisan Workforce Innovation and Opportunity Act and Vice President Biden’s Job-Driven Training Initiative are together helping to align the training programs offered to these students with the jobs of today and tomorrow, with career training programs in more than 100 areas – from automotive maintenance to information technology, from health care to hospitality, from construction to IT. A majority of the students immediately go on to a career, enter the military or enroll in higher education. More than 109,000 students were served in program year 2013, with 70 percent of graduates joining the workforce or enlisting in the military and more than 12 percent enrolling in continuing education programs.
“While we must remain vigilant about maintaining high standards of excellence and accountability at Job Corps, we must not lose faith in the idea that lifting up those who have been given so little makes our nation stronger. Job Corps represents the best of who we are. There is no other program like it.”

– Assistant Secretary for Employment and Training Portia Wu, July, 2014

The Job Corps community has long been a place of transformation and optimism. But in 2015, disturbing incidents of violence occurred within the Job Corps community. Job Corps students took ownership of the problem and committed to standing up and putting an end to violence and bullying. Youth2Youth: Partners4Peace was conceived by student leaders as way to foster dialogue and propose solutions to youth violence.

At the core of the movement is the idea that young people have enormous power to influence one another and lead change. Many have experienced the devastation that violence can wreak on young lives; they have taken the path to Job Corps to turn their lives around and gain the skills that will lead to a rewarding career. They know that a safe environment that brings out their very best is essential to that success.
Many centers invited guest speakers to the kick-off events, including members of law enforcement and community leaders. In Long Beach, Calif., students heard from Keeyon Layton, a Job Corps alumnus whose son was recently murdered, and his powerful expression of the anguish of the families of young victims. Job Corps National Director Lenita Jacobs-Simmons attended the rallies in Long Beach and Detroit to show our support for the initiative.

### Summer Jobs Initiatives

Since 2011, the administration has worked with employers, local governments, nonprofits, philanthropy, and others to help provide summer job opportunities for young people. This effort included working with the U.S. Conference of Mayors and the National League of Cities to lift up innovative local programs, providing technical assistance on how existing workforce funding could be used to serve out of school youth, and working with employers, job boards, philanthropy, and community based organizations to help match employers looking to hire with young people looking to work. Summer opportunities have been shown to divert youth from criminal involvement and reduce overall violence, and they also offer a chance for young people to get their first exposure to the workplace and acquire financial skills that they can build on throughout their lives. But these benefits are only possible if young people can find those opportunities.

“Summer and after-school jobs help young people develop what some people call “soft skills,” though I think that term is misleading. There’s nothing “soft” about leadership, teamwork, punctuality or problem-solving. Those skills are essential, and learning them early can help put young people on a path to their next move, whether it’s a job or more education.”

– Secretary Thomas Perez, February 2016

In 2009 and 2010, communities across the country used $1.2 billion in American Recovery and Reinvestment Act funds to directly support summer jobs for nearly 400,000 young people.

Yet in 2011, as the nation continued to recover from the deepest recession in decades, the challenges facing our young people remained. In the absence of specific federally funded programs, Secretary Solis sought to highlight the importance of summer jobs and shine a light on the opportunities they provide.

In 2013, the White House rolled out the Youth Jobs+ campaign, maintaining a commitment to a broad definition of employment opportunities and moving towards a year-round approach. At the same time, the focus shifted to convening, highlighting best practices, and playing the role of matchmaker between elected officials, local businesses, nonprofit organizations and faith institutions to create pathways to employment for young Americans.

In February 2016, the department built on that program with the announcement of the availability of “Summer Jobs and Beyond: Career Pathways for Youth Demonstration Grants,” which will provide resources to Local Workforce Development boards to expand and enhance existing summer employment programs.
and work experiences throughout the year for eligible youth and to implement innovative practices.

The grants will serve youth and young adults between the ages of 16 and 24 who have no or limited work experience, and will promote career pathway entry through participation in existing and expanded community summer job programs.

Deputy Secretary Chris Lu (third from left, front row) hangs out with volunteers who staffed the Summer Teen Expo in Arlington, VA., on April 11, 2015.

Baltimore Summer Jobs 2015 Expansion

Following the unrest in Baltimore in April 2015, one of the top priorities established by the City of Baltimore was to expand its long-running summer jobs program, YouthWorks, to ensure that every young person who signed up for the program would be guaranteed a summer job opportunity. To accomplish this, the City of Baltimore needed to significantly expand its 2015 summer jobs program from one originally anticipated to serve 5,000 young people to a program with the capacity to serve all 8,137 individuals who signed up for the program.

Using its convening authority as the lead agency coordinating the federal response, the Labor Department and Secretary Perez leveraged $5 million in department funds, together with an influx of philanthropic donations to expand by 45 percent the number of slots offered to Baltimore City youth compared to the opportunities available the year before. In addition, Secretary Perez and other federal colleagues played an important role in raising public awareness about the program and encouraging private sector participation. Companies stepped up, adding more than 3,000 additional opportunities in 2015, a 70 percent increase from the prior year. Every young person in Baltimore who wanted a summer job opportunity was offered one.
Youth CareerConnect

To prepare our young people for the jobs of today and tomorrow, we need a different kind of high school curriculum, one that responds to 21st century needs of both young people and American employers looking to hire. That means integrating classroom learning with ready-to-work skills.

In 2014, the department announced 24 Youth CareerConnect awards totaling $107 million to more meaningfully engage America’s high school students and put them on the pathway to successful careers in science, technology, engineering, and mathematics. The grants support local partnerships of school districts, colleges and universities, and the workforce investment system to re-design the teaching and learning experience for youth by integrating rigorous education standards with real-world work experiences, and enabling students to participate in education and training that leads to credit toward a post-secondary degree, certificate, or industry-recognized credential. These partnerships will support career readiness for 31,000 students.

The Toledo Technology Academy

The path to good jobs begins in grade school. At Toledo Technology Academy in Ohio, students in grades 7 through 12 receive an intense integrated academic and technical education that prepares them for a rewarding, life-long career in engineering or manufacturing technologies. Along with more “typical” high school classes, they receive hands-on training in plastics technologies, automated systems, manufacturing operations, computer-automated design, electronics and other manufacturing technologies.

The academy works closely with employers—including the local GM plant—to provide students with industry-recognized credentials and certification. Students also can earn advanced credit at local 2- and 4-year colleges. In April 2014, the Toledo Public School System was awarded a $3.8 million Labor Department Youth CareerConnect grant that will expand the Toledo Technology Academy’s model to serve more students.

Here, Joseph Neyhart, a recent graduate of the academy, shows off his robotics project during a tour of the school by Secretary Perez and Secretary of Education Arne Duncan. Because of Toledo’s innovative program, Joseph gained hands-on job experience that prepared him for a lifelong career in mechanical engineering.
Alexis Smith, who Secretaries Perez and Duncan also met on their tour, told them of her plan to attend the University of Toledo to become a biomedical engineer. The hands-on experiences she received in high school spurred her interest in improving medical technologies, including helping people who are claustrophobic in MRI machines. Her advice to other young people? “Think outside the box and don’t be afraid of a challenge.” Through new Youth CareerConnect grants, we’re helping more schools like Toledo Technology Academy create programs that prepare young people for STEM careers.
BUILDING SKILLS

Introduction

America’s economic growth has always depended on the skills and ingenuity of its workforce. The Great Recession forced many workers to retrain and retool in order to stay competitive in a difficult economy. To assist those efforts, working people needed urgent investments in the skills that could restore the middle class. From the outset of the recovery, the Labor Department has prioritized the timely and targeted provision of those investments, relying on time-tested workforce development strategies as well as innovative new models that align our programs with the 21st century economy.

In the 2014 State of the Union Address, President Obama tasked Vice President Joe Biden with overseeing a thorough review of our workforce investment regime with the aim of assuring that these programs aligned with available jobs.

In the wake of that comprehensive review, a bipartisan Congress passed and the president signed the Workforce Innovation and Opportunity Act, the largest overhaul of our workforce system in more than 15 years. The new law gives the department the tools to implode stovepipes among key workforce partners—business leaders, workforce boards, labor unions, community colleges and nonprofits and state and local officials—as we strive for a more job-driven approach to training and skills development. It improves performance accountability in training programs, ensures consumers can get information about programs that work, and gives taxpayers the confidence that they are getting the best services for their money.

With new tools at our disposal, the department is preparing to help millions more Americans carve out a place for themselves and their families in the 21st century economy.

Job-Driven Training – A Path Forward

Rising to the president’s challenge, Vice President Biden prepared and released a report that set forth an ambitious vision for workforce training in the years and decades to come. The Labor Department, along with our colleagues at the Departments of Education, Commerce and several other federal agencies, collaborated closely with the vice president during his months of information-gathering, and Secretary Perez traveled with him to showcase programs that work. The animating principle of the review was “job-driven training.” To put people on the path to meaningful careers we need to provide them with the skills, credentials and certifications that businesses are looking for right now. We must ask this question about everything we do: is it helping ready-to-work-Americans move into ready-to-be-filled jobs?

For example, in June 2014, we awarded nearly $155 million to 32 states, Puerto Rico and the Cherokee tribal nation to train workers who lost jobs through no fault of their own for new jobs in high-demand industries. The grants supported job-driven training programs that allowed workers to “learn and earn,” developing skills while earning a paycheck.

One grant recipient in Nevada used its award to contract with the WorkPlace, creator of the Platform to Employment program, to help long-term
unemployed workers in the Las Vegas and Reno areas. This public-private partnership provides case management and employment services for long-term unemployed workers, and then places those workers in jobs for an eight-week trial period, after which participating employers have the option to offer them permanent positions.

The department also convened a Skills Working Group, an unprecedented collaboration across the federal government to work together to upskill our workforce and identify core drivers of middle class economics on which to focus our resources.

In September 2015, the department and the White House issued a Progress Update on Job Driven Training and Apprenticeships, detailing the success of the administration’s jobs-driven training efforts, which have directed more than $1.2 billion in competitive grants and $8 billion in non-competitive formula funding for training investments into job-driven strategies. As the report details, federal agencies have taken actions to make programs serving more than 21 million Americans every year more effective and accountable.

Each of the programs and activities that follow has the principles of job-driven training woven into its DNA. We have done away with “train and pray,” where we train someone to make widgets and pray that people are hiring widget-makers. We are working more closely than ever with businesses to find out what skills they need, and design our programs to deliver those skills.

**Modern Apprenticeships: Not Just for Blacksmiths and Sorcerers Anymore**

Apprenticeship is a tried-and-true model for punching one’s ticket to the middle class. The United States has historically underinvested in this earn-while-you-learn model, to our disadvantage.

The apprenticeship return on investment is dramatic. Studies show that over the career of an apprentice, we see a return of $27 for every dollar we invest in apprenticeships. Meanwhile, the average starting salary for an apprenticeship graduate is over $50,000 a year. Apprenticeship graduates also earn about $300,000 more on average over the course of their careers in wages and benefits than their peers who don’t apprentice.

Recognizing these tangible benefits, President Obama issued a bold challenge in 2014 to double the number of apprentices in Registered Apprenticeship programs within five years. The National Registered Apprenticeship system has responded to that challenge by adding over 112,000 active apprentices, the largest increase in a decade, reaching over 487,000 active apprentices. Currently, the nation is on track to reach 500,000 active apprentices by the end of fiscal year 2016. The department also made an historic investment in 2015: $175 million in grants to 46 public-private partnerships—an investment that is expected to result in 34,000 new apprenticeships. We expanded the already 181 member-strong ApprenticeshipUSA LEADERs campaign that recruits industry leaders to promote the apprenticeship model with other firms and help build a national movement. We expanded our international partnerships by signing two Joint Declarations of Intent with Germany and Switzerland, which will support foreign direct investment in the U.S. by international companies seeking a skilled workforce. We continue to learn from international apprenticeship models and foster lasting dialogues and partnerships to better integrate those models.
In April, Department of Labor announced the Administration’s latest step to increase access to apprenticeship – using the $90 million provided by Congress for new investments through ApprenticeshipUSA to expand apprenticeship in the United States, building state capacity to strengthen regional industry partnerships and diversify apprenticeship locally, spurring partnerships in fast-growing and high-tech industries, increasing diversity among apprentices, and making it easier for employers to start and workers to find apprenticeship opportunities.

Our Registered Apprenticeship College Consortium, which has expanded to over 253 colleges and 975 training programs, makes it easier for apprentices to earn college credit. And we are making it easier for employers and others to leverage federal resources and education programs—including the GI Bill, Pell grants, and others—to support participation in apprenticeship.

But doubling apprentices isn’t enough; we also want to diversify the programs, increasing access for women, minorities, people of color, people with disabilities and for other underserved communities that have historically lacked access to apprenticeship opportunities. ETA is working to update its regulations to modernize and streamline the rules and make it easier for employers and other apprenticeship sponsors to effectively grow and diversify their apprenticeship programs. In the meantime, the Women’s Bureau has teamed up with ETA on the development of the guide, “Pre-apprenticeship: Pathways for Women into High-Wage Careers.” The Women’s Bureau launched a new web portal entitled “Women Build, Protect and Move America” that provides resources and information on careers where women have traditionally been underrepresented, many of which rely on apprenticeships. And our grant awards specifically considered programs that proposed innovative ways to expand apprenticeship opportunities to underrepresented communities.

**A Mom’s Path to the Middle Class**

The words mom, veteran and professional welder aren’t words that often go together, except when you’re talking about Kelli Gilliam, successful mother of four and the first woman to be general foreman for hull trades at Newport News Shipbuilding. Kelli’s path to a shipbuilding apprenticeship is all about resilience and beating the odds. She went from living in a shelter with her two young children to transforming her life through an apprenticeship – which offered her an opportunity to earn wages while she learned new skills.

Prior to her apprenticeship, Kelli also served her country in the U.S. Navy Reserves, and was encouraged by her dad to be a skilled welder. She wanted to pursue an apprenticeship because it enabled her to be paid while she finished her associate’s degree in business administration, and continue her passion for welding. Today, Kelli is a professional welder, a mom, and an apprenticeship graduate. She’s transformed her life, punched her ticket to the middle class, and has solid career opportunities ahead.
National Apprenticeship Week

President Barack Obama proclaimed the week of November 2, 2015, as the first annual National Apprenticeship Week. National Apprenticeship Week offered leaders in business, labor, education, and other critical partners the opportunity to express their support for Registered Apprenticeship. It provided businesses and others with top-notch apprenticeships a chance to showcase their programs, facilities, and apprentices. The historic week highlighted the benefits of the apprenticeship model in preparing a highly-skilled workforce to meet the talent demands of employers in all industries. Throughout the week, program sponsors across the country used this historic opportunity to host open houses and other events that help to tell the unique story of how apprenticeship works for America.
Community Colleges: America’s Not-So-Secret Job Incubators

Secretary of Labor Hilda Solis and Dr. Jill Biden tour the country by bus to announce the second round of Trade Adjustment Assistance Community College and Career Training grants, 2012.

Secretary Perez often calls community colleges “the secret sauce” of workforce development. They are critical to our efforts to grow the economy from the middle out, empowering adult learners with the tools they need to punch their ticket to the middle class.

Starting in 2011, Secretary Solis launched what would become a nearly $2 billion investment over four years to help community colleges partner with employers in their communities to build instructional programs that would meet the workforce needs of a growing economy. The Trade Adjustment Assistance Community College and Career Training (TAACCT) grant program awards have given American workers the marketable skills they need to succeed in good paying, middle-class jobs, plus strengthening the overall economy by creating the pipeline of skilled workers that businesses need to compete, prosper and grow. This program complements President Obama’s broader agenda of challenging every American commit to at least one year of post-secondary education, which will help reach his goal of America having the highest proportion of college graduates in the world by 2020.

A total of 256 grantees, representing a broad cross-section of the nation’s community colleges, have updated and improved their training infrastructure and are developing thousands of new programs of study. They have produced or revised more than 2,500 new programs of study at their colleges, involving thousands of courses. Participants have earned a total of 159,921 credentials to date.

Even as new funding comes to a close, its impact will continue to be felt throughout the country and around the world. We required that all education materials developed through TAACCT grants be made freely available for re-use by other education institutions. We collaborated with Cal State University’s MERLOT program to create a free and open online library called SkillsCommons, with over 6,000 course materials available which have been downloaded more than 100,000 times.

TAACCT GRANTS ARE TRAINING WORKERS AND JOB SEEKERS IN A NUMBER OF HIGH-DEMAND SECTORS

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TAACCT grants by industry sector. July 2016. Grantees may be included more than once.
SUPPORTING YOU AT WORK

Expanding the Skills Superhighway to People with Disabilities

Through the department’s Disability Employment Initiative, more people with disabilities can now access training, education, and employment services through the public workforce system. Since 2010, we have awarded over $109 million to 43 projects in 27 states to improve education, training, and employment outcomes of youth and adults with disabilities (including individuals with significant disabilities). The program increased the capacity of American Job Centers to serve job seekers with disabilities by refining and expanding validated practices and utilizing innovative, job-driven, flexible, and universally designed service delivery strategies. Since 2014, DEI grantees have focused on increasing the participation of individuals with disabilities in existing career pathway systems through partnerships with educational institutions, human services, and businesses. People with disabilities now more frequently access training services at DEI sites. In addition, according to the most recent quarterly data ending December 31, 2015, DEI sites have assigned 3,947 tickets and generated $8.52 million in revenue under the Social Security Administration’s Ticket to Work program.

As part of the Pathways to Careers initiative, the department in 2014 awarded five-year demonstration grants totaling approximately $2 million in funding to community colleges in Knoxville, Tennessee, and Syracuse, New York. The grants are designed to improve how community colleges serve students with disabilities to help them find promising careers.

Access to Good Jobs for Veterans and People with Disabilities

Our vision of opportunity for all means full inclusion of people with disabilities in the nation’s economic mainstream. Rulemaking during the Obama Administration has focused on better providing services to people with disabilities, as well as increasing their access to good jobs.

The Labor Department made the most significant updates in 40 years to the regulations implementing Section 503 of the Rehabilitation Act of 1973 and the Vietnam Era Veterans’ Readjustment Assistance Act of 1974. On March 24, 2014, two rules went into effect establishing – for the first time ever – specific, aspirational goals and benchmarks for the employment of qualified workers with disabilities and protected groups of veterans. The Section 503 regulation establishes a nationwide seven percent utilization goal by job group and requires that contractors invite employees and applicants to self-identify as individuals with disabilities. The VEVRAA regulations require that contractors establish annual hiring benchmarks for protected veterans. Covered employers may choose to establish a benchmark equal to the national percentage of veterans in the civilian labor force or they may establish their own benchmarks using objective data and other factors that reflect the employer’s unique hiring circumstances.

Additionally, the Office of Disability Employment Policy worked with federal partners, such as the Office of Personnel Management and the Equal Employment Opportunity Commission, to successfully implement Executive Order 13548, *Increasing Federal Employment of Individuals with Disabilities*. In October of 2015, OPM reported that by the end of fiscal year 2014, total permanent federal employment for people with disabilities had increased by 5 percent, from 234,395 in fiscal year 2013 to 247,608. New hires with disabilities totaled 20,615, representing an increase from 18.18 percent in FY 2013 to 19.74 percent in fiscal year 2014.

The department’s Civil Rights Center is overhauling its regulations implementing *Section 188 of the Workforce Innovation and Opportunity Act*, the law’s nondiscrimination provision. It is working on a final rule that will help ensure that the workforce system is accessible to a wide variety of workers and job seekers, including people with disabilities and those with limited English proficiency. We also released *Promising Practices in Achieving Universal Access and Equal Opportunity: A Section 188 Disability Reference Guide*, which provides new guidance for serving individuals with disabilities at American Job Centers. The new guide describes effective strategies for improving access to programs and services provided under the Workforce Innovation and Opportunity Act for both youth and adults with disabilities.

Recognizing the impact that gender and disability discrimination can have on women workers, our Womens’ Bureau in 2015 produced a guide for employers detailing the business case for hiring women with disabilities, as well as promising practices for recruiting and retaining them.
Your Civil Rights in the Workplace: Increasing LGBT Access to Our Programs

Every year the key programs that form the pillars of workforce development help tens of millions of job seekers and workers to connect to good jobs and acquire the skills and credentials they need to obtain them.

Just like all other workers, LGBT individuals can benefit greatly from Labor Department-assisted public workforce programs—but only if they have equal access to the training, resources and support these programs provide.

The department has made clear that the laws against sex discrimination in these programs also prohibit discrimination on the basis of gender identity. This protects workers who identify as transgender, who express their gender in a nonconforming way, or who do not follow stereotypical ideas about how women or men should look or act. The Employment and Training Administration, and the department’s Civil Rights Center, which enforces equal opportunity in workforce development programs, jointly issued a new guidance document clarifying that the non-discrimination laws that apply to the workforce development system prohibit discrimination on the basis of gender identity, gender expression and sex-stereotyping. This document (called a Training and Employment Guidance Letter or TEGL) explains the requirement that job training and referral programs receiving federal financial assistance provide equal access without discrimination.

In 2015, Job Corps issued a special notice known as a Program Instruction Notice to all staff and contractors in its national network of education and job training centers. This Notice sets forth policies to ensure that Job Corps programs are safe, respectful and welcoming environments for all, including transgender students. The Notice provides guidelines on ensuring equal access to the program and a respectful and harassment-free environment. It specifically addresses safety, privacy, respectful language (like name and pronoun usage), dress codes, access to housing, medical issues and moving into the workforce.

OSHA, too, made accessibility for transgender workers a focal point. In 2015, the agency provided guidance to employers on best practices regarding restroom access for transgender workers. OSHA requires that all employers under its jurisdiction provide employees with sanitary and available toilet facilities, so that employees will not suffer the adverse health effects that can result if toilets are not available when employees need them. In its guidance, OSHA states that restricting employees to using only restrooms that are not consistent with their gender identity, or segregating them from other workers by requiring them to use gender-neutral or other specific restrooms, singles those employees out and may make them fear for their physical safety. As such, OSHA tells employers, all employees should be permitted to use the facilities that correspond with their gender identity.
Unemployment Insurance

The Unemployment Insurance program is a proven safety net for those who have lost a job and need assistance while they look for new employment. Since the Great Recession, UI has provided critical support to help struggling Americans get back on their feet. In fiscal years 2010 and 2011, UI claims were processed for 31 million beneficiaries, and $274 billion was paid throughout all of the UI programs, including Emergency Unemployment Compensation and Federal Extended Benefits. From fiscal year 2009 through fiscal year 2016, $622 billion has been paid in UI benefits to 65.9 million people.

The department has also worked to modernize the country’s UI system, implementing reforms that were included in Middle Class Tax Relief and Job Creation Act of 2012, creating incentives for states to expand access to coverage. A total of 37 states expanded their benefit coverage in one or more ways as a result of UI modernization incentives provided under the American Recovery and Reinvestment Act. We actively promoted these incentives to states, and as a result:

- 22 states adopted alternative base periods for eligibility that help more unemployed workers qualify for benefits;
- 22 states adopted provisions enabling individuals to still qualify for unemployment benefits if they were seeking part-time work;
- 21 states adopted provisions enabling individuals who quit their jobs for compelling family reasons (domestic violence, trailing spouses, and the need to be a caregiver for a family member due to illness or disability) to qualify for benefits;
- 16 states adopted provisions to enable individuals to continue receipt of benefits while in state approved training or training under the Workforce Investment Act; and three states adopted dependent’s allowances on top of regular benefit payments.

In addition, we have taken steps to encourage the use of Short-Time Compensation programs, also known as work sharing or the shared-work program, which are administered by state unemployment insurance agencies that offer employers an alternative to layoffs to keep American workers on the job. Instead of layoffs, employers reduce hours of affected employees, and these employees then receive a partial UI benefit commensurate with the percentage of reduction from their usual hours of work. STC preserves employees’ jobs by permitting employees to collect an STC payment to replace a portion of their lost wages. In addition, communities are able to keep businesses viable and their local economies strong through the use of this program.

The Middle Class Tax Relief and Job Creation Act of 2012 promoted additional state adoption of the STC program. As a result, 28 states have amended their STC laws, or enacted new STC provisions in their state UI laws, to conform to the new definition of STC in the Act. Approximately 750,000 jobs were saved through the STC program from the beginning of the Great Recession through 2015.

A Safety Net for Americans Affected by Trade

Since 2009, we have worked on multiple efforts to reauthorize the Trade Adjustment Assistance (TAA) program, which provides critical support and services, including job training opportunities, to workers who have lost their job through no fault of their own due to the impacts of trade. TAA expansion was an important part of the economic response in the American Recovery and Reinvestment Act in 2009, and the
program was reauthorized again in 2011. In 2015, TAA was reauthorized for six years, enhancing benefits and expanding the program to cover service sector workers and workers impacted by trade with countries with whom the United States does not have a Free Trade Agreement, such as China. Since fiscal year 2011, approximately 241,000 trade-affected workers have participated in the TAA program. In fiscal year 2015, 74 percent of workers who participated in the program returned to work three months after receiving benefits and services—roughly 9 percent more than fiscal year 2011. More than 92 percent of those workers remained employed at the six-month mark.

The program offered Yodalsy an opportunity for a new beginning, and she seized it. She was found eligible for TAA training benefits and, with an interest in the high-growth information technology field, she made the decision to earn an Associate of Science degree in Networking Services Technology.

The program provided income support while she was taking the approved training, and Yodalsy immersed herself in her studies, maintaining a 4.0 GPA every college semester. Yodalsy is grateful that she was able to successfully earn her associate degree, with honors, through the TAA program—but she didn’t stop there.

Yodalsy recognizes that right now, the IT field is a male-dominated industry and says her motto is, “I’ll have to work harder than the rest.” So she has set her sights on earning a bachelor’s degree, and Broward College awarded her a scholarship for the fall 2015 semester. Yodalsy was hired part-time to work alongside the Broward College IT team, where she is gaining hands-on experience applying her training and learning new skills.

A professor, confident of Yodalsy’s abilities and potential, personally recommended her for an IT consultant position with a South Florida employer, where she now works full time and has been promoted to project manager. “I am eternally grateful for what this program has done for myself and my family,” Yodalsy said.

A New Beginning with Trade Adjustment Assistance

Though she only had a high school diploma, Yodalsy Santoyo had achieved career stability with a 12-year career as a customer care representative at a call center in Ft. Lauderdale, Fla. She worked hard to provide sterling customer service, and advanced to become a customer service coach and supervisor at her company. That was before her position was eliminated and outsourced overseas. Yodalsy’s outlook had suddenly become bleak.

Workers like Yodalsy whose livelihoods are affected by global trade are the reason that the Labor Department administers the Trade Adjustment Assistance program, which provides adversely affected workers with opportunities to obtain the skills, credentials, resources and support they need to become reemployed.
An Emergency Response for Dislocated Workers

The department’s National Dislocated Worker Grant program temporarily expands the service capacity of worker training and employment programs at the state and local levels by providing funding assistance in response to large, unexpected economic events which cause significant job losses. NDWGs generally provide resources to states and local workforce investment boards to quickly reemploy laid-off workers by offering training to increase occupational skills.

These grants (previously called National Emergency Grants) have been authorized in response to a range of devastating events: the Deepwater Horizon oil spill in the Gulf Coast, deadly mudslides in Washington, and the historic drought in California. In response to Hurricane Sandy along the Atlantic seaboard, for example, the department authorized the availability of $46.7 million in funds for New Jersey, New York, Rhode Island and Connecticut.

In recent years, we have applied innovative thinking and new ideas to the distribution of these funds to help workers get back on their feet and help communities recover. NDWGs have been awarded in communities that have suffered from diminished employment prospects, where young people looking to build their futures see closed doors at every turn. In places like St. Louis and Baltimore, those frustrations have taken expression in periods of unrest following the flashpoints of police violence. To help, grants like the $5 million awarded to the state of Missouri address the barriers faced by high-risk young adults and measure the impact of innovative strategies on employment outcomes. Most recently, the department made available $15 million to the Michigan Strategic Fund to assist with humanitarian and recovery efforts resulting from the contaminated water crisis in Flint, Michigan.

Secretary Solis visits Staten Island, N.Y., to view recovery and rebuilding efforts in the wake of Hurricane Sandy, 2012.
Powering the Recovery of Coal Country

A dramatic transformation in our energy economy is driving fundamental changes in the way we power our homes, offices, factories and communities. This means cleaner air, healthier communities, and new jobs and industries that didn’t exist two decades ago. But it’s also having a profound impact on workers, families and communities who have relied on the coal industry as a source of good jobs and economic security.

Solving these challenges means bringing everyone to the same table—government, the business community, workforce investment boards, colleges, unions, financial institutions and more. It means putting parochialism and turf battles aside, everyone sharing information and together building a whole even greater than the sum of the parts.

Building a dynamic 21st-century economy in coal country requires investments in physical infrastructure like roads, bridges and broadband to attract new industries, but it also means building our human infrastructure to strengthen the skills and talents of those who need a new opportunity. That’s why the Obama Administration launched the Partnerships for Opportunity and Workforce and Economic Revitalization initiative. POWER is a coordinated multi-agency effort to help workers and communities that have been adversely impacted by changes in the coal industry and power sector. The Department of Labor has made $35.5 million in grants available to implement the goals of the POWER initiative. These grants are available to regional partnerships to help coal communities: (1) diversify their economies; (2) create jobs in new or existing industries; (3) attract new sources of job-creating investment; and (4) provide a range of workforce services and skills training, including work-based learning opportunities that result in industry-recognized credentials for high-quality, in-demand jobs.

This funding has been shown to make a profound difference in the lives of people like Chris Stump. Chris was laid-off from his surface coal-mining job but gained skills to become an electrical lineman. Already existing grant money helped cover the costs of his training program and assisted him in obtaining a highly coveted slot in the Lineman Tech training program at Somerset Community College. There are many others like Chris who have the potential to contribute to the growth and recovery of coal country, and the Labor Department’s efforts to provide support and expertise will be crucial to ensuring the continued vitality of these uniquely American communities.
Making Workers and Families Whole After a Workplace Injury or Illness

The mission of the Office of Workers’ Compensation Programs is to protect workers who are injured or become ill on the job, as well as their families and employers, by making timely and accurate decisions on claims, providing prompt payment of benefits, and helping injured workers return to gainful employment as early as possible. In 2015, OWCP paid or oversaw the payment of more than $5 billion to support hundreds of thousands of our nation’s injured and sick federal employees, longshoremen, nuclear workers and coal miner.

OWCP has modernized its resources in myriad ways. The agency created an online job site to help federal workers return to work after an injury or illness, and expanded electronic claims filings to increase efficiency and improve processing times for workers’ claims.

The agency works to ensure that claims decisions in all its programs are fair and accurate, and that the claims process is as easy as possible for claimants. For example, OWCP promulgated a new rule that requires all parties to a Black Lung Benefits Act claim to exchange any medical information that they develop in connection to the claim. The rule gives miners greater access to their health information and bolsters the accuracy of claims decisions. Acknowledging developments in medical technologies, OWCP promulgated another rule that gives digital and film x-rays equal importance in Black Lung Benefits Act adjudications. Another rule allows injured workers, their survivors, employers, insurance carriers, and OWCP to communicate electronically regarding claims. To ensure collaborative contributions for these programs, OWCP has also worked to improve program transparency and to expand and strengthen partnerships with workers and stakeholders through more effective communications and outreach.

A Lifeline for the Long-Term Unemployed

Even as the economy improves, long-term unemployment remains a lingering challenge. Though the number of long-term unemployed has steadily declined as the economy has recovered from the Great Recession, roughly one-third of the remaining unemployed have been out of work for 27 weeks or more.

To better assist American workers facing long-term unemployment, the department announced in early 2014 the Ready to Work Partnership grant program. Ready to Work grants support and scale innovative partnerships between employers, nonprofit organizations and America’s public workforce system to build a pipeline of talented U.S. workers and help those experiencing long-term unemployment gain access to employment services that provide opportunities to return to work in middle- and high-skill jobs. Grants ranging from $3 million to $10 million were awarded to 23 partnerships to serve individuals in 20 states and Puerto Rico, focusing on employer engagement, individualized counseling, job placement assistance, and work-based training that facilitate hiring for jobs where employers currently use foreign workers on H-1B visas.

Programs funded through Ready to Work Partnership grants use on-the-job training, paid work experience, paid internships and Registered Apprenticeships to provide employers the opportunity to train workers in the specific skill sets required for open jobs.
You’re Never Too Old to ReBoot

After being let go from his client services job in October 2014, Bruce Ives and his wife tried to stay afloat. They kept trying. And kept trying. Soon, though, they lost their house and were forced to move from St. Louis to Kansas City and live with their daughter’s family.

In Kansas City, Bruce was getting interviews but felt like employers thought he wasn’t up to speed with current technology. He landed phone interviews, but rarely made it to the next step. Then Bruce discovered the ReBootU program, Missouri’s newest career fast-tracking program for learning computer programming and other information technology skills—skills that are in high demand for jobs in today’s economy.

The ReBootU program gave him “value” again. Today, Bruce works as an IT analyst at the University of Kansas Hospital making more than $36 per hour.

“The program helped me get my foot back in the door with good companies and let them know that even though I was 60, I still had ‘it’ and wanted to learn. I am so grateful to them for this opportunity of re-developing my skills through classroom training and hands-on work.”

For those still out-of-work and looking for the next opportunity, Bruce says:

“Take every opportunity to continue your education. Whether you’re going to use it on the job or not, it shows you’re willing to learn new skills and develop new skills in the business world. You can’t give up. If you’re in your late 50s or early 60s, you can’t give in.”
Providing Seamless Transitions for Veterans

What Every Veteran Deserves: A Seamless Transition to Civilian Employment

There comes a time for every service member to leave their duties in the military and make the transition to life after service. When that time comes, we must serve them as selflessly as they have served us. And the best way to honor a veteran is to hire one.

The department’s Veterans’ Employment and Training Service (VETS) helps veterans achieve a successful transition into the civilian workforce through targeted employment and training programs that recognize their unique potential to contribute to a company’s success. Since the last year of the recession in 2009, when veterans were unemployed at a rate of 8.1 percent, the veterans’ employment situation continues to improve. The annual veteran unemployment rate dropped to 4.6 percent in 2015, lower than the 5.2 percent unemployment rate for non-veterans. Further, 2015 saw significant improvement in the employment picture for particular groups of veterans, including both male post-9/11 veterans—whose unemployment rate dropped from 9.9 percent in 2009 to 5.7 percent in 2015—and female post-9/11 veterans, whose unemployment rate dropped from 11.5 percent in 2009 to 6.4 percent in 2015.

At American Job Centers across the country, VETS continues to focus on increasing the rate of intensive services provided to veterans with significant barriers to employment, including comprehensive and specialized assessments of skill levels and needs, development of an individual employment plan, group and individual career counseling and planning, and short-term skills development, such as interview and communication skills. We’re seeing meaningful results, with state workforce agency Disabled Veteran Outreach Program specialists now providing over 75 percent of Jobs for Veterans State Grants participants with intensive services, a more than 200 percent increase from program year 2009 levels.

ETA also launched an online tool, My Next Move for Veterans, where veterans can enter their military occupation code and discover civilian occupations for which they are well qualified. VETS, in conjunction with the Departments of Defense and Veterans Affairs, the Small Business Administration, the Department of Education and the Office of Personnel Management, completely overhauled the Transition Assistance Program (TAP), which helps exiting service members prepare for civilian life, including a job search.

In order to better serve women veterans and to position them to reach their highest potential in civilian employment, VETS, in collaboration with the Women’s Bureau, established the first-ever departmental Women Veterans Program. The program aims to increase awareness of this rich talent pool among employers, decrease perpetuation of damaging myths and stigmas pertaining to this population, and increase awareness of American Job Centers and other valuable resources. VETS, the Women’s Bureau and the Chief Evaluation Office also conducted an inventory of programs in the department and other federal agencies to determine the extent of existing employment services for women veterans. The Women’s Bureau released a profile in 2014 of women veterans’ demographics, employment and unemployment, and occupations and earnings, as well as resources to help women veterans understand...
their rights and connect to organizations providing assistance and services.

Between 2009 and 2013, the Women’s Bureau collaborated with more than 500 community-based nonprofit and government service organizations and workforce development agencies as part of its Homeless Women Veteran Reintegration Initiative. Activities included outreach and training using the bureau’s resources, such as “Trauma-Informed Care for Women Veterans Experiencing Homelessness: A Guide for Service Providers.” Written for service providers, the guide offers observational knowledge and concrete guidelines for modifying practices with the goal of increasing re-entry outcomes.

Using the authority granted by Congress in the 2011 VOW Act, VETS has also been working with states to recognize skills gained during military service and to harmonize qualifications among states to assist military and veteran families when they move to a new state. In order to promote credentialing portability for veterans and their spouses, the Labor Department began in June 2013 a demonstration project on credentialing to help service members transition seamlessly from active duty to civilian employment. Our project, carried out through a contract with the National Governors Association, engaged the governors of six states in accelerating credentialing and licensing for veterans, and to reduce or eliminate barriers to credentials, certifications or licenses for veterans in those states. It also explored accelerated career pathways for service members and veterans in certain high-demand civilian occupations.

Second Chances Through the Promise of Good Jobs

To ensure the strongest possible workforce for the economy of the future, we must tap the talents of all our people. That includes those who have been involved in the criminal justice system and have paid their debt to society. Transitioning adult and juvenile offenders face extraordinary challenges in reintegrating into society, as well as obtaining and retaining employment. The department’s Reentry Employment Opportunities (formerly RExO) program aims to provide education and career services to people involved in the criminal justice system.

In November 2015, President Obama announced new steps to promote rehabilitation and reintegration for the formerly incarcerated, highlighting the department’s Training to Work grant competition as an initiative to help reduce barriers to employment. In 2016, the Employment and Training Administration plans to award grants to expand access to tech jobs and other high-growth occupations for adults returning from correctional facilities.

The department also introduced the Linking to Employment Activities Pre-Release program to provide employment services to incarcerated men and women while they’re still serving their terms, so they can hit the ground running after they are released. The department invested $10 million in LEAP grants in 2015, and announced the availability of $5 million more in 2016. In suburban Philadelphia, the Montgomery County Correctional Facility is implementing this model with the help of one of our 2015 LEAP grants. For one inmate there, this isn’t just a question of opportunity, but of dignity. “It’s an honor to be recognized instead of always being called names,” he said. “It’s an honor to be looked at as someone other than a criminal.”

Our reentry work is a win-win-win. It helps people put their lives back together and reintegrate in their communities. It gives employers greater access to skilled workers. And it is a smart public safety strategy too—because the best anti-recidivism strategy is a good job at a good wage.
In February of 2014, President Obama took action to address the systemic obstacles that stand in the way of success for young men of color in America. As the president pointed out, these obstacles are “complicated issues that run deep in our history, run deep in our society, and are entrenched in our minds.” He gave voice to issues including communities wracked by poverty, discrimination in employment or schooling or even in a routine visit to the shopping mall, disproportionate incarceration rates, failing schools, an absence of strong mentors and – perhaps most importantly – little to no hope of any chance for a better future. Where others in our country had the freedom to explore which of many doors to opportunity held the most promise, these young men could see no door at all.

For the two years since, the Labor Department has taken up the president’s call through targeted investments in programs to help young people get the skills they need to compete for the jobs of today and tomorrow. These efforts have included demonstration projects in several cities with high crime and high unemployment rates – Long Beach, Camden, North Charleston, Houston, Detroit, Baltimore, and St. Louis – to test new strategies built on best practices for preparing youth to succeed at work. We have also made available up to $20 million in funding for summer youth employment programs that lead to year-round work experience and lifetime career pathways.

Expanding opportunity for young people who have been involved with the criminal justice system has also been key. Grants like Training to Work – Adult Re-Entry and Face Forward help those with a criminal record obtain meaningful employment. Additionally, Linking Employment Activities to Pre-Release helps break the cycle of incarceration. The department invested $10 million in LEAP grants in 2015 and announced the availability of $5 million more in 2016 to help communities bring employment services “behind the fence.” That’s the kind of innovation it takes to empower our communities and to give the next generation hope for the future.

U.S. Department of Labor poster promoting the administration’s “My Brother’s Keeper” initiative, July 6, 2015.
THE POWER OF PARTNERSHIP

Introduction

To most effectively carry out the department’s mission, we have to engage the energy and expertise of partners throughout the country and around the globe. This includes, most importantly, our regulated community—the employers and trade organizations with whom we work to realize our vision of an economy that works for everyone. Federal government partners, states and municipalities, unions, nonprofits, educational institutions, international government organizations like the International Labour Organization, and foreign governments all play critical roles in our ability to carry out our work with utmost impact.

Our enforcement agencies in particular require concentrated and sustained dialogue and collaboration to ensure compliance with our laws. Enforcement and compliance assistance complement one another in our efforts across agencies to protect workers, their wages, their benefits and to ensure opportunity for all. That is why we pursue both vigorously.

Since 2009, for example, the Wage and Hour Division has conducted over 15,000 outreach events and presentations, providing valuable information and compliance assistance to thousands of employers, employees, community organizations, industry associations and other stakeholders nationwide. Nearly half of its investigators speak a language other than English, including Arabic, Cantonese, Mandarin, Creole, Farsi, Hindi, Japanese, Korean, Russian, Spanish, Tagalog, Thai, Taiwanese, Turkish, and Vietnamese, enabling us to communicate more effectively with all stakeholders. To strengthen and institutionalize our outreach efforts, in 2010 WHD created a new position, Community Outreach and Resource Planning Specialists. These CORPS work in WHD offices nationwide, improving our ability to get information to those who need it, and providing training and resources to employers, their associations, worker advocates, and other stakeholders.

OSHA likewise has staff dedicated to outreach. Between 2011 and 2016, its Compliance Assistance Specialists conducted more than 30,000 outreach activities reaching over 23 million people. These outreach activities supported key initiatives, such as temporary workers, fall prevention, and heat illness prevention, and helped employers comply with and workers understand new or revised OSHA regulations.

OSHA’s On-site Consultation Program offers free and confidential safety and occupational health advice to small and medium-sized businesses in all states across the country, with priority given to high-hazard worksites. Consultants from state agencies or universities work with employers to identify workplace hazards, provide advice on compliance with OSHA standards, and assist in establishing injury and illness prevention programs. Between 2009 and 2016, our On-site Consultation Program conducted approximately 220,000 visits to small business worksites at no cost covering over 10 million workers across the nation.

We also endeavor to empower workers with the knowledge of the rights that are afforded them in our democracy. Across the department, we have placed a premium on developing and delivering information in novel ways to make it more accessible to workers. OSHA’s Heat Safety Tool, a mobile application developed in partnership with the National Oceanic and Atmospheric Administration, gives workers vital safety information on the dangers of working outdoors in the heat whenever and wherever they need it, and has been downloaded more than 300,000 times. The Bureau of International Labor Affairs (ILAB) developed the U.S. government’s first-ever mobile app on human rights, Sweat & Toil: Child Labor, Forced Labor, and Human Trafficking Around the World, making ILAB research more widely and easily accessible. ILAB also made all of the underlying data compiled in its research available to developers in order to give them the tools to further empower conscious consumers to make informed decisions about child labor and forced labor’s presence in their purchases.
The Women’s Bureau and Office of Federal Contract Compliance Programs (OFCCP), with the support of the White House Office of Science and Technology Policy and members of the Equal Pay Task Force, launched the Equal Pay App Challenge in January 2012 to incentivize developers to use publicly available data and resources to create applications that help reduce the pay gap for women. The Equal Pay App was an innovative way the Woman’s Bureau put the power in the hands of women to know what their work is worth.

These technological innovations, hand in hand with old-fashioned face-to-face outreach to the communities that depend on us, as well as formal agreements like memoranda of understanding, are pillars of our mission. Bringing people together, seeking solutions to shared problems, giving them the tools they need to forge a path forward – these strategies empower everyone to pitch in and make best use of their unique contributions in laying the foundations for a more equitable and just American workplace.

**Protecting Vulnerable Workers: Consular Partnership Program**

Vulnerable workers, typically employed in low-wage sectors such as agriculture, construction, food service, residential care, and waste processing, often don’t speak English as their primary language and don’t know their rights. Foreign workers are often particularly vulnerable. Fearing retaliation, potentially based on actual or perceived immigration status, they’re often afraid.

To educate this vulnerable worker population, the Department of Labor administers the Consular Partnership Program, which joins with foreign embassies and their consulates in a collaborative effort to increase awareness and inform workers of their rights – and employers of their responsibilities – under U.S. labor laws.

Our cooperation with embassies began with the signing of a Joint Declaration between the department and the Mexican government. The program later expanded to include 10 additional countries: Belize, Costa Rica, the Dominican Republic, Ecuador, El Salvador, Guatemala, Honduras, Nicaragua, Peru and the Philippines.

Field office staff collaborates with consular staff to help workers file safety or wage complaints, or follow-through on an individual’s case. They also train employers who utilize migrant workers to help them understand their legal obligations. At the national level, we train consular staff on U.S. labor laws and protections, and how they apply in various situations. We also use the program to help connect back wages into the hands of workers who are difficult to find.

Through the Consular Program, other U.S. government agencies, including the Equal Employment Opportunity Commission and the National Labor Relations Board, share information and educational materials on the laws they enforce.

The workers who have been reached through the thousands of outreach programs held through these partnerships include those employed by Kehrer Brothers Construction in Illinois. The company knowingly exposed non-English speaking workers to asbestos, violating numerous workplace safety and health standards and putting their lives at risk. The company owners and construction manager also threatened to fire their workers if they cooperated with the OSHA investigation. For their willful actions against the welfare of their workers they were assessed nearly $2 million in penalties. Informing all workers of their rights, especially foreign and undocumented workers, coupled with enforcing labor protections goes a long way towards keeping unscrupulous employers from doing harm to their workers and cheating them out of the wages to which they are legally entitled.

In April 2010, OSHA convened nearly 1,000 participants in Houston for the first-ever National Action Summit for Latino Worker Health and Safety. It included Latino workers, community- and faith-based groups, employers, unions, consulates, the medical community, health and safety professionals, and government representatives.
The summit’s goal: Reducing injuries and illnesses among Latino workers by enhancing knowledge of their workplace rights and improving their ability to exercise those rights.

The summit’s workshops and exhibits highlighted employers and companies with effective education programs to reach Latino workers, successful community-based and public-private partnerships to educate and empower workers about workplace hazards, and many free resources that OSHA, other agencies and nonprofit organizations make available to help small business owners prevent worker illness, injury and death on the job. Since 2010, OSHA has conducted mini-summits across the country, and has strengthened its collaboration with worker centers and other organizations representing some of the nation's most vulnerable workers. As an outgrowth of the summit, OSHA expanded its effort to work with community and faith-based organizations and enhanced regional coordination with Consulates.
Accessibility for Tribal Communities

After receiving input from tribal leaders that competitive grant applications issued by the Department of Labor were often unclear as to whether tribes could apply, the Secretary of Labor issued a memorandum to all agency heads mandating they open grant applications to tribes whenever possible. As a result, the department has seen tribes successfully apply for grants that will enable them to provide critical opportunities for workers and jobseekers. In 2015, tribes were awarded grants in the YouthBuild, Performance Pilot Partnerships for Disconnected Youth, and Workforce Innovation Fund grant programs.

As part of our unprecedented investments in community colleges, tribal colleges were awarded more than $38 million to partner with local employers and the workforce system to prepare workers for in-demand jobs. Despite the economic progress we’ve made over the last several years, prosperity remains elusive for many tribal communities that continue to struggle with high levels of unemployment. That’s why the new memorandum is so important—it better enables tribes and tribal organizations to compete for valuable grant dollars to develop training and employment programs that help people find good jobs and punch their ticket to the middle class.

The department has also maintained a commitment to support tribal communities through the Workforce Investment Act – Indian and Native American Programs, and this commitment continues as we implement WIOA.
Inclusive Workplace Policies Through State Partnerships

The Office of Disability Employment Policy has provided extensive technical assistance to states to help them adopt innovative Employment First policies so that people with significant disabilities can find jobs earning competitive wages in integrated settings. By working with state teams, ODEP directly informed the development and passage of over 25 major policy and funding changes at the state level. Twenty-three states passed legislation and 16 issued policy directives, Executive Orders, or similar policy statements around Employment First. ODEP’s Employment First Community of Practice now has 43 state members receiving technical assistance and sharing model practices to make community-based, integrated employment the first option for employment for people with significant disabilities.

In 2015, ODEP launched the State Exchange on Employment and Disability initiative to increase the capacity of state intermediary groups to help state and local officials develop and adopt inclusive workforce policies. By partnering with ODEP, the National Conference of State Legislatures, the Council of State Governments, and the National Governors Association are making the employment of people with disabilities a priority issue. Through a joint task force on disability and employment, the three organizations, in partnership with ODEP, have identified key themes and developed recommendations to serve as a foundation for a disability employment policy framework for the states.
Ending Veteran Homelessness

Throughout this administration, VETS has been working to help fulfill President Obama’s goal of eradicating homelessness among veterans.

Progress has been substantial. Between the 2010 rollout of Opening Doors—the first-ever federal strategic plan to prevent and end homelessness—and the January 2016 point-in-time homeless count, homelessness among veterans nationwide was slashed by 35.6 percent. This progress is a testament to what our nation can do when we set the bar high, invest resources and effort, and refuse to scale back our vision.

The department operates the Homeless Veterans’ Reintegration Program to provide services to assist in reintegrating homeless veterans into meaningful employment. Grantees provide an array of services utilizing a case management approach that directly assists homeless veterans as well as provides critical links to a variety of supportive services available in their local communities.

Secretary Perez (center) speaks with veterans employed at Connections Housing in San Diego, (from left) Mario Moreno, Kevin Greene and Manuel Sanchez (front right) on March 31, 2015. U.S. Rep. Scott Peters (to the Secretary’s right) and U.S. Rep. Susan Davis also toured the facility. Connections Housing is operated by PATH, a recipient of funding through the department’s Homeless Veterans’ Reintegration Program.

Joining Forces: Construction Hiring

In February 2014, First Lady Michelle Obama visited the Labor Department to make a truly inspiring announcement: More than 100 companies in the construction industry had committed to hiring more than 100,000 of America’s veterans over the following five years.

Mrs. Obama’s Joining Forces initiative has made a powerful difference in the lives of military families. As she wrote in a Wall St. Journal op-ed, the companies “made this commitment not just because it’s the patriotic thing to do, and not just because they want to repay our veterans for their service to our country, but because they know that it’s the smart thing to do for their business.”

As our economic recovery continues, construction has been one of the industries leading the charge. It’s expected to grow rapidly in the coming years, creating more than 1.5 million jobs by 2022. And these are good jobs with good wages. They are jobs that provide economic security, and jobs that can’t be outsourced or sent overseas.
Partnerships Save Lives

Keeping any worker safe requires the vigilance of a network in harmony, experts in varied fields, from the chemists and engineers and occupational hygienists who study potential hazards, to worker advocates who can advise them on their rights and the appropriate measures to take when they are concerned about their safety, to regulators, to customers, to – in one notable partnership forged by the department – meteorologists who can convey the dangers of heat to their viewers during a heat wave.

The responsibility for protecting workers from known hazards ultimately rests with the employer. However, strong partnerships are crucial to supporting the goal of ensuring that every worker returns home safely from a shift. OSHA offers several cooperative programs under which businesses, labor groups, and other organizations can work cooperatively with the Agency to help prevent fatalities, injuries, and illnesses in the workplace. OSHA has also redoubled its efforts to ensure that its Susan Harwood training grants are open to a wide variety of organizations, including those that work especially closely with vulnerable workers. Some of the cutting-edge outreach and guidance programs established by the department during the Obama Administration include:

- **Workplace Violence Guidance and Enforcement**
  Workplace violence is a serious hazard across many professions, but workers in health care and social services are particularly vulnerable to serious injury as a result of workplace violence. OSHA has updated its guidance on preventing workplace violence in health care and social service workplaces, and has taken enforcement action in health care as well as other industries such as retails and corrections. OSHA has also announced its intent to solicit information from health care employers, workers and other experts on the impact of violence, prevention strategies, and other information that will be useful to the agency if it decides to move forward on rulemaking.

- **MSHA Grant Programs**
  Each year, MSHA awards grants based on applications from individual states that request funding for mandated miner training to better identify, avoid, and prevent unsafe working conditions. These federal funds are administered by state mine inspectors’ offices, state departments of labor, and state-supported colleges and universities. Each recipient tailors the program to the needs of its mines and miners, arming them with the knowledge to avoid accidents and injuries. From fiscal year 2009-2015, MSHA awarded state grants to 47 states and the Navajo Nation. Also, MSHA annually awards Brookwood-Sago Mine Safety grants to develop and implement training on mine emergency preparedness.
On the night of April 20, 2010, the Deepwater Horizon oil rig, located 45 miles off the coast of Venice, Louisiana, exploded and caught fire, resulting in the deaths of eleven workers. The rig sank on the morning of April 22, and oil gushing from the Macondo wellhead began reaching shore in late May. At the peak of the Deepwater Horizon response operations, more than 47,000 men and women were involved in responding to and cleaning up the oil spill each day. The workers on the front lines of the response faced a wide range of potential hazards on the job— including extreme heat, fatigue, electrical and motor vehicle, sharp objects, potential chemical exposures, drowning, and more.

OSHA worked as part of the coordinated federal response, which included the U.S. Coast Guard and other government agencies that deal with health and the environment, to evaluate BP’s efforts and make sure the company put in place all of the precautions needed to protect workers from the hazards associated with cleanup work.

From April 26 through October 1 of 2010, anywhere from 20-40 OSHA professionals were assigned solely to the Oil Spill Response. OSHA personnel deployed to all staging areas in Louisiana, Mississippi, Alabama, and Florida. OSHA staff were on the ground and on boats to make sure BP was protecting cleanup workers from health and safety hazards.

When OSHA found safety and health issues or learned about them from workers, we immediately brought them to the attention of the Unified Command and BP and monitored the situation until they were corrected.
Building an Innovative Outreach Program to Support Federal Contractor Diversification Goals

When the Obama Administration began in 2009, OFCCP had no formal outreach to workers who could benefit from the office’s enforcement. The office quickly set out to change that. Today, every regional office has a Regional Outreach Coordinator and active relationships with community-based organizations. In fiscal year 2013, OFCCP launched its Indian and Native American Employment Rights Program to strengthen workplace protections and expand employment opportunities for qualified Indian and Native American job seekers and workers. And in September 2015, OFCCP launched the Class Member Locator (CML) website, designed to increase the agency’s ability to locate applicants and workers who are impacted by workplace discrimination.

Reaching Across the Globe to Stop Child Labor and Forced Labor

ILAB led the world in funding approximately $300 million in projects during the Obama Administration to help eliminate the worst forms of child labor, adopting a holistic and sustainable approach that includes livelihood support for families, and improved access to education.

The agency also launched a Toolkit for Responsible Businesses to assist companies in developing effective social compliance systems to monitor their production and supply chain for child labor and forced labor. In another major sign of progress in the fight to eradicate child labor and forced labor, ILAB helped to shape the negotiation of several historic ILO standards, including the ILO’s Domestic Workers Convention and the Protocol of 2014 to the Forced Labor Convention.
A Story of Chocolate and Child Labor

At 6 a.m., 10-year-old Emmanuel wakes and readies himself for a day of labor in the Ghanaian cocoa fields. Along the way, he watches as other kids walk in the opposite direction—toward school. He reaches the fields at sunrise and uses his machete to slice ripe cocoa pods from the tree. Later, he carries the cocoa pods he’s harvested from the field, hacks them open and gathers the beans, which will later be used to make chocolate.

We expect to see 10-year-olds going to school in the morning carrying backpacks, not machetes. We expect to see them playing sports, painting or making music, opening their minds. Every child deserves the opportunity to learn, to grow and to benefit from his or her childhood. Emmanuel’s work in the cocoa fields deprives him of that childhood and the chance to develop to his fullest potential.

Well over half of the chocolate the world consumes is harvested in two West African countries: Côte d’Ivoire and Ghana.

After a series of news reports in 2001 brought international attention to the problem of child labor in West African cocoa, the U.S. government—alongside our partners in Côte d’Ivoire, Ghana and the international chocolate and cocoa industry—moved to confront the situation.

In 2001, former Sen. Tom Harkin and Rep. Eliot Engel negotiated the signing of the Harkin-Engel Protocol, a voluntary commitment by industry to take up this challenge. In 2010, recognizing the need to do more through enhanced cooperation, ministers of labor from Côte d’Ivoire and Ghana, then U.S. Secretary of Labor Hilda Solis, and industry representatives came together to sign the Declaration of Joint Action, committing new resources and setting a goal for reducing the worst forms of child labor in the cocoa sectors of Côte d’Ivoire and Ghana by 70 percent by 2020.

The parties to the declaration set this ambitious target because of a shared belief that producing cocoa with the worst forms of child labor was
unacceptable. While this sparked increased action by all parties, the next five years also saw major challenges that slowed the desired progress. In particular, civil conflict in Côte d’Ivoire caused major suffering and had a devastating impact on children’s access to schooling. Meanwhile, cocoa production rose more than 30 percent; according to some projections, global demand will grow another 30 percent over the next five years.

In 2015, the Department of Labor announced $12 million in new funding for three projects to help reduce child labor in West African cocoa-growing regions. The new funding builds on strong relationships with the Ivoirian and Ghanaian governments, and the projects are intended to serve as models that these governments can then draw from and sustain.

Protecting Workers’ Rights Among Our Trade Partners

Work connects us. Today, because of international trade and globalization, we can draw direct lines between ourselves and workers in every corner of the world. We are connected not only because the goods we purchase may come from the other side of the globe, but because as working people, we all share the same aspirations: a decent living, safe and healthy workplaces where workers’ rights are respected, and a fair share in growing prosperity. In fact, supporting workers’ rights abroad helps level the playing field for U.S. workers and businesses.

The Obama Administration has taken unprecedented actions to use our trade policy to promote and protect fundamental labor rights and ensure acceptable conditions of work with respect to minimum wages, maximum hours of work, and occupational safety and health. The benefits of trade for the global economy are vast, but it takes strong leadership and sustained effort to ensure that these benefits are broadly shared and support a growing and vibrant middle class around the world and here at home.

The United States has a variety of trade mechanisms at its disposal to promote labor rights around the world, and they are being used to an unprecedented extent. The Department of Labor and U.S. Trade Representative are at the vanguard of this effort, along with our partners in other U.S. agencies and in coordination with the International Labor Organization and civil society partners. These collaborations include the G20 Labor and Employment Ministerial process, launched in 2010 with the aim of strengthening action to promote inclusive global growth and quality job creation around the world.

This commitment to upholding the highest labor standards in the global marketplace is manifest in the unprecedented worker protections negotiated as part of the Trans-Pacific Partnership free trade agreement, which was completed in October of 2015. The TPP agreement between 12 countries is a high-standard, ambitious, comprehensive, and balanced agreement that will promote economic growth; support the creation and retention of jobs; enhance innovation, productivity and competitiveness; raise living standards; reduce poverty in our countries; and promote transparency, good governance, and enhanced labor and environmental protections.
ILAB helped negotiate the strongest labor provisions of any free trade agreement in history, including by establishing labor consistency plans with Brunei Darussalam, Malaysia, and Vietnam, detailing reforms needed to comply with those provisions. Effective monitoring and enforcement of these provisions will be built on a sustained record of accomplishment in pursuing forceful measures to ensure compliance with labor standards in previous Free Trade Agreements. Some of those accomplishments during the Obama Administration include:

- The first-ever case brought to dispute settlement under a free trade agreement, filed against Guatemala under the Dominican Republic-Central America-United States Free Trade Agreement (CAFTA-DR) for failure to effectively enforce labor laws relating to the right of association, the right to organize and bargain collectively, and acceptable conditions of work.

- Beyond enforcement, ILAB developed a rigorous engagement plan with the government of Honduras and successfully negotiated a Labor Rights Monitoring and Action Plan to address issues identified in a labor submission under CAFTA-DR.

- Sustained constructive engagement with Colombia on implementation of the Colombian Action Plan Related to Labor Rights, initialed in 2011 to address longstanding concerns relating to violence against labor leaders, impunity for such acts, and labor rights.

- An Initiative to Promote Fundamental Labor Rights and Practices in Myanmar, aiming to establish a partnership to advance labor rights and protections for workers as Burma enters a pivotal stage of its political and economic development.

- Leveraging relevant trade benefits programs in Bangladesh, Swaziland and Haiti to address a range of serious labor problems, including lack of worker voice, building and fire safety concerns, acts of violence, and intimidation towards union organizers, and employment-related sexual harassment.

- Formal consultations under the United States-Bahrain Free Trade Agreement to address concerns related to targeting of union leaders in the events surrounding the 2011 Arab Spring civil unrest in Bahrain.

- An Implementation Plan Related to Working and Living Conditions of Workers that is helping to address concerns about worker rights and working conditions in Jordan's garment sector, particularly with respect to foreign workers.

- ILAB funding of over $100 million of trade-related capacity building projects in trade partner countries to facilitate compliance with labor obligations.
Breaking the Impasse in the West Coast Ports Dispute

In February 2015, a labor dispute between longshore workers and management at West Coast ports threatened to strangle the flow of global commerce. Each year, about $1 trillion worth of goods are shipped through these 29 ports. They account for about 43 percent of the total cargo shipped through American ports each year.

A stoppage of the traffic through the ports would have sent damaging waves throughout the U.S. economy—from auto production in the Midwest to citrus exports in California.

After the dispute dragged on for nine months, President Obama, recognizing the gravity of the situation, dispatched Secretary Perez to help bring the parties together. This role of facilitating labor negotiations has been played by labor secretaries many times throughout our history under the authority of the 1947 Taft-Hartley Act, which permitted the president, if he chose, to seek a court order to end the dispute.

Although he called it one of the most difficult challenges he faced at the Labor Department, Secretary Perez succeeded in bringing the parties together to end what was quickly becoming a strain on an American economy poised for continued strong and steady growth. Throughout this process, he was in regular communication with the parties, a mediator, and senior administration and elected officials to help forge a mutually agreeable path forward.

They were tense days. But the resolution of the dispute is a testament to the power of bringing people together, of listening carefully to all sides, and of focusing on the greater good of the economy as a whole.
IT BENDS TOWARD JUSTICE

Introduction

At the Labor Department, we dream big. In addition to addressing today’s challenges, we look to the horizon, America's imagining how what we do today might shape tomorrow.

We are at a turning point in the history of work. Technology, globalization and social movements present both opportunities and challenges that call for new solutions. Grappling with the big ideas requires all hands on deck. During the Obama Administration, we have brought together coalitions of diverse communities to share their experiences and ideas and work together to influence change, and shape modern workplace policy. We raise up their voices and take their message on the road—from coffee shops to construction sites to homeless shelters—to inspire new thinking.

Our accomplishments cannot be boiled down to single outcomes. We build movements. Their fruits will not bloom for some time. We look to the genius behind the March on Washington for Jobs and Justice 50 years ago, and Labor Hall of Honor inductee Bayard Rustin for his example—that “the proof that one truly believes is in action.”

Rethinking Wages to Promote Prosperity Broadly Shared

Despite decades of successful bipartisan cooperation to raise the federal minimum wage, the U.S. Congress has refused to lift the wage above $7.25 per hour since 2007. The current minimum wage has lost nearly 50 percent of its purchasing power since the 1960’s, leaving too many hardworking Americans unable to get by, let alone get ahead.

In addition to new rules mandating a raise in the minimum wage for federal contractor employees, the department has worked to encourage progress in raising wages at the company, local, and state level, in the absence of congressional action. Today, 29 states and the District of Columbia have a higher minimum wage than the federal minimum wage. Secretary Perez has traveled to many of these locations to see how their efforts to raise the minimum wage have benefited families, businesses and local economies. In and around the nation’s capital, small-business owner Gina Schaefer found that paying above the minimum wage has helped her reduce turnover and training costs. Secretary Perez traveled to Seattle the day a new law went into effect, which will increase the minimum wage to $15, a move supported by the head of Seattle Restaurant Alliance. In Brooklyn, Secretary Perez visited IceStone, a sustainable manufacturer that pays above the minimum wage and has supported efforts to raise the statewide minimum wage to $15. Throughout the nation, businesses like these prove that higher wages mean more prosperity.

Your Voice

In order to build an economy that works for everyone, it is critical for everyone to have a voice at work. Voice in the workplace means free and unhindered participation, as well as the unconstrained opportunity to stand together to initiate change and demand fairness. It is as essential to our workplaces as it is to our democracy. But too often, shortsighted efforts to muffle that voice deny workers a meaningful say in decisions that affect their lives and families.

At President Obama’s direction, the Labor Department and White House partnered in October 2015 to host the first-ever White House Summit on Worker Voice. The summit convened workers, employers, unions, organizers, advocates, and experts to explore ways to ensure that more working Americans can share in the benefits of the broad-based economic growth that they are helping to create. It was an opportunity to showcase the measurable progress made across the nation when workers come together to improve their working conditions and the competitiveness of their businesses.

The summit explored the power of worker voice in all its forms, including the labor movement. Collective bargaining has been an engine of change throughout our history, and it remains one of the greatest forces
for shared prosperity and upward mobility that our country has ever known. The benefits of collective bargaining are not limited to union members—indeed, we all enjoy the 40-hour work week that labor demanded.

The department’s partnerships with the labor movement and a wide array of worker advocates in championing worker voice are indispensable for creating new paths toward prosperity broadly shared for all of us, even those not represented by unions.

Terrance Wise, a 36 year-old, second-generation fast-food worker and one of the leaders of the Fight for $15 movement, introduced President Obama at the summit. With a mother who is also a fast-food worker, and a fiancée who works in home health care, Terrance struggled with homelessness while raising three girls in Kansas City, Missouri, despite working two jobs. It wasn’t until he joined with a union, Terrance said, that he realized he could make a difference—not only in his own life, but in the lives of his daughters. “I have seen firsthand how we are heard and how we make change when workers like us, in this room, stick together,” Terrance said. “We are united as working people, as moms and dads and as proud Americans to make sure all work pays what we need to support our families. For real.”

“The biggest challenge America continues to have is making sure that everybody in this new economy is participating, everybody who works hard is getting paid a decent wage with decent benefits, everybody has some basic economic security, and that the incredible productivity and wealth and innovation that has been a hallmark of the American economy is broadly based. Wages need to rise more quickly. We need jobs to offer the kind of pay and benefits that let people raise a family. And in order to do that, workers need a voice. They need the voice and the leverage that guarantees this kind of middle-class security.”

– President Barack Obama, Worker Voice Summit, October 7, 2015
Bringing the Conversation to Your Neighborhood

The Worker Voice Summit at the White House kicked off a series of regional summits around the country, providing workers and employers with a forum to come together and speak freely on the matters of most urgent concern in their own backyards. Thus far, there have been regional summits in Minneapolis, Los Angeles, and New York City. Additional summits are planned over the coming months.

Standing for recognition from U.S. Representative Jared Huffman are two original “Rosie the Riveters” at the Department of Labor Regional Forum in San Francisco as part of the White House Summit on Working Families in the Milton Marks Auditorium, San Francisco, California. May 27, 2014.
Hi! I’m Renee, and I Build Great Buses

From Baltimore to Calgary to Los Angeles, workers and families rely on the morning and evening bus routes to take them to and from work. They may never think about it, but those buses are a daily symbol of the continued vitality of American manufacturing. The buses are made in tiny St. Cloud, Minn., by New Flyer America. Renee Bland is a New Flyer employee and vice president of Communications Workers of America Local 7304. She attended the department’s first regional summit on worker voice in Minneapolis, where she shared the ways that a strong culture that supports the worker voice has helped the company continually improve its product and its jobs. Through her union, Renee helped encourage the company to join Jobs to Move America, a nationwide coalition seeking to make sure the billions of public dollars spent on public transit systems create better results for our communities: good jobs, cleaner equipment and more opportunity for low-income people. “By telling our story, I hope we can inspire others to organize, and to stimulate more good jobs across the country, Bland said. “We’re proof that having a voice helps taxpayer dollars for public transit go the distance, and helps American manufacturers compete on a level playing field.”

Too Many (Pay) Secrets

Lilly Ledbetter learned only after decades at her job at the Goodyear plant where she worked in Gadsden, Ala., that she had been paid less than her male counterparts. Her company had a policy forbidding her from discussing pay with co-workers which in turn, prevented her from getting the information she needed to bring a complaint in time. To this day, workplace policies that prohibit this free flow of information among peers make it harder for us to achieve the fundamental principle of equal pay for equal work. Eliminating these policies is an important step toward closing the pay gap.

To address these kinds of transparency issues and strengthen protections against pay discrimination, President Obama took two executive actions in April 2014. First, he signed an executive order prohibiting federal contractors from retaliating against employees who choose to discuss their compensation. This order does not compel workers to discuss pay, nor does it require employers to publish or otherwise disseminate pay data. Rather, it enables workers to discover violations of equal pay laws and seek appropriate remedies.

In response to the second order, the department also teamed up with the EEOC to add key compensation data to existing EEO-1 reports. This will provide OFCCP and EEOC with key information for identifying and targeting pay discrimination. In addition, the Women’s Bureau produced resources to help workers better understand state-level protections that provide recourse against pay discrimination, including an interactive state map cataloguing equal pay and pay transparency laws.

The Women’s Bureau also held a series of roundtables across the country highlighting challenges faced by older women workers as a result of pay disparities over a lifetime of work.

By building a culture in which worker voice is valued and encouraged on topics like wages, benefits, discrimination, and implicit bias, transparency about salaries can help close the pay gap.
Why I’m Fighting for Higher Wages

I work at Dollar Tree, and while I make more than the state minimum wage of $8.15, it is only ten cents more. My last paycheck was $178.

I recently had the chance to sit down with other workers and talk with Secretary of Labor Tom Perez and explain why as people largely making the minimum wage, people working too few hours, people with rent, gas and other bills to pay, we need higher pay.

We shared how hard it is to pay for transportation, to pay the rent, to just make ends meet… and how we met each other protesting for higher wages and a voice in our workplaces. When it was my turn to speak, I got choked up because the reality of low wages and the struggle in my daily life had just hit home. Two days before our conversation, I was evicted from my home.

That morning, I was living in my car.

As a mother of three, there’s not much worse than sleeping in your car. Or thinking about whether you can put clothes on your child’s back. Or food on the table. My low wages mean I have to make choices about one or the other every day. No one should have to do that. It’s very hard when your child is hungry and you cannot feed him. Have you ever heard the cry of a hungry child? It’s terrifying.

I believe the fact that Mr. Perez came to Detroit to listen to us shows that our Fight for $15 is having an impact. But I do hope that he and others hear that we need the fight to move along faster, because we can’t survive on minimum wage.

I’m going to continue to speak up for better wages… until my voice is heard.

Alicia Roberson lives and works in Detroit, Michigan.

Child care workers in New York City tell Secretary Perez how they have organized to have a voice in their workplaces. October 9, 2015 – Washington, D.C.
Your Family

Working Families Summit

A great nation should not force its people to choose between the job they need and the family they love. But the United States stands virtually alone in its lack of a federal law that provides paid leave to workers who need time off to care for a new baby or a sick or aging family member or recover from their own serious illness.

On June 23, 2014, the White House, the Department of Labor, and the Center for American Progress hosted the first-ever White House Summit on Working Families. The summit brought together business leaders, economists, labor leaders, legislators, advocates and workers to discuss key issues facing today’s working families, including policy solutions related to paid leave, sick days, minimum wage, child care and equal pay. In preparation for the summit, our Women’s Bureau hosted six regional forums around the country in Atlanta, Boston, Chicago, Denver, New York and San Francisco, bringing together close to 1,500 participants including policy makers, advocates, workers, researchers and business leaders.

On the day of the summit, the department announced the creation of a $500,000 Paid Leave Analysis Grant Program to fund up to five states to conduct research and feasibility studies that could support the development or implementation of state paid leave programs. In 2014 and 2015, the Women’s Bureau awarded more than $2 million in 11 grants to assist cities and states in funding feasibility studies on paid leave, including California; the District of Columbia; Massachusetts; Montana; Montgomery County, MD; New Hampshire; New York City; Rhode Island; Vermont, and Washington. We also hosted a Paid Family and Medical Leave Findings Symposium in September 2015, to share and discuss the results of the 2014 Paid Leave Analysis Grants, as well as academic research funded by the department.

In order to help new parents balance the demands of work and family, we developed an interactive online map with information on federal and state employment protections for workers who are pregnant or nursing.
In October 2012, we launched an online Workplace Flexibility Toolkit developed by the Women’s Bureau and the Office of Disability Employment Policy to provide employees, job seekers, employers, policymakers and researchers with information, resources and a unique approach to workplace flexibility. The toolkit includes more than 170 resources for workers and job seekers with complex employment situations, such as parents of young children, single parents, family caregivers, mature workers, at-risk youth, ex-offenders, and individuals with disabilities. In 2015, the Bureau developed another Workplace Flexibility Toolkit in collaboration with the Small Business Administration, to assist small-business owners with implementing these policies in their workplaces.

The Future of Work

In 2015, after a year of research, listening and building relationships, the Labor Department hosted a three-day Future of Work symposium that brought together approximately 400 business leaders, workers, worker advocates, technology developers, academics, investors and other thought leaders in this area. The symposium dealt with critical topics that we need to address as our economy continues to evolve, like benefits coverage in a changing labor market, the enforcement of basic labor standards, training and development for a 21st Century workforce and developing better data on emerging trends in order to inform smart policymaking.

In President Obama’s 2016 State of the Union address, he took up one of the overriding themes that emerged at the symposium—the importance of portable benefits for a broad range of workers, regardless of whether they are classified as employees or independent contractors—when he called for basic benefits to be “just as mobile as everything else is today.” Following his comments in the State of the Union, the President’s fiscal year 2017 budget included both funding for portable-benefits pilot projects and a proposal to make it easier to establish open multiple-employer plans, which would allow workers to move between participating employers with continuity in their benefits and help independent contractors get access to retirement benefits. DOL continues to play a leading role in exploring portable-benefits models.

We are also moving forward on another common refrain at the symposium: the need for more data on emerging trends. In early 2016, we announced that the Bureau of Labor Statistics will be working with
the Census Bureau to administer the Contingent Worker Supplement (CWS) to the Current Population Survey for the first time since 2005. This survey will provide authoritative data on how many of America’s workers are participating in non-traditional work arrangements, like independent contracting to temporary employment to holding on-call jobs. The CWS will be included in the May 2017 survey.

As we follow up on a number of key themes from the symposium, the Labor Department and Secretary Perez have continued to engage with important stakeholders and build on the thought-leader role that DOL and the administration have assumed on the future of work. For example, in January, Secretary Perez traveled to Silicon Valley, where he met with workers, business leaders and investors in the on-demand economy. Also in January, he participated in an OECD policy forum in Paris on the future of work, where he led a discussion with German Labor Minister Andrea Nahles on trends in the nature of work.

Creating an Environment that Fosters Evidence-Based Decisions

The Chief Evaluation Office was established at the Labor Department in 2010 to work with sub-agency evaluation and research divisions to coordinate a department-wide evaluation program that is responsive to the overarching priorities and the department’s strategic vision. Evaluations are central to our evidence-based approach to program management, performance and policy decision-making. The evaluations focus on program performance and outcomes, measuring the impacts of core programs and services, evaluating new programs and initiatives and testing the relative effectiveness of alternative program practices, using the most rigorous methodologies possible. Rigorous evaluation is the best way to understand whether or not individual programs are meeting their goals, the relative effectiveness of different strategies to achieve those goals, and what needs to change in order to achieve improved performance.

A few recently completed studies have provided important findings that are improving our understanding of and approach to serving America’s working people. For example, department studies have revealed that registered apprenticeship has a big payoff—almost $300,000 more over an apprentice’s lifetime, that women veterans in Jobs for Veterans State Grants Programs do better when they get special attention through those programs, and that providing immediate reemployment services to unemployment insurance recipients can help reduce the amount of time people receive unemployment insurance.

A study on wage theft in California and New York revealed pervasive wage violations, resulting in tremendous hardship for impacted workers. The study estimated 300,000 wage violations in each state every month. Studies like these provide invaluable insights as we confront the critical challenges faced by workers in our country.
EPILOGUE: RESPONSIBLE STEWARDSHIP FOR THE NEXT 100 YEARS

All the workforce programs and good intentions in the world don’t matter without a dedicated, talented, engaged group of civil servants armed with the tools they need to carry out the vital mission of the Department of Labor. To that end, we have doubled down on our most important resource—our employees—and taken aggressive steps to ensure that our nearly 17,000 employees are able to use their time for what is important to them, working for workers.

Investing in Our People

Led by Secretary Perez, we have taken unprecedented steps to promote engagement, training and inclusion throughout the department. In the last several years, our participation in the Office of Personnel Management’s Employee Viewpoint Survey has climbed from less than 50 percent to 76.5 percent in 2015, the third highest response rate of any large agency in the federal government.

That level of response has allowed us to pilot and implement valuable new internal programs to improve our effectiveness. Office of the Assistant Secretary for Administration and Management (OASAM) launched a crowdsourcing platform called IdeaMill to solicit suggestions from employees on how to improve operations and management of the department.

Agency leaders pose questions on IdeaMill, and employees have an opportunity to promote suggestions on an open platform. We have also facilitated an increase in the number of forums to encourage feedback, including suggestion boxes, town hall meetings (both in-person and virtual) and listening sessions spread throughout the department.

Working with the Partnership for Public Service, we have also improved the quality of leadership training offerings for employees, including a new onboarding program for members of the Senior Executive Service, and a training for supervisors called Leading@Labor. Employee feedback also led to a new professional-development program, the Repository of Opportunities, Assignments and Details. The ROAD program connects our employees to short-term assignments and longer-term details throughout the department.

We also began developing Agency Operating Plans that cascade Strategic Plan goals down to the operating level, helping agency leadership implement their strategies and priorities by aligning budgetary and personnel resources with performance metrics. These are used quarterly in reviews that provide detailed analysis of quarterly and year-to-date results for performance. According to a GAO publication (GAO-14-747), the Labor Department improved to the highest-rated Cabinet department in the use of performance management in decision-making.
Investing in Technology

We produce mountains of data on enforcement actions, employment, wages, and much more. These data can be useful for those struggling to find a job, workers looking for ways improve their skills, and consumers who want to know that the businesses they use provide safe, healthy, and fair workplaces. As part of our Open Government Plan, the Department of Labor has begun to “liberate” this information; because we know this information is valuable to the regulated community, lawmakers, researchers, and members of the public.

Through our Office of Public Affairs, we have also made huge strides to bring our website into the modern era. We have begun a transition into a new content management system that allows the public to access information in a simpler way, improves efficiency in our web content management, and provides a responsive experience that works for users no matter how they connect.

We have also led the way on an innovative website designed to provide American citizens easy access to Federal and state benefit information through a single portal. Benefits.gov is the product of a collaboration among 17 federal agencies, and DOL is the managing partner. The website’s key feature is the “Benefit Finder,” a tool that asks users questions about themselves to determine which government benefit programs - out of more than 1,000 - they may be eligible to receive. This powerful prescreening technology has been reused for multiple government websites, such as GovLoans.gov and DisasterAssistance.gov.

As communications have changed in the past decade, we were confronted with a hitherto unknown way to serve the public: digital media. Through the proliferation of social platforms, blogs, and other websites, the way our customers gather information has expanded immensely. Our guiding principle is always to meet the people we serve where they are. To that end, our Office of Public Affairs has developed and expanded a digital media program to deliver information to the public in myriad ways. With this expansion has come new public conversations around the work we do, and has proven digital media a powerful tool with which to interact with America’s workers.
Results Matter

For the last two years, the Department of Labor has had the distinction of being ranked the most improved large federal agency, according to the annual Best Places to Work in the Federal Government report, issued by the Partnership for Public Service. These results reflect the department’s renewed commitment to engaging to retain our team of mission-driven professionals, and to ensure we can recruit an equally productive workforce in the future. And while there is undoubtedly more work to be done, we understand that the more productive our employees are, the better we can serve America’s wage earners, job seekers and retirees. That has been our mission for more than 100 years, and will be for the next century and beyond.

The U.S. Department of Labor is working hard to help America’s wage earners, job seekers and retirees – today and beyond.