

## Chapter V. Accomplishments: Economic Security

The Department of Labor promotes the economic security of workers and their families by protecting workers' hours, wages, and other job conditions; providing unemployment and compensation benefits when workers are unable to work; and expanding, enhancing, and protecting pension, health care, and other benefits. DOL's priorities are to increase compliance with minimum wage and overtime requirements; promote secure retirements for working Americans; provide more pensions for women and employees of small businesses; broaden access to health care; and shorten periods of unemployment in those areas suffering from rapid economic change.

### A. Enforcing worker protection laws

The logo consists of the words "NO" and "SWEAT" stacked vertically in a large, bold, black, sans-serif font. The letters are thick and blocky, with a slightly distressed or stencil-like appearance.

**Garment industry crackdown.** In August 1995, worker abuse in the garment industry received national attention when Department of Labor and Immigration and Naturalization Service investigators raided a sweatshop in El Monte, California, and found 72 Thai workers toiling in slave-like conditions for 16 to 22 hours a day. A study that same year by Marymount University in Arlington, Virginia, found 78 percent of the consumers surveyed would avoid retailers that sell sweatshop goods. The majority of those surveyed, 84 percent, also indicated they would pay more for garments guaranteed not to be made in sweatshops.

In March 1996, Secretary Reich and a coalition of consumer, labor and religious organizations representing more than 50 million members, announced an initiative called *No Sweat* to raise public awareness of continued worker abuse in the U.S. garment industry. As part of this initiative, on the 85th Anniversary of the worst sweatshop tragedy in American history, the Triangle Shirtwaist Factory fire, Secretary Reich introduced new public service announcement ads, "Clues for Consumers," for shoppers interested in sweatshop-free shopping. He also unveiled a new site on the Web dedicated to the public awareness effort. Secretary Reich recalled that the March 25, 1911 Triangle fire in New York City claimed the lives of 146 people, mostly immigrant women, and brought attention to the abhorrent workplace conditions of the era. The resulting public outrage fueled the creation of workplace health and safety standards and was instrumental in shaping future labor laws. "Eighty-five years after one of the worst workplace tragedies in our history, we are witnessing a return of sweatshops," said Secretary Reich. "The anniversary of this tragedy should mark a renewed commitment to eradicate them. Sweatshops pose a threat to the workers. However, they also threaten the legitimate contractors in the industry who want to pay good wages and abide by the rules. We are dedicated to protecting contractors as well from the unscrupulous in the industry. More than 1 million garment workers in this country depend on a healthy, thriving industry."

Under Secretary Reich, the Department had already established a very aggressive garment enforcement program to uncover abuse of U.S. garment workers. Between January 1993 and March 1996, the Employment Standards Administration's Wage and Hour Division had already recovered more than \$7.3 million in back wages for more than 25,000 garment workers.



FROM LEFT TO RIGHT:  
JAY MAGLAR, KATHIE LEE GIFFORD,  
SECRETARY REICH, JAY ALLEN,  
SENATOR TOM HARKIN, LEE SCOTT

In May 1996, clothing bearing the label of television personality Kathy Lee Gifford was twice linked to sweatshops in the United States and abroad. Ms. Gifford expressed an interest in waging a campaign for garment worker rights following the disclosure May 23 of a

Manhattan sweatshop making Kathie Lee apparel. Ms.

Gifford and Secretary Reich spoke on the telephone about

ways to address this problem and decided to organize a fashion forum to raise public awareness.

On July 16 of that year, 300 garment industry professionals, including some of the biggest names in the fashion and apparel industry, responded to Secretary Reich's call against sweatshops and gathered to map out strategy. Every level of the apparel industry was represented at the Department's Fashion Industry Forum at Marymount University, from clothing manufacturers to fashion models, major retailers to major celebrities, as well as fashion designers, garment workers, consumer groups and human rights activists.<sup>14</sup> The Fashion Forum conference materials are included in Appendix L – Documents relating to DOL's most significant achievements.

Under Secretary Herman, the struggle to eradicate sweatshops continued, consistent with the "No Sweat" multi-prong strategy of enforcement, compliance education and partnerships. The enforcement strike forces showed results. In May 1997, the Department announced the recovery of \$320,000 for 500 garment workers as a result of five strike forces; a 1998 strike

force in Los Angeles found \$118,000 in back wages due to 200 workers; and in 1999, the Department recovered more than \$100,000 in back wages for 203 garment workers in Brooklyn's Sunset Park. Consistent with this emphasis on enforcement, the Department stepped up its assessment of civil money penalties for repeat and willful violations, and sought and obtained a Federal court order requiring a New York City garment manufacturer to give up financial gains made from shipping "hot goods" made in violation of the Fair Labor Standards Act. And criminal action was successfully completed in September 2000 when three garment shop operators in New York City were sentenced after pleading guilty to making false statements about pay and recordkeeping practices to government investigators.

The Department also aggressively pursued compliance education of all parties in the industry. Staff reached out to garment workers at local town hall meetings and at "English as a Second Language" classes to educate workers about their rights. Departmental staff made a special effort to reach out to contractor shops which were found in violation, to ensure that they remained in compliance. In partnership with the American Apparel Manufacturers Association, DOL conducted a series of "Compliance Monitoring Seminars" for manufacturers. Finally, the Department continued to reach out to retailers to offer them and their vendors training about how to monitor their production contractors for compliance.

Secretary Herman continued Secretary Reich's partnership efforts. In 1997, she unveiled the "No Sweat" initiative for teens as the Newark (N.J.) Archdiocese kicked off its education initiative designed to raise levels of awareness for young consumers about garment sweatshops. In 1998, the Department and the Smithsonian Institution's National Museum of American

History hosted “No Sweat University: Labor Standards and Codes of Conduct” – a first-of-its kind forum to provide college and university officials, students and representatives from licensing companies and licensees, a unique opportunity to explore strategies for developing and implementing codes of conduct to prevent labor abuses of workers making college and university apparel. DOL also provided technical assistance to the Apparel Industry Partnership.

Finally, the Department continued its measurement of compliance levels in the three U.S. garment centers – New York City, San Francisco, and Los Angeles. In October 1997, the first-ever investigation-based compliance survey in New York City established a baseline level of compliance at 37 percent. Follow-up compliance surveys in San Francisco in 1999 and Los Angeles in both 1998 and 2000 found that compliance levels remained stagnant at 74 percent in San Francisco and 33 percent in Los Angeles. Similarly, the level of compliance established in New York City remained unchanged in 1999. Based on these findings, the Department is reassessing the effectiveness of its enforcement, partnerships and education strategies.

**Increasing the minimum wage.** In the mid-1990’s, probably no other issue focused policy makers in the Department so keenly as did their work on the President’s proposal to increase the minimum wage. By March 1996, 81 percent of the minimum wage increase that was passed in 1989 -- and went into effect in 1991 -- had been eaten away by inflation. Yet the year 1996 was turning into one of steady, robust employment growth. Job creation over the course of the year averaged 239,000 a month, more than enough to provide jobs for people coming into the labor market. April’s unemployment rate of 5.4 percent marked the 20th consecutive month that it had stayed under 6 percent. The unemployment rate was by then two

full percentage points lower than it was exactly four years earlier. And wages for production and non-supervisory workers were beating inflation. However, the Department realized that not all workers were sharing the benefits of the improving economy and recommended an increase in the minimum wage. The President concluded that there was room in the economy for a modest raise of 90 cents (from \$4.25 to \$5.15 an hour) for America's lowest-paid workers. Polls showed that 85 percent of the American public agreed that the minimum wage should be raised, but the legislative haggling over the bill dragged on into the summer of 1996.



Finally, the legislation passed both Houses. On August 20, 1996, President Clinton signed the legislation raising the minimum wage in two annual steps to \$5.15, giving 10 million workers a pay raise. In his remarks at the signing, the President said, "Together with our tax cut for

working families, this bill ensures that a parent working full-time at the minimum wage can lift himself or herself and their children out of poverty. Nobody who works full-time with kids in the home should be in poverty. If we want to really revolutionize America's welfare system and move people from welfare to work and reward work, that is the first, ultimate test we all have to meet. If you get up every day and you go to work, and you put in your time and you have kids in your home, you and your children will not be in poverty.

"We have some hard working minimum wage people here today. Let me tell you about them. Seventy percent of them are adults, six of 10 are working women, and for them, work is

about more than a paycheck, it's about pride. They want a wage they can raise their families on. By raising the minimum wage by 90 cents, this bill, over two years, will give those families an additional \$1,800 a year in income -- enough to buy seven months of groceries, several months of rent, or child care. Or, as Cathy [*a minimum wage worker at the signing ceremony*] said, to pay all of the bills from the utilities in the same month."

However, in the years after the increase, these minimum wage workers began to fall behind again -- millions of workers were again struggling to make ends meet. Although America was in the longest expansion in history, the poorest working families needed to have a chance to share in this prosperity. Though the minimum wage was raised in 1996, by 1999, adjusted for inflation, it was more than 25 percent lower than it was in 1979. A minimum wage worker who worked full-time, year-round, earned less than \$11,000 a year -- below the poverty line for a family of two.

In his 1999 State of the Union Addresses, President Clinton called for increasing the minimum wage by an additional \$1 to \$6.15 an hour. In her March 1999 testimony before the House Appropriations Committee, Secretary Herman reiterated concerns about low-wage workers and urged the Congress to raise the minimum wage: "A secure workforce requires a fair minimum wage. Today, a full-time minimum wage worker earns approximately \$10,700 -- \$2,900 below the poverty level for a family of three. In the midst of the greatest peacetime expansion in the Nation's history, this is unacceptable. A hard day's work deserves a fair day's pay. We must raise the minimum wage by \$1 an hour over the next two years. I hope that we can work in a bipartisan fashion to enact this legislation."

In his 2000 State of the Union Address, President Clinton again called for increasing the minimum wage. A March 2000 study by the Council of Economic Advisors and the Department's Office of the Chief Economist found that raising the minimum wage to \$6.15 an hour would restore the real value to what it was in 1982.<sup>15</sup> Contrary to the continuing arguments of those opposed to increasing the minimum wage, the report included information that showed the 1996 increase had not harmed job growth. After the minimum wage increase in 1996, the economy created more than 10 million jobs and the unemployment rate fell from 5.2 percent in September 1996 to 4.1 percent in February 2000, near its lowest level in thirty years. Labor market trends for workers most affected by the minimum wage increase -- including younger workers, workers with lower educational levels, and minorities -- also showed no negative impact of the minimum wage on employment.

In his September 2000 Labor Day Radio address, the President laid out his arguments for increasing the minimum wage. Excerpts of the address follow:

Every one of us knows someone who works for the minimum wage, and often struggles to make ends meet. People like Cheryl Costas, a mother of four I met just a few months ago. Cheryl's from a small town in Pennsylvania. She works at a local convenience store for the minimum wage, so she can support her four children and her disabled husband. As she said to me, "\$5.15 an hour doesn't pay the bills. It doesn't put food on the table."

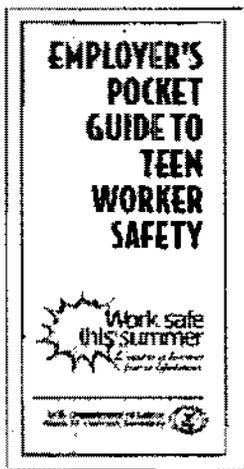
Seventy percent of all workers on the minimum wage, like Cheryl, are adults; almost 50 percent work full-time, 60 percent are women. In many cases, they are their family's sole breadwinners, struggling to raise their kids on \$10,700 a year. These hardworking Americans need a raise.

It's long passed time we raised it again. In fact, more than a year-and-a-half ago I proposed to raise the minimum wage by a dollar over two years. That modest increase merely restores the minimum wage to what it was way back in 1982 in real dollar terms.

Still, that's no small change to more than 10 million Americans who work for the minimum wage. For a full-time worker it means another \$2,000 a year -- enough for a family of four to buy groceries for seven months or pay their rent check for five.

...Since we last raised the minimum wage our economy has created more than 11 million new jobs, and juvenile crime has gone down every year. Study after study has shown that raising the minimum wage is not only the right thing to do for working families, it's the smart thing to do for our economy....

As of December 10, 2000, Congress had not passed an increase in the minimum wage.



**Keep children safe.** In July 1999, Secretary Herman announced her *Safe Work/Safe Kids* program, a new child labor initiative to help ensure the safety of America's teens as they enter the world of work. As part of the effort, DOL regional offices around the country reach out to schools, parents, employers, and young people to build partnerships and raise awareness of child labor protections that help keep teens safe.

The Secretary explained the importance of this effort, "I am deeply committed to helping our teens have opportunities to reap the rewards of early work experiences and, at the same time, ensuring that their work is positive and safe, complementing rather than competing with their education. Our new *Safe Work/Safe Kids* initiative is designed to help fulfill this commitment. In launching *Safe Work/Safe Kids* we recognize that we all share responsibility to ensure the safety of our young people. If parents, employers and community organizations work together to get the word out on how to work safe, we can help keep our kids safe on the job."

*Safe Work/Safe Kids* is designed to help ensure that teens have constructive early work experiences and that they work safely. The initiative employs a comprehensive strategy of enhanced, targeted enforcement; increased compliance education aimed at employers, parents, and teens; stronger partnerships with states, businesses and other organizations; and heightened public awareness. All of the elements of this strategy are aimed at increasing compliance with child labor laws and reducing the number of kids who are hurt on the job each year.

**Women migrant farm workers legal literacy.** To raise awareness about the legal protections afforded women farm workers, in early 2000, the Women's Bureau kicked off a legal literacy campaign. The Women's Bureau Director toured the country to educate women migrant farm workers and their families about labor rights. These workshops helped address real-life employment issues and offered practical advice to approximately 700 women farm workers. At each workshop, officials from the Women's Bureau and other federal agencies discussed federal laws that protect women in the workplace. Local organizations provided presentations on the support programs and legal assistance available to women farm workers.

The Bureau also funded two proposals for organizations that are committed to helping women farm workers and their families. One is *Lideres Campesinas*, based in California, and the other is the *Farm Worker Justice Fund*, based in the District of Columbia. They will each continue programs to educate women farm workers and to provide legal council to their respective communities. The goal is to ensure that service providers know the current laws protecting these women farm workers and their families.

## **B. Worker benefits**

**Balancing work and family.** Based on findings from a 1996 study conducted by the Commission on Family and Medical Leave, which indicated that many parents were not able to take needed leave because they could not afford it, and in response to the legislative efforts by some States to provide unemployment compensation to parents, President Clinton asked Secretary Herman to propose regulations that would address this problem. After issuing a proposal and analyzing the comments received from the public, the Department issued new regulations in June 2000 that created an opportunity for State agencies that administer the unemployment compensation program to provide partial wage replacement, on a voluntary, experimental basis, to parents who take approved leave or who otherwise leave employment following the birth or placement for adoption of a child. Through these new rules, States will be able to provide partial wage replacement to enable some parents, who otherwise would not have taken any leave, to do so. Others who took leave but were compelled to return to work prematurely because they could not afford to be off work, may be able to take longer leave periods. This increase in both the incidence and duration of leave-taking will benefit these parents and their children by allowing more time for parent-child bonding and for arranging stable childcare.

**Workers' compensation.** The years since 1993 have been years of accomplishment and expanded challenge for the Office of Workers' Compensation Programs (OWCP), which is part of the Employment Standards Administration. The importance of the program as a protection for Federal workers was clearly demonstrated when, on April 19, 1995, the Murrah Federal Building

in Oklahoma City was bombed. On hearing of the explosion, OWCP immediately dispatched three members of a Rapid Injury Response Team to Oklahoma City from the Dallas office. Arriving in Oklahoma City, the team immediately began taking claims and ensuring that injured workers and their families were provided full information about their entitlement to coverage of medical bills, continuation of pay, and other benefits. As a result of the team's efforts, the Dallas regional office began paying medical bills and in at least one case, survivor's benefits within a matter of days. OWCP approved 359 injury claims and 91 death claims. As a result of their efforts, the team received Vice President Gore's NPR Hammer Award.

Under GPRA, OWCP's vision of itself was transformed from that of a gatekeeper, adjudicatory, and benefit payment program to a proactive, make whole, service delivery system which seeks to restore the quality of the lives of injured workers. This transformation is most powerfully reflected in OWCP's choice of "Return to Work" as the number one goal for the program. OWCP believes that in almost every case, return to suitable employment is the best outcome for injured workers, their families, the employing agencies, and the larger society.

OWCP's Quality Case Management (QCM) strategy in the Federal Employees' Compensation Act program employs new and creative methods to achieve the Return to Work goal, including the assignment of rehabilitation nurses to improve communications between the physician, the injured employee and the employer. This new approach helps injured workers better understand the program and brings about early recovery and return to work. Immediate benefits have been achieved, including a tenfold increase in the number of persons helped back

to work by OWCP – 7,632 in 2000. This strategy has also helped reduce the average length of disability from 189 days in FY 1997 to 164 days in FY 2000.

The Periodic Roll Management (PRM) project, which began in 1992, assigned staff solely to screening long-term disability cases and providing medical examinations, vocational rehabilitation and placement assistance toward the reemployment of workers. Benefits are then adjusted as appropriate. The PRM project resulted in an additional \$414 million in savings due to compensation benefit adjustments and terminations between 1992 and 1998. PRM was established as a permanent operation in every district office in FY 1999, and subsequently produced another \$147 million in savings.

**Increasing pension security.** The Department's Pension and Welfare Benefits Administration (PWBA) is charged with protecting the \$4.3 trillion of retirement assets owed to 90 million participants nationwide by 700,000 pension plans. PWBA also assures that 6 million employer sponsored health and welfare benefit plans deliver benefits to the 150 million participants and their families.

The Administration has advanced the protection of participants' pension and health benefits through the expansion of PWBA's participant assistance and educational outreach program. Evidence of this commitment is seen by the agency's steady move to increase its participant assistance staff from 12 dedicated benefit advisor positions in FY 1994 to 108 authorized positions in FY 2000. This has allowed PWBA to become very responsive to its customers' needs. For example, over the last several years, PWBA benefit advisors have

successfully responded to more than 99 percent of the telephone inquiries from participants and beneficiaries of employee benefits plans within 24 hours of receiving their call. In addition, over 98 percent of the letters to PWBA were responded to within 30 days. PWBA has responded to over 835,000 inquiries affecting more than \$220 million in benefits paid or protected since the participant assistance program was expanded nationwide in FY 1995. PWBA has also assisted more workers and their families by putting all of its educational materials on its website, and by providing these materials through a toll-free telephone number.

In 1995, noting the significant growth in 401(k) plans and a significant increase in the number of complaints about these plan, PWBA launched an enforcement program aimed at increasing protection of employees' 401(k) contributions. The Employee Contributions Project focused on protecting employee contributions to their 401(k) plan from misuse by employers who delay forwarding the employee contributions to the plan. It was believed that an intensive, nationwide enforcement initiative would raise the visibility of this problem, encouraging employees to report potential violations to PWBA while discouraging this type of violation in the employer community. The Department also published two booklets, "Protect Your Pension" and "Top Ten Warning Signs," to help educate employees about their plans and what to watch out for if they suspect fraud in the administration of their plan. In August 1996, the Department also promulgated a rule to shorten the time period employers have for forwarding employee contributions to the plan. From the beginning of the project in 1995 through June 30, 2000, PWBA recovered \$95 million nationwide for participants. The agency also gained extensive and ongoing print and broadcast media attention, raised employee awareness to signs of 401(k) plan

abuse, and opened 4,960 civil investigations (2183 with violations and monetary recoveries) and 136 criminal cases (with 96 persons prosecuted).

As part of a continuing focus on 401(k) plans, the Department responded to employers requests for guidance on the types of investment education materials they could provide to employees that would not be considered as investment advice. With employees bearing more responsibility and risk for making the investment decisions for their own accounts in 401(k) plans, DOL wanted to encourage employers to provide investment education to their employees, while also recognizing employers' concerns about potential liability if what they offered was considered investment advice. In 1996, after input from the benefits community, the Department issued Interpretive Bulletin 96-1 to provide this guidance.

In 1997, PWBA recognized that, as participants became more focused and educated about the investments in their 401(k) plan accounts, they would also need to be aware of and consider the fees charged to those accounts. The agency also wanted to see what information employers received and considered with respect to the fees for various investment options when making the decisions on the investment options offered under their plans. The agency held a public hearing in November 1997 to determine whether plan sponsors and participants understood the fees and expenses they are charged, whether more disclosure was needed, and whether the fees being charged were excessive. The hearing led to the publication of a booklet, "A Look at 401(k) Plan Fees" and the release of a research study on fees. Secretary Herman also challenged the industries that provide the investment products for plans to develop a uniform manner of disclosing and describing the various fees so that employers, especially small

employers, could easily compare different options. In July 1999, the Secretary joined the leaders of the American Bankers Association, the American Council of Life Insurers, and the Investment Company Institute, to announce the availability of a new uniform 401(k) plan fee disclosure form that employers could take to prospective providers and get them to fill out. At that time, the Department also released a new booklet, "A Look at 401(k) Plan Fees for Employers," to help employers in utilizing the form in their selection process.

With the growth of 401(k) plans, especially the number of small plans, there has also been increasing public attention on the potential for fraud and abuse, such as those the Department has seen through its employee contributions project.<sup>16</sup> While cases of theft and fraud are rare, the Department decided it was appropriate to strengthen the security of pension assets in small plans. In October 2000, PWBA issued a rule to safeguard small pension plan assets by adding new conditions to the audit exception for small plans to provide additional disclosure to participants and beneficiaries, and improved bonding requirements for those handling the plan's assets. The regulation increases the security of more than \$300 billion in assets held in private sector pension plans maintained by small businesses. The rule, developed with input from the benefits community, strikes a reasonable balance between enhancing the security and accountability for small pension plan assets while minimizing the administrative burdens and costs to plans and their sponsors.

Protection of pension plans only helps those who have pensions. DOL recognized that many workers were not financially prepared for their retirement. In an effort to increase public awareness about pension benefits, PWBA launched the national savings education campaign in

July 1995 under Secretary of Labor Robert Reich. The purpose of this campaign was to encourage Americans to save for retirement and build a secure financial future. Under the banner, "Your Retirement Clock is Ticking," the Secretaries of Labor and the Treasury joined with 65 public and private organizations to launch the Retirement Savings Education Campaign. Their pledge was to raise public awareness of the advantages of saving, and to provide working Americans with the education and the tools they needed to save for the future so they can have a secure retirement.

Since its inception, this campaign has utilized numerous educational tools (booklets, public service announcements, interactive websites, etc.) and provided increased access to a variety of public and private resources to help the public understand their benefits and what was needed to preserve their rights to those benefits. By 2000, more than 5 million publications had been distributed nationwide, providing valuable information to the agency's various constituencies.

In July 1996, as part of the Retirement Savings Education Campaign, DOL launched an initiative to educate women about retirement savings and released an information kit on "Women and Pensions." In addition, the Campaign focused attention on other groups, such as minorities and low-wage workers, who also face extra challenges in saving. The Campaign worked to help small employers by encouraging them to offer pension plans to their employees. In June 1998, the Department organized the first National Retirement Savings Education Summit, co-hosted by the President, Vice President, and congressional leadership. (This Summit was a requirement of the 1997 SAVER (Savings Are Vital to Employee Retirement) Act.)

In July 2000, Secretary Herman, while announcing a new focus for the Campaign -- assisting older workers approaching retirement -- unveiled the



Campaign's new slogan, "Saving Matters!" Campaign partners joined Secretary Herman to announce several key new initiatives. The first was an interactive website, created with the U.S. Chamber of Commerce, the Small Business Administration and Merrill Lynch, that assists small employers in understanding the different plan options available to them and in selecting the most appropriate plan for their business. This website builds on the prior interactive website created by the Department for small employers, the Small Business Advisor. In addition to the website, the partners created a video and educational booklet to distribute nationwide. "Today, over 40 million workers are employed by small businesses but only eight million of those workers have a pension plan," Secretary Herman said, noting the reason for the Campaign's emphasis on helping small businesses establish retirement plans.

Another Campaign initiative was "The Everywoman's Money Conference," a uniquely designed day of education that made learning about money, finances and building a secure retirement more interesting and engaging for audiences around the country. Secretary Herman pointed out the motivation for the conferences, "Women are less likely to work in industries where employer-sponsored pension plans are offered. Just 39 percent of women working in the private sector are covered by a pension plan." She discussed the response to the conferences that have been conducted so far. "The feedback that we have gotten about the quality and impact of

these conferences from participants around the country is tremendous. They walk away inspired to take control of their financial destiny.”

Secretary Herman also announced a new effort by DOL and its new partner, the Consumer Federation of America, to develop tools and strategies that will educate low-income workers on how to build wealth and take control of their financial futures. Secretary Herman explained, “This partnership is critical to ensuring that everyone has an opportunity to have access to the information and skills that lead to saving adequately for retirement.”

In a July 18, 2000, press release, Secretary Herman also announced the release of a report that supports the need for such initiatives titled, “Coverage Status of Workers Under Employer Provided Pension Plans.”<sup>17</sup> She stated, “We have found that while coverage has been edging up over the last five years, the coverage for certain groups, including women, minorities, low wage workers, and employees of small businesses is still lagging.”

The Pension Benefit Guaranty Corporation (PBGC), a self-financed, wholly-owned government corporation, also plays a major role in retirement security by protecting the pensions of about 43 million working men and women in nearly 40,000 defined benefit pension plans. These pension plans provide a specified monthly benefit at retirement, usually based on salary and years of service. PBGC has taken responsibility for nearly 3,000 pension plans that terminated without sufficient assets to pay benefits. In FY 1999, PBGC paid over \$900 million in benefits to over 200,000 retirees in terminated pension plans, and is responsible for paying benefits to another 300,000 workers when they became eligible to receive benefits.

In 1993, the PBGC's single-employer insurance program had a deficit of \$2.9 billion. In addition, PBGC was unable to effectively assess and monitor its financial condition. Both the General Accounting Office and the Office of Management and Budget placed the PBGC on their High-Risk Lists of Government agencies. Beginning in 1993, the Administration took steps to enact legislative reforms to make PBGC's insurance program financially sound and to ensure that single-employer defined benefit pension plans were well funded. This led to the enactment of the Retirement Protection Act (RPA) of 1994. RPA strengthened and accelerated funding of underfunded single-employer plans, enhanced PBGC's compliance authority, improved information for workers and retirees in underfunded plans, and increased premiums for plans that posed the greatest risk to the insurance program. In 1994, PBGC also made a strategic change in its investment strategy, shifting its emphasis from long-term fixed-income securities to equities. PBGC instituted a premium compliance audit program, a new premium accounting system, and a major overhaul of its financial management programs and systems. Finally, PBGC developed the Pension Insurance Modeling System (PIMS) to forecast its exposure, *i.e.*, the number and amount of claims that could occur in the future.

By FY 1999, these efforts had paid off. The single-employer insurance program had a \$7 billion surplus, the fifth surplus in a row after 21 years of deficits. PBGC has had auditable financial statements since 1994, and OMB and GAO have removed PBGC from their High-Risk Lists.

In 1993, PBGC faced other challenges. Limited resources and technology hampered PBGC's ability to do more than just pay benefits to participants in trustee plans. There was a large backlog of plans awaiting trusteeship. PBGC was issuing 20,000 to 25,000 benefit determinations per year, but there was a 300,000 backlog – at least a 12-year workload. There were over 70,000 participants in over 600 plans who had been waiting more than 7 years, many for 10 years or more, for final information on their benefits. Beginning in 1993, PBGC streamlined its insurance operations and reallocated resources to speed up the process of determining final benefits. PBGC also began to systematically target participants who had waited the longest. By FY 1995, PBGC had tripled the number of benefit determinations made each year, issuing over 60,000 that year.

Today the benefit determination backlog has been cut to 160,000, a 3-year inventory as compared to the 12-year inventory of 1993-1994. The time taken to issue benefit determinations has declined from over 7 years to 4.9 years and, for plans taken in today, benefit determinations will be issued in 3 years, generally the quickest possible time under the current statutory rules.

**Efforts to enhance health benefits.** Several new laws were passed in 1996 that expanded the Department's role in protecting health benefits. The Health Insurance Portability and Accountability Act of 1996 (HIPAA) includes important new protections for millions of working Americans and their families who have preexisting medical conditions or who might suffer discrimination in health coverage based on a factor that relates to the individual's health.<sup>18</sup> In April 1997, PWBA issued regulations implementing HIPAA.

The Newborns' and Mothers' Health Protection Act of 1996 was signed into law by the President on September 26, 1996.<sup>19</sup> This law includes important new protections for mothers and their newborn children with regard to the length of the hospital stay following childbirth. In October 1998, PWBA issued regulations implementing the Act. The Mental Health Parity Act (MHPA) also was signed into law by the President on September 26, 1996. It provides for parity in the aggregate lifetime and annual dollar limits on mental health benefits to the dollar limits on medical/surgical benefits.<sup>20</sup> The Women's Health and Cancer Rights Act (WHCRA),<sup>21</sup> which was signed into law by the President on October 21, 1998, includes important new protections for individuals who elect breast reconstruction in connection with a mastectomy.

The Department has actively engaged in nationwide outreach to help American workers and employers understand these new laws and created a number of educational booklets and pocket cards for distribution in doctor's offices, work sites, etc.

Another major development in the area of health care was the creation of the President's Advisory Commission on Consumer Protection and Quality in the Health Care Industry, for which Secretary Herman served as Co-Chair. The *Consumer Bill of Rights and Responsibilities*, issued by the Commission and endorsed by the President, highlights many of the most crucial issues and concerns affecting health care consumers today. The Department has shown its commitment to the Commission's and the President's goals of health care quality and value, and the protection of consumers and workers in the health care system, by working to ensure that, to the extent of its authority, the Commission's recommendations were implemented.

In November 2000, the Department fulfilled one of the important recommendations of the Commission when it published an updated claims procedure regulation for group health plans to ensure that participants and beneficiaries in private employment based health plans receive faster decisions, a fair review process, and fuller disclosure of information relevant to their benefits. DOL also actively supported legislative efforts to pass a Patients' Bill of Rights that, among other things, addresses concerns that there be an external claims review process. (See Appendix M-- Major Labor-Related Legislation for additional information.)

The Department also issued guidance in 1998 stating that, when using plan assets, ERISA fiduciaries that are selecting health care providers for their plan must consider the quality of the services to be provided. By focusing on quality considerations, DOL's guidance should encourage plan fiduciaries to consider the extent to which plan participants will be treated fairly and respectfully by health care service providers.

And finally, consistent with the Commission's disclosure recommendations relating to benefit information, the Department issued interpretive guidance in 1996 clarifying the rights of plan participants and beneficiaries to examine, and obtain copies of, any documents or instruments that specify procedures, formulas, methodologies, or schedules (including "usual and customary" fee schedules) to be applied in determining or calculating their benefit entitlement under the plan.

In addition to its regulatory and legislative efforts to improve health care benefits and access to the benefits, the Department has increased its outreach efforts. In December 1998,

Secretary Herman launched a Health Benefits Education Campaign in conjunction with 70 public and private partners and distributed a new health benefits tool kit for workers. In announcing the campaign, Secretary Herman said, "The goal of this Health Benefits Education Campaign is to equip Americans with information so that they are informed consumers when faced with life and work events that affect their health care decisions."

In February 2000, Secretary Herman and Health and Human Services Secretary Donna Shalala, as co-chairs of the Quality Interagency Coordination Task Force (QuIC), transmitted to the President the QuIC's national action plan report, "Doing What Counts for Patient Safety: Federal Actions to Reduce Medical Errors and Their Impact." Secretary Herman and Secretary Shalala provided the President with a report in August 2000 which described the progress the Federal agencies have made since the February report.

### **C. Other related accomplishments**

DOL protects workers' hours, wages, and other conditions when on the job, providing unemployment compensation benefits when workers are unable to work, and expanding, enhancing, and protecting workers' pension, health care, and other benefits. Additional DOL accomplishments in this area are described in Appendix N.

## **Chapter VI. Accomplishments: Safe, Healthful and Fair Workplaces**

The Department fosters workplaces that are safe, healthy, and fair. To meet this objective, the Department is working to increase the representation, advancement, and promotion of women, people of color, veterans, and people with disabilities in the workplace; to provide access to quality child care for working families; and to improve worker safety and health. As today's workplace is increasingly affected by global markets, DOL also seeks to promote core international labor standards and to address international child labor issues.

### **A. Worker safety and health**

Since Congress first created the Occupational Safety and Health Administration (OSHA) in 1971, the agency's mission has been to send every worker home whole and healthy every day. Great progress has been made in fulfilling that mission. By the end of the 20<sup>th</sup> century, workplace fatalities had been cut in half and occupational injury and illness rates had declined 40 percent.<sup>22</sup>

In 1998, the overall occupational injury and illness rate, as measured by the Bureau of Labor Statistics, was the lowest since OSHA was created -- 6.7 per 100 workers. This marked the sixth consecutive year of injury/illness decline and was particularly impressive as the Nation's booming economy brought in millions of new workers each year. (Many studies suggest that new and inexperienced workers are more likely to suffer injuries on the job than

more experienced employees.) Most interesting is the comparison of the injury/illness rate in recent years with the rate in the past. In the 19 years from 1973 to 1992, the overall rate declined by 19 percent. Remarkably, in the 5 years between 1993 and 1998, the injury/illness rate dropped 21 percent.

In the late 1990's, there were significant reductions in the lost workday rates in each of OSHA's five targeted industries: shipyards, food processing, construction, logging, and nursing homes. Lost workplace injury rates were reduced by 17 percent in logging and by 23 percent in shipyards from 1994 to 1998. Average exposure to silica, one of the most prevalent causes of workplace illness and a targeted health hazard, was reduced by 39 percent.

The dramatic improvements in worker safety corresponded with a basic agency shift in policy to the "New OSHA." In the public's view, OSHA had been driven too often by numbers and rules, not by smart enforcement and results. Businesses complained about overzealous enforcement and burdensome rules. Many people saw OSHA as an agency so enmeshed in its own red tape that it had lost sight of its own mission. Too often, a "one-size-fits-all" regulatory approach treated conscientious employers no differently from those who put workers needlessly at risk.

Confronted by these realities, OSHA decided it had to do two things: *increase* the protection of worker health and safety, while *decreasing* red tape and paperwork. To do this, OSHA committed to reform the way it did business, so that it could keep pace with the workforce and problems of the future. In February of 1995, President Clinton laid out his

approach to safety and health regulation: "We have to recognize that, done right, regulation protects our workers from injury, and that when we fail, it can have disastrous consequences. I believe we can bring back common sense and reduce hassle without stripping away safeguards for our children, our workers, and our families."

The goal of the "New OSHA" is to ensure that safety is promoted and protected by those in the workplaces themselves--managers and workers at the worksite. To this end, in 1995 the Clinton Administration announced three sets of regulatory reform initiatives to enhance safety, trim paperwork, and transform OSHA: first, as the "New OSHA," the agency was to change its fundamental operating paradigm from one of command and control to one that provides employers a real choice between a partnership and a traditional enforcement relationship; second, OSHA would change its approach to regulations -- identifying clear and sensible priorities, focusing on key building block rules, eliminating or fixing out of date and confusing standards, and emphasizing interaction with business and labor in the development of rules; and third, OSHA would change the way it works on a day-to-day basis by focusing on the most serious hazards and the most dangerous workplaces and by insisting on results instead of red tape. OSHA implemented all of these initiatives.

One of the hallmarks of the "New OSHA" became the partnerships established with industry and labor. By 2000, 86 partnerships were established, covering more than 4,500 employers and 131,000 employees. OSHA's compliance assistance specialists helped create partnerships with business organizations, unions, and community outreach groups. In addition, OSHA partnered with specific companies, such as ConAgra Refrigerated Foods, where the

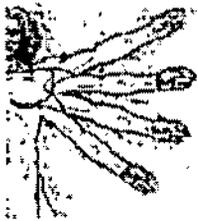
partnership helped foster a culture of safety in each plant. ConAgra saw injury rate reductions of 25 to 40 percent in the plants enrolled in the partnership and anticipated workers' compensation savings of more than \$2 million annually. This partnership's success gained industry attention and the results were discussed at national conferences. ConAgra demonstrated that an effective safety and health program is not only good for employees, it is good for the bottom line.

Other OSHA partnerships have been industry-specific, such as the agreement with the Scrap Metal Association in Rhode Island, through which average Lost Workday Injury/Illness rates dropped from 19 per 100 workers to 9 in facilities covered by the agreement. Still other partnerships drew upon a variety of participants. (See Appendix I, for additional examples.)

Another form of partnership is the Voluntary Protection Program (VPP), which by 1999 included almost 600 worksites. VPP is OSHA's premier recognition program with worksites that have injury/illness rates well below the average for their industries. The VPP is designed for worksites with comprehensive, successful safety and health programs and is open to all industries. In 2000, the first nursing home facility joined the VPP and was recognized for its safety and health excellence.

In addition to the increased use of partnerships, OSHA has improved the effectiveness of its enforcement efforts. In 1999, OSHA initiated its Site-Specific Targeting program, which focuses inspections on worksites with the highest injury and illness rates. These sites are identified from a universe of about 80,000 workplaces in hazardous industries, which send injury

and illness data to OSHA.<sup>23</sup> Targeted inspections usually uncover a greater number of serious safety and health violations than other kinds of inspections. However, they are resource-intensive, consuming an average of 55 hours for a safety inspection versus 22 hours for other safety inspections. So they must be used where they can have the greatest impact.



**Ergonomics.** Few safety and health issues have evoked as much reaction and interest as ergonomics. According to the Bureau of Labor Statistics, work-related musculoskeletal disorders (MSDs) currently account for one-third of occupational injuries and illnesses involving time away from work annually. Nearly 600,000 workers lose time from work as a result of MSDs. The direct costs attributable to MSDs total \$15 to \$18 billion per year, with indirect costs increasing the costs to employers to more than \$45 billion.

Women disproportionately suffer some of the most severe MSDs, not because their bodies are more vulnerable to MSDs, but because a large number of women work in jobs associated with heavy lifting, awkward postures, or repetitive motion. Women suffer 71 percent of the carpal tunnel syndrome cases and 57 percent of the tendinitis cases that are serious enough to warrant time off work. Each year more than 153,000 women experience work-related back injuries that cause them to miss work.

OSHA has worked on the issue of ergonomics for many years, starting in 1989. In 1992, OSHA published an advance notice of proposed rulemaking (ANPRM) on ergonomics. In

response to the ANPRM, the agency received nearly three hundred letters -- pro and con -- from workers, businesses, members of Congress, trade associations, and the medical community.

In conjunction with the formal process of developing the proposed ergonomics rule, the agency established various communication and outreach efforts. In January 1997, OSHA and the National Institute for Occupational Safety and Health (NIOSH) held a joint conference in Chicago on successful ergonomics programs.

However, OSHA was prohibited by appropriations riders from issuing a proposed or final ergonomics rule from FY 1995 -- FY 1998. Then, in February 1999, OSHA began a small business review of its draft ergonomics rule, and made the regulatory text available to stakeholders. During the Spring of 1999, the Small Business Regulatory Enforcement Fairness Act (SBREFA) Panel report was sent to the OSHA Assistant Secretary. On November 23, 1999, OSHA published its proposed ergonomics standard for comment in the *Federal Register*. Upon its publication, Secretary Herman noted, "An average of 300,000 workers can be spared from painful, potentially disabling, injuries, and \$9 billion can be saved each year under a proposed ergonomics program standard. Work-related musculoskeletal disorders such as back injuries and carpal tunnel syndrome are the most prevalent, most expensive and most preventable workplace injuries in the country. Real people are suffering real injuries that can disable their bodies and destroy their lives. The good news is that real solutions are available." OSHA further explained in its proposal that about one-third of general industry worksites would be affected and more than 27 million workers would be protected by the standard. It estimated that implementing

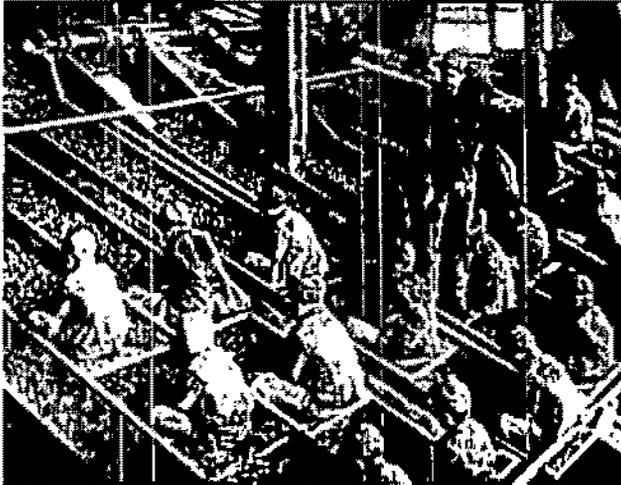
these measures would generate average savings of \$9 billion annually in workers' compensation and other direct costs alone.

After publication of the proposed rule, OSHA held nine weeks of public hearings across the country. The agency received more than 7,000 comments and more than 1,000 witnesses testified. During 2000, OSHA officials testified before three Congressional hearings on the burden to businesses and workers from work-related MSDs, and the proposal's impact on Medicaid, Medicare, and other health care costs.

Opponents criticized OSHA's rulemaking efforts with such comments as: "hopelessly vague," "extremely burdensome," "lacking sound science," "work-relatedness cannot be proven" and "there's no clear consensus on the causes or remedies." Proponents urged OSHA to move ahead with a protective standard and noted that thousands of companies have instituted effective ergonomics programs that prevent injuries and save money.

At an April 2000 hearing before the House Small Business Committee, OSHA Assistant Secretary Charles N. Jeffress testified, "OSHA has spent 10 years studying this issue, analyzing evidence, reviewing data, talking to stakeholders, and discussing ideas and options. It is now time to act.... Work-related musculoskeletal disorders are the most widespread occupational health hazard facing our Nation today.... \$1 of every \$3 spent on workers' compensation stems from insufficient ergonomic protection. The direct costs attributable to MSDs are \$15 to \$20 billion per year, with total annual costs reaching \$45 to \$54 billion. Yet today, fewer than 30 percent of general industry employers have ergonomics programs."

OSHA published the final ergonomics rule on November 13, 2000. OSHA issued a number of other major safety and health rules during the years 1993 to 2000; the most important are discussed in Appendix O.



**Safety and health of mine workers.** In the early years of the 20<sup>th</sup> century, children as young as eight years old worked in the coal mines. The work was



hard and the “little boys” grew old and stooped before their time. An 1885 state law required boys to be at least 12 to work in the coal breakers and at least 14 to work inside the mines. However, many of the boys were passed off as “small for their age.”

Safety in U.S. mines started to improve after Congress established the Bureau of Mines in 1910. It improved again with mandatory mine safety standards. In 1968, an explosion in an underground coal mine in West Virginia killed 78 coal miners, and served as the catalyst for the passage of the landmark Federal Coal Mine Health and Safety Act of 1969, expanding federal enforcement authority in coal mines. Later disasters, such as the 1972 fire in a silver mine that caused 91 deaths, spurred Congress to pass the Federal Mine Safety Act of 1977. Federal mine safety and health law is a success. Under this law, and because of the work of the Department, miners and mine operators, mining accidents have reached the lowest levels in history.

The mission of the Department's Mine Safety and Health Administration (MSHA) is to administer the provisions of the Federal Mine Safety and Health Act of 1977, and to enforce compliance with mandatory safety and health standards as a means to eliminate fatal accidents; to reduce the frequency and severity of nonfatal accidents; to minimize health hazards; and to promote improved safety and health conditions in the Nation's mines. MSHA carries out the mandates of the Mine Act at all mining and mineral processing operations in the United States, regardless of size, number of employees, commodity mined, or method of extraction.

More than 350,000 people work in mines in more than 14,000 mining operations across this country. They mine coal in Appalachia, Wyoming, Utah and more than a dozen other states. They mine sand in South Carolina, salt in Louisiana, and gold in Nevada. U.S. miners churn out silver, crushed stone, iron, phosphate, granite, cement, and clay -- some 50 different products.

In his September 14, 2000 testimony before the Subcommittee on Workforce Protections, House Committee on Education and the Workforce, MSHA Assistant Secretary J. Davitt McAteer laid out the past successes and the future challenges facing MSHA: "No longer do we take for granted the thousands of deaths in mines each year that were routine around the turn of the previous century. No longer do we expect major mine disasters annually. While the last five years have been the safest on record, miners still face the highest rate of death among major industrial sectors. Accidents still claimed the lives of 90 U.S. miners last year, a slight increase over 1998's record low. This year's record is about even with last year's, and suggests cause for concern. The coal industry this year had its first fatal explosion since 1994 with the loss of two

lives. Just this month a fatal hoisting accident killed two -- on a hoist that had carried 20 to 30 people only an hour before."

Under the Clinton Administration, MSHA re-energized its program to address the health hazards miners face, striving for the same degree of success as the work in promoting safety. One example is MSHA's efforts to reduce black lung disease. In 1995 Secretary Reich established the *Advisory Committee for the Elimination of Pneumoconiosis Among Coal Miners* to develop recommendations for ending black lung among coal miners. Black lung disease hurts not only the miners, it costs the American public \$1 billion annually. Since 1996, when the Advisory Committee's recommendations were issued, MSHA has been working diligently to implement the more than 20 major recommendations which contained more than 100 action steps.

In 1996, Secretary Reich also announced the start of a national public education campaign, *If It's Silica, It's Not Just Dust*, to prevent silicosis -- a disabling, sometimes fatal, lung disease caused by overexposure to silica dust. At the time the campaign was launched, Secretary Reich said, "More than 1 million workers across the country are exposed to silica dust on the job, and 100,000 of them are at a high risk of developing silicosis. Even though this disease is 100 percent preventable, recent studies suggest that the battle against silicosis has not yet been won." The silicosis prevention effort is a joint endeavor among MSHA, OSHA, the American Lung Association® and the National Institute for Occupational Safety and Health (NIOSH) in the U.S. Department of Health and Human Services.

In 1999, MSHA initiated a new pilot program, the *Miners' Choice Health Screening*, to offer free chest X-rays to about 20 percent of U.S. coal miners. At the time the program was announced, Assistant Secretary McAteer said, "We are hopeful that all miners, especially those who may not have participated before, will take part in the new pilot program. Higher numbers of participating miners gives us a much clearer picture of the scope of respiratory problems among miners which gives us better direction on how to address the problem....Once we can accurately determine the depth and scope of respiratory problems such as black lung and silicosis among working miners, MSHA, as well as industry and labor, can better direct and concentrate resources at the sources of this health hazard and eliminate them." Over a 5-year period, all 100,000 coal miners will have been offered the opportunity to obtain a free, confidential chest x-ray.

MSHA, like OSHA, believes that cooperative relationships and outreach programs are essential to an effective accident, injury, and illness reduction program. Under certain conditions, mine operators may receive a penalty-free inspection. These inspections provide mine operators with an opportunity to eliminate hazards prior to miners' exposure. Additionally, in cooperation with the National Mining Association, MSHA recognizes mining companies that have demonstrated exemplary safety records over a one-year period.

The Sentinels of Safety award is the oldest established award for occupational safety. The first Sentinels of Safety award was announced by President Herbert Hoover, a mining engineer, when he was Secretary of Commerce in 1925. Each year, the Sentinels of Safety is

awarded to those mining operations that achieve at least 30,000 employee work hours without a lost-time injury or fatality.

Prevention of accidents is one of MSHA's priorities – rescue of trapped miners is another. By law every underground mine has to have two trained mine rescue teams on call at all times. Maintaining the preparedness of these teams requires cooperative effort between MSHA, State mine agencies, mine operators, miners and their representatives, and equipment manufacturers.

One safety area MSHA has focused on in recent years is unsafe access to mines. In December 1999, MSHA established a toll-free number for concerned citizens to report unsafe access to both active and abandoned mine sites. MSHA has enforcement authority over active mines, while abandoned mines fall under the jurisdiction of the Office of Surface Mining, National Park Service, Bureau of Land Management, or the U.S. Forest Service. Some state agencies oversee both active and abandoned mines. "In many cases, the general public is unsure which government agency to notify when they encounter a dangerous mine site," said Assistant Secretary McAteer in announcing the new service. "This toll-free hotline provides a single point of contact for people to report unsafe conditions and be assured that they will be recorded and followed up in a consistent, professional manner."

During the period 1993 to 2000, MSHA also issued a number of new regulations to improve safety and health protections for miners. Appendix O lists the most important of these new regulations, including the noise standard and training regulations for sand and gravel pits.

In her March 1999 testimony before the Senate Appropriations Subcommittee, Secretary Herman summed up the challenges still ahead, "The Mine Safety and Health Administration, working in partnership with the mining community, has made dramatic improvements in miners' safety and health. Last year, the number of mining-related deaths was the lowest in history. This is real progress. However, one death, one disability, one case of black lung is one too many. There is still more to do."

## **B. Civil rights**

**Equal Pay.** On December 3, 1997, at the "Thirty Years of Progress" luncheon at the National Museum of Women in the Arts in Washington, D.C., Secretary Herman talked about how far working women had come: "It was 30 years ago that President Lyndon Johnson signed Executive Order 11375 that said: 'It is the policy of the United States Government to provide equal opportunity in Federal employment and in employment by Federal contractors on the basis of merit and without discrimination because of race, color, religion, sex or national origin.' Back in 1972, there were about 400,000 women business owners. Today, there are nearly 6 million. Women business owners are, in fact, the fastest-growing segment of small businesses in this nation today. In addition, affirmative action programs contributed to the 244 percent increase in women physicians from 1972 to 1995. During that same period, women in public safety increased their numbers by 170 percent and the ranks of women managers increased by 243 percent.... As we approach the 21st century--together--we cannot be complacent about so many of the challenges we still face. Sixty percent of the women in this country still earn less than

\$25,000--and although there are at least 5 percent of women who are CEOs of major corporations today, there is still a pay gap. It's about \$100,000."

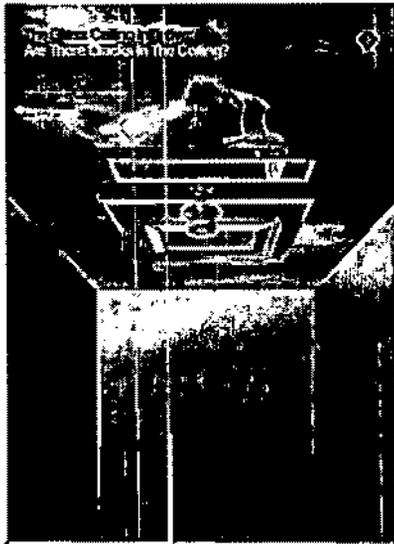
As the Secretary noted in her speech, in spite of great progress in education and work experience over the last several decades, women still do not earn the same pay as men. On average, women who work full-time earn only about 75 cents for every dollar that a man earns and the gap is even larger for women of color. This pay gap, in turn, leads to pension inequity. The pay gap is important not just to women – it is also important to their families because women are a major contributor (or even the sole contributor) to family income. And family earnings often determine where and how a family lives, the education of the children, and the family's health care.

To help address the continuing pay gap, in April 1999, Secretary Herman unveiled the Department's "Equal Pay Initiative," which focuses on three of the contributing factors to the pay gap within the Department's authority: ending pay discrimination, eliminating occupational segregation, and promoting pension equity. The Equal Pay Initiative is a multi-faceted strategy that: (1) strengthens civil rights enforcement; (2) increases public education and awareness; and (3) builds strategic partnerships to enhance the Department's efforts to foster equal pay and equal employment opportunity in America's work places. The first part of the strategy entails enforcing laws that ban pay discrimination in employment and require Federal contractors to take pro-active steps to ensure that all individuals have employment opportunities, including women and minorities, individuals with disabilities, and certain veterans. These laws help

prevent pay discrimination by requiring contractors to conduct self-audits, which may bring to light otherwise-unrecognized pay inequities.

Under the Secretary's Equal Pay Initiative, increasing education and awareness was a joint effort of the Employment Standards Administration's Office of Federal Contract Compliance Programs, the Women's Bureau, and PWBA. These agencies worked together on a number of initiatives including those that require federal contractors to perform self-audits of their pay systems and enhance employment opportunities for women in the higher-paying non-traditional jobs. A more complete list of these initiatives, including those involving partnerships, can be found in Appendix P.

In February 2000, when speaking about the Department's FY 2001 budget request, Secretary Herman explained why equal pay matters and why this fight will go on for some time: "When I became director of the Women's Bureau in 1977, women earned about 59 cents for every dollar a man earned. Today, we earn about 75 cents for each man's dollar. The gap is closing, but as long as we have a pay gap we also have a values gap. This is not a women's issue. It is a kitchen-table issue, a family issue. When women aren't fairly paid, their whole family pays."



**Glass Ceiling Initiative.** The “glass ceiling” is defined by the Department of Labor as those artificial barriers, based on attitudinal or organizational bias, that prevent qualified minority men and women of all races from advancing in their organization into executive level positions. These artificial barriers may exist in the selection criteria used for advancement and professional development opportunities, or be unspoken in the culture of the corporation.

The Glass Ceiling initiative began in the previous Administration. In the fall of 1989, the Department set out to investigate the glass ceiling phenomenon in corporate America, to understand the nature of the problem, and to discover what were the causes of and remedies for the problem. The results of these pilot reviews were chronicled in the Department of Labor's 1991 publication, “A Report on the Glass Ceiling Initiative,” which established a benchmark for measuring progress and stimulated much action towards discussing and identifying artificial barriers to advancement.

In 1989, OFCCP developed corporate management reviews as a tool for eliminating the glass ceiling. A corporate management or “glass ceiling” review (CMR) focuses on corporate policies and practices, particularly those related to mid and upper level management positions, such as the composition of internal feeder pools for these jobs; the efforts being made to ensure there is diversity in the “pipeline;” the developmental opportunities for minorities and female employees; and the efforts to recruit diverse pools of applicants when filling these jobs.

In 1993, OFCCP heightened the priority for corporate management reviews, actually making them part of the agency's enforcement strategy. The findings of the reviews, and the need for continued action, are reported in DOL's most recent report in this area, "The Glass Ceiling Initiative: Are There Cracks in the Ceiling?"<sup>24</sup> The findings from 53 corporate management reviews fully support the premise that a glass ceiling still exists in American corporations. Women and minorities will make up 62 percent of the workforce by the year 2005, and the sooner corporations tap into this enormous pool of talent, the better their competitive advantage. Indeed, some companies have taken leadership roles in removing the artificial barriers that create the glass ceiling and "cracks" in the glass ceiling are appearing. OFCCP has been working hard to see that the achievement of these contractors is lauded and emulated throughout corporate America.

**The Working Women Count! Campaign.** In 1994, to raise awareness of its commitment to improve workplaces for women and their families, the Women's Bureau, in partnership with 1,600 businesses and organizations, distributed a questionnaire that generated more than one-quarter of a million responses from working women. Survey respondents identified three areas that working women care about most: improving pay and benefits, building family friendly workplaces, and valuing women's work through training and advancement. The Women's Bureau responded to these findings by developing the "Working Women Count!" Honor Roll — a program encouraging businesses, nonprofits, labor unions, and state and local governments to start new programs or policies that made real, positive workplace changes in the three areas highlighted by survey respondents.

The Bureau signed up more than 1,300 organizations, public and private, large and small, which pledged to institute changes that have affected, to date, more than two million workers. More than half of these organizations instituted programs and policies by the following year. Of more than 840 applicants, 770 were approved as Honor Roll Members who made positive concrete changes in the lives of women workers. The rest are Partners for Change, who helped the Bureau disseminate information about programs or policies that improve women's working conditions and benefits. Between 1996-1997, interim and final reports were published by the WB entitled, "What Works! The Working Women Count Honor Roll Report."

**Nondiscrimination and affirmative action rules.** The Department, as part of its commitment to end employment discrimination, to close the pay gap, and to ensure equal employment opportunities at America's federal contractor workplaces, started updating its Executive Order 11246 affirmative action regulations in 1993. Executive Order 11246 requires all Federal contractors and subcontractors and federally assisted construction contractors to apply a policy of nondiscrimination and affirmative action in employment with respect to race, color, religion, sex and national origin. The purpose of the regulatory revision was to streamline and clarify the regulatory language, reduce the paperwork and compliance burdens, and improve the efficiency of the Department in administering and enforcing the Executive Order.

OFCCP, which enforces E.O. 11246, proposed regulatory revisions in two phases. A final rule, published in August 1997, revised regulations governing pre-award review requirements, recordkeeping and record retention requirements, and certifications.

The second phase of rulemaking involved the regulations that establish the requirements for affirmative action programs. This final rule, published on November 13, 2000, refocused, revised and restructured the regulations relating to affirmative action programs and introduced a new tool—the Equal Opportunity Survey, that will aid contractors in assessing their pay and other personnel practices, while increasing the efficiency and effectiveness of program monitoring. This Survey requires designated contractors to provide the Department with summary personnel and compensation data. In addition, the regulatory changes ensure confidentiality and provide protections from disclosure of submitted data.

In addition, as part of this Administration's efforts to increase the employment rate of working-age adults with disabilities, OFCCP issued a proposal to revise regulations implementing Section 503 of the Rehabilitation Act of 1973, as amended, that govern the compliance review process of Federal contractors.

**Interagency working group on genetics.** Rapid advances in research and technology have increased the availability of a range of genetic tests. While genetic information holds great promise in terms of enabling the early detection and treatment of disease, access to this information by an employer means that there is a risk that employers will misinterpret or misuse genetic test results to discriminate against workers on the basis of their genetic information.

Because of these concerns, an interagency working group, chaired by the Secretary of Labor, was formed to examine use of this information in the workplace. The Departments of

Labor, Health and Human Services, and Justice, and the Equal Employment Opportunity Commission, participated in this working group during 1997 and 1998. The working group examined the ways in which genetic information could be used to discriminate against or stigmatize workers on the job. The working group issued its report in January 1998. Among other things, the report noted that "...many Americans are reluctant to take advantage of new breakthroughs in genetic testing for fear that the results would not be used to protect their health, but rather to deny them jobs or health insurance." The report recommended that Federal legislation be enacted "to ensure that knowledge gained from genetic research is fully utilized to improve the health of Americans and not to discriminate against workers."

When the report was issued, then Deputy Secretary of Labor Kitty Higgins stated: "All of us should have confidence that information to improve our lives won't risk our livelihoods. There should never be a tradeoff between health security and job security." Vice President Gore called on Congress to enact legislation consistent with the recommendations of the report. "We want legislation that will prevent employers from requesting or requiring genetic information for hiring or for setting salaries; that will stop employers from using this genetic information to discriminate or segregate the workplace; and that will ensure that genetic information is not disclosed without the explicit permission of the individual."

The report formed the policy basis for Executive Order 13145, signed by President Clinton on February 8, 2000. The order, the first Executive Order of the new millennium, assured Federal employees and applicants that they will never be denied employment opportunities, such as being denied a promotion or workplace benefit, because of predictive

genetic information about the employee or a family member of the employee. At the same time, the Executive Order allows agencies, such as OSHA, to collect predictive information as part of a genetic monitoring of the biological effects of toxic substances in the workplace, or in the provision of health care services in the workplace, provided that strict safeguards are in place. No legislation has yet been passed to extend these protections to workers outside the federal government.

### C. Work and family



In 1993, Congress passed the Family and Medical Leave Act (FMLA) to support families in their efforts to strike a workable balance between the competing demands of the workplace and the home. This law was enacted because the demands on working families have intensified over the last 25 years, as the nation has experienced dramatic

social and economic changes affecting businesses, employees, and families alike. American businesses confronted a changing world economy marked by increasing competition, technological innovation, and instability. The labor force also changed -- many more women entered the labor force. Many families' caregiving needs were now being met by family members who also were holding down jobs. This, in turn, fueled the rising need among employees for workplace policies that enable them to meet the often competing demands of job and home.

In August 1995, Secretary Reich commented on the first two years' activity under the new law, "Workers in this country no longer have to make agonizing choices between receiving medical treatment or caring for seriously ill loved ones and keeping their jobs. Businesses retain valuable, trained employees and employees are happier and more productive when they do not fear losing jobs."

The FMLA also established the Commission on Leave to study mandatory and voluntary family and medical leave policies; their costs and benefits; their impact on productivity; job creation and business growth; and other related issues. The Commission began its work in November 1993. It was composed of members who possessed the expertise and practical experience needed to evaluate family and medical leave issues, including Congressional leaders, representatives of women and families, labor and the business community. The Commission set about to meet the broad legislative mandate by coordinating a variety of research and information gathering efforts that together helped to provide comprehensive answers to all the questions posed by Congress. The first meeting of the Commission on Leave was convened by Secretary Reich and hosted by the Women's Bureau Director, Karen Nussbaum. It finished its work and published its findings in the 1996 report, "A Workable Balance: Report to Congress on Family and Medical Leave Policies."

In its report, the Commission found the FMLA struck a workable balance: "The Family and Medical Leave Act has had a positive impact on employees over-all. It has succeeded in replacing the piecemeal nature of voluntary employer leave policies and state leave statutes with a more consistent and uniform standard. The FMLA has not been the burden to business that

some had feared. For most employers, compliance is easy, the costs are non-existent or small and the effects are minimal. Most periods of leave are short, most employees return to work and reduced turnover seems to be a tangible positive effect. The FMLA, with its signature features of guaranteed job protection and maintenance of health benefits, begins to emerge, even now, as a significant step in helping a larger cross-section of working Americans meet their medical and family caregiving needs while still maintaining their jobs and their economic security - achieving the workable balance intended by Congress.”

The data from the Commission’s surveys are now being updated. Revised data are needed so the Department, the Congress, and other policy makers will have substantive, relevant data upon which to base policy decisions regarding family and medical leave issues. Both the updated employer and employee surveys were designed to provide comparison data for the employer and employee surveys conducted by the Commission. The survey work began in July 2000 and ended October 2000. A report is expected to be published in January 2001.

Despite the success of the FMLA, many working families are still fighting to balance work and family because they are not covered by the Act or cannot afford to take advantage of it. In August 1999, on the sixth anniversary of the effective date of the FMLA, Secretary Herman echoed President Clinton’s call for its expansion, “Six years ago today, many working people gained the legal assurance that they could not be asked to choose between the jobs they need and the families they love. Moreover, for these last six years, the FMLA has become an indispensable benefit to working families helping Americans balance the demands of work and family. Given the tremendous success of the FMLA, the President and I believe that it is time to

broaden its coverage to protect more workers and to allow workers to take time off to deal with other important family matters that they face daily." However, as of December 10, 2000, Congress had yet to vote on expansion of the FMLA.

**Child care for working families.** At a White House Child Care ceremony on April 23, 1998, President Clinton announced the Women's Bureau's Business-to-Business Mentoring on Child Care Initiative. The two-year pilot initiative was officially launched in October 1999 to promote awareness among industry leaders that affordable and safe child care are top concerns for families. Businesses who had implemented child care and other family-friendly policies and/or programs for their employees volunteered to mentor employers interested in helping their employees balance their work and family responsibilities.

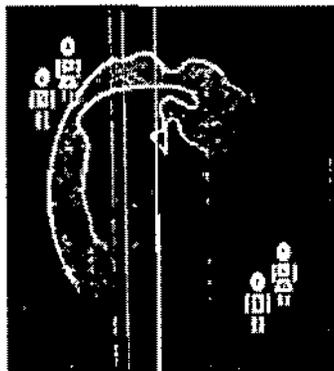
Women's Bureau regional staff have held events to promote the initiative to employers and to encourage them to sign up for the program. Over 400 employers are currently enrolled in the mentoring program. To date, approximately 120 employers have successfully implemented family-friendly policies and/or programs in their workplaces, and over a quarter of a million workers stand to benefit from these employer innovations.

## D. International labor standards

**International child labor program.** As part of the Department's mandate to promote the interests of American workers by advancing labor standards internationally, the Bureau of International Labor Affairs (ILAB) manages the DOL International Child Labor Program. This program was created under Secretary Reich in 1993 in response to a direct request from Congress to investigate and report on child labor around the world.



As domestic and international concern about child labor has grown, the International Child Labor Program's activities have significantly expanded. Today, these activities include continued research and reporting on international child labor, administering grants to organizations engaged in efforts to eliminate child labor, and working to raise public awareness and understanding of the child labor issue.



The International Child Labor Program has published a series of annual reports since 1994, titled "By the Sweat and Toil of Children." These reports explore various aspects of international child labor issues and have been widely distributed in the United States and abroad. The first two reports focused on the use of child labor in the production of goods imported into the United States, and forced and bonded child labor.<sup>25</sup> The third and fourth reports looked at the use of codes of

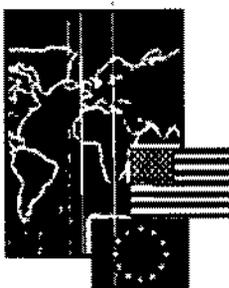
conduct in the apparel industry and labeling programs in particular industries (apparel, carpets, leather shoes, soccer balls, and tea) and their impact on child labor.<sup>26</sup> The fifth report reviewed efforts to eliminate child labor in 16 developing countries, and the sixth report focused on the economic benefits of eliminating child labor.<sup>27</sup>

Between fiscal years 1995 and 2000, Congress appropriated over \$68 million to the Department for international child labor activities and funding of the International Labor Organization's (ILO) International Program on the Elimination of Child Labor (IPEC).<sup>28</sup> These funds have been used to support a wide range of child labor projects and activities in Africa, Asia, Latin America, and Europe. The U.S. IPEC funding has focused on the following four objectives: (1) eliminating child labor in specific hazardous and/or abusive occupations by removing children from work, providing them with educational opportunities, and generating alternative sources of income for their families; (2) bringing more countries that are committed to addressing their child labor problem into the IPEC program; (3) documenting the extent and nature of child labor; and (4) raising public awareness and understanding of international child labor issues.

At a March 1999 press conference where she released the fifth child labor report, Secretary Herman noted the progress made, "In the five years since we began this report, the number of nations participating in IPEC has more than tripled. Earlier this month, the President announced the largest U.S. investment ever through IPEC to fight abusive child labor in Central America. And last week, I announced the largest ever U.S. investment to fight abusive child labor in Africa. We are making progress-and we are committed to doing more. I firmly believe

the best way to lead is by example. We are cleaning up our own backyard. We have strengthened enforcement of our nation's child labor laws. And in particular, we have devoted resources to increase compliance in targeted low-wage industries--especially agriculture."

In his 1999 State of the Union Address, President Clinton reaffirmed the United States' commitment to the cause of child labor by announcing a new goal: "We will lead the international community to conclude a treaty to ban abusive child labor everywhere in the world."



In his June 1999 address to the International Labor Conference of the ILO, President Clinton reiterated his support for the adoption of the Convention Concerning the Prohibition and Immediate Action for the Elimination of the Worst Forms of Child Labor (No. 182) by saying:

"Today, the time has come to build on the growing world consensus to ban the most abusive forms of child labor—to join together and to say there are some things we cannot and will not tolerate.

"We will not tolerate children being used in pornography and prostitution. We will not tolerate children in slavery or bondage. We will not tolerate children being forcibly recruited to serve in armed conflicts. We will not tolerate young children risking their health and breaking their bodies in hazardous and dangerous working conditions for hours unconscionably long—regardless of country, regardless of circumstance."

On June 17, 1999, the International Labor Conference of the ILO unanimously adopted Convention No. 182. Convention 182 commits ratifying nations to take immediate action to secure the prohibition and elimination of the worst forms of child labor. It defines the worst forms of child labor as: (1) all forms of slavery or practices similar to slavery, such as the sale and trafficking of children, debt bondage and serfdom and forced or compulsory labor, including forced or compulsory recruitment of children for use in armed conflict; (2) the use, procuring or offering of a child for prostitution, for the production of pornography or for pornographic performances; (3) the use, procuring or offering of a child for illicit activities, in particular for the production and trafficking of drugs as defined in the relevant international treaties; and (4) work which, by its nature or the circumstances in which it is carried out, is likely to harm the health, safety or morals of children.

Among other actions, Convention 182 requires ratifying countries to take effective and time-bound measures to prevent the engagement of children in the worst forms of child labor; provide direct assistance for their removal from the worst forms and entry into rehabilitation and social integration; ensure access to basic education, and where possible, vocational education; and take account of the special vulnerability of girls. In designing and implementing programs of action to eliminate the worst forms of child labor, ratifying countries are required to consult with the representative worker and employer organization, and provide assistance and/or cooperate with the efforts of other countries to implement the Convention.

In spite of these successes, the fight continues. In May 2000, Secretary Herman hosted a major conference on international child labor, "Advancing the International Campaign Against

Child Labor: Progress Made and Future Actions." At this conference, Secretary Herman stated: "The worldwide abolition of child labor is long overdue. I doubt that we could have held this meeting five years ago. But the world has moved past denial to determined action. We meet today not only with the strong support of this Administration but of the American people. This is the moment for broader, bolder action. In the past, we have focused on building a framework, public awareness, national committees, statistical surveys and targeted demonstration programs. Now, we must accelerate our campaign and work closely with countries to move their efforts to the next level – national plans with specific goals and specific timetables."

**Labor rights project in Costa Rica.** As part of the U.S. Department of Labor's bilateral initiative that supports core labor standards in developing countries, the Women's Bureau and the Bureau of International Labor Affairs are working together with the Costa Rican Labor Ministry to help reduce the incidence of gender discrimination, sexual harassment, and pregnancy discrimination in Costa Rican workplaces. The Women's Bureau, in cooperation with its Costa Rican partners, is implementing a three-pronged strategy to reduce gender discrimination in the workplace through the following activities: providing technical assistance and training to the Costa Rican Women's Office in the Ministry of Labor; training women community leaders on how to raise awareness among women workers about their labor rights and the resources available to protect and promote those rights; and, educating the Costa Rican general public through a country-wide media campaign about the rights of women in the workplace.

**International disability project.** The President's Task Force on the Employment of Adults with Disabilities and Bureau of International Labor Affairs awarded the first international

disability project to the Trust for the Americas Foundation. Under this 18-month project, the Trust will work with employers and assist people with disabilities in El Salvador to use information and communications technology to promote and increase employment of people with disabilities.

### **E. Other related accomplishments**

DOL is committed to promoting safe and healthy workplaces; working with international bodies addressing core labor standards and international child labor issues; increasing the representation, advancement, and promotion of women, people of color, veterans, and the disabled in jobs; promoting increased compliance with Family and Medical Leave Act requirements; and increasing the number of workers with access to quality child care outside the family. For a further discussion of these accomplishments, see Appendix Q.

## **Chapter VII. Challenges for the Future**

Perhaps the hardest job for a successful Administration during a time of prosperity is to look beyond its success to the areas where it could have done better. Certain areas within the Department of Labor's realm have not seen the success achieved in other areas. Continued success requires critical self-evaluation and an honest assessment of areas where more could have been done and better results achieved. It cannot be said that DOL has failed in these areas. But it can be said that the Department could have and should have done more.

First, the Department of Labor should do more to reduce the impact of the hyper-politicized environment that surrounds so many workplace issues. In recent discussions of family leave, wages, overtime, safety and health, collective bargaining, federal contracting, and immigration, among others, battle lines were too quickly drawn and minds too quickly closed to compromise. Negotiation, fact-finding, and reasoned discussion were too quickly dismissed. The Department can and should foster national dialogues on the most difficult workplace issues with the stated goal of achieving as much agreement as the involved parties will allow. A greater emphasis on negotiated rulemaking and alternative dispute resolution, for example, might foster a less politicized environment around regulating and enforcing workplace laws. DOL's historic role of protecting workers and advancing the economic interests of working families is not inconsistent with a more vigorous effort to find agreed solutions to workplace problems. In fact, the two approaches may become increasingly inseparable.

Second, the Department should work harder to institutionalize its focus on training underserved populations. The question of whether skills development is essential to the success of the economy and to workers individually has been conclusively answered in the affirmative. Similarly, there are no longer any serious doubts raised regarding the need for continued learning after graduation from formal education. But this consensus, and the tightest labor markets in a generation, have not dramatically improved the condition of significant populations. Young African-American men, for example, remain unemployed at a rate in excess of twenty-five percent. And people with significant disabilities find employment at a rate of only thirty percent.

The Department of Labor, taking the lead for the Administration, has launched major initiatives to improve the employment opportunities of these two populations. But DOL has not yet achieved a national consensus that better results for these populations, and all disadvantaged populations, are essential to the future economic success of the nation. Thus, the danger exists that the Department's focused efforts to provide the requisite skills and to knock down attitudinal barriers will be allowed to fade. DOL could do more to educate the country that the building-blocks of prosperity are found in these Americans' skills *and* opportunity.

Third, the Department should help change how Americans measure prosperity so that the importance of family, and the trade-off many Americans make between income and time, is not undervalued. Most American workers are paid by the hour, so time off from work that is spent tending to family needs reduces family income. The President proposed expanding the successful Family and Medical Leave Act to ten million more families and the Department of Labor promulgated regulations that would allow states to use unemployment insurance funds to

provide partial pay to parents on leave after birth or adoption of a child. Both measures were met with opprobrium in some quarters. The Department must do more. At a minimum, DOL should construct a "family economics" index that would compete with stock market indexes as a measure of prosperity in the country. Better information about the comparison of wages, working hours, and living costs for low-wage workers might mean, for example, that the President's proposed increase in the minimum wage would not have been so long delayed. A "family economics" index might lead to a more vigorous effort to find alternative means for providing paid leave to families tending to personal or medical crises. It might also help policymakers and the public understand better the precarious state of many workers' retirement savings and the need for economic security over a lifetime, not just a working lifetime.

The "family economics" index is not the only information that is needed. A comprehensive, periodic, and accurate measure of the role our workplace laws play in improving the lot of working families might help de-politicize the debate around the Occupational Safety and Health Administration, the Wage and Hour Division, and other components of the Department of Labor. Better information can mean greater public support and more effectively targeted DOL programs.

Fourth, the Department should adjust better and more quickly to changes in the outside world. Work, the workplace, and the scope and operation of labor markets, all changed radically during the eight years of the Clinton Administration, but DOL did not do enough to adjust to these changes. In some areas, like the Employment and Training Administration's electronic labor exchange information, and sophisticated compliance assistance tools like *elaws*

(Employment Laws Assistance for Workers and Small Businesses), the Department has excelled. In other areas, such as using technology to dramatically improve the productivity of every enforcement agency's workplace inspectors, DOL has not. Further, the Department does not produce vacancy data so that workers can be directed to occupations where there are job openings, even though the new economy has generated substantial anecdotal evidence that there are pockets of acute skills shortages. The Department also should have launched a full-scale effort to take the data collected in "futurework: Trends and Challenges for Work in the 21<sup>st</sup> Century"<sup>29</sup> and translate these data into action. (See Appendix R. for a brief description of the report.)

Finally, the Department should stake out a larger role in the arena of labor-management relations. During the Clinton Administration, the Secretary of Labor has been the President's principal advisor on labor-management relations issues. Also, both Secretaries of Labor played significant roles in several important labor disputes that arose during their terms in office. But DOL has not had any organization dedicated to the study of and action in the field of collective bargaining and worker-management cooperation since the death of the Office of the American Workplace and its predecessor, the Bureau of Labor-Management Relations and Cooperative Programs. The National Labor Relations Board is an independent body that maintains an appropriate arms-length relationship with the executive branch. There must be an organization within the executive branch with institutional skills and resources that addresses labor-management relations issues. This institutional hole in the Department of Labor has hampered Secretary Herman in her efforts to fulfill her responsibilities to the President and the nation.

The Department of Labor has been a significant contributor to the success of the Clinton Administration in improving the lives of working families. DOL's contribution has been detailed in the pages that precede this final chapter. But the Department should not rest on its success. These five areas suggest a starting place for building on its success and preparing for the 21<sup>st</sup> century.

## Endnotes

<sup>1</sup> Office of the Vice President, Creating a Government that Works Better & Costs Less: Improving Regulatory Systems Accompanying Report of the National Performance Review, (Washington: 1993).

<sup>2</sup> U.S. Department of Labor, Report on Performance and Accountability, Annual Report, Fiscal Year 1999, (Washington: U.S. Government Printing Office, 1999).

<sup>3</sup> Unlike administrations and bureaus of the Department of Labor, the Pension Benefit Guaranty Corporation (PBGC) is a self-financing, wholly-owned government corporation governed by a board of directors consisting of the Secretaries of Labor, Commerce, and the Treasury, with the Secretary of Labor serving as chair. Therefore, PBGC does not appear on the DOL organizational chart.

<sup>4</sup> At the beginning of the Clinton Administration, both Congress and the President issued guidance for required reductions as part of government-wide efforts at streamlining and reinvention. Final goals established by the National Performance Review (NPR) called for a 12 percent FTE reduction by 1999. To accomplish these goals, each major component of the Department developed its own Agency Streamlining Plan. By targeting specific organization changes and positions for reduction, engaging in succession planning and outplacement assistance for departing staff and separation incentives, DOL was able to meet its FTE and staff reduction goals by 1996, largely without the use of Reduction in Force. (The only RIF conducted in the Department involved one relatively small program area whose funding was eliminated by legislative action). Thereafter, beginning in 1997, DOL employment began to rise as a result of budget approvals for new and expanded program initiatives.

<sup>5</sup> Ms. Metzler was also acting Secretary from January 10, 1997 to May 1, 1997.

<sup>6</sup> To complement these efforts, OASAM, working in collaboration with DOL's Disability Advisory Council, completed several projects to increase accessibility to the Frances Perkins Building including: ensuring that all entrances are accessible, doubling the number of parking spaces for people with disabilities, constructing two totally accessible restrooms on the lobby level, and installing an infrared loop in the auditorium to assist employees and others who are deaf or hard of hearing.

<sup>7</sup> Five VETS staff members received a Hammer Award for the Licensing and Certification Initiative.

<sup>8</sup> Communities were selected for the grants based on their plans to focus on the total person and provide a wide variety of support services, build community-wide partnerships with a special emphasis on employer partners, and provide long-term follow-up services. The grant projects emphasize preparing and placing participants in private-sector jobs. They also include efforts to keep young people in school, increase their enrollment in college, and provide work experience in community-service projects.

<sup>9</sup> State Workforce Investment Boards (State Boards) are led by top business executives who can ensure that the system is responsive to current and projected job market realities, contains a broad range of partners needed to develop a comprehensive vision for the workforce investment system, and focuses on strategic decisions, not operational management.

The State Boards also were given a critical role in shaping youth services by defining the criteria for membership on local youth councils. These youth councils – subgroups of local boards – ensure the provision of coordinated services that meet the needs of youth, as well as of the local community. They represent a wide range of community resources, including local Board members with special interest or expertise in youth services, representatives of youth services agencies including Job Corps, parents, and other individuals and organizations that have experience with youth.

<sup>10</sup> The Task Force is comprised of the Secretary of Labor, Secretary of Education, Secretary of Veterans Affairs, Secretary of Health and Human Services, Commissioner of Social Security, Secretary of the Treasury, Secretary of

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Commerce, Secretary of Transportation, Director of the Office of Personnel Management, Administrator of the Small Business Administration, the Chair of the Equal Employment Opportunity Commission, the Chair of the Federal Communications Commission, the Chairperson of the National Council on Disability, and the Chair of the President's Committee on Employment of People with Disabilities. The Secretary of Housing and Urban Development, the Secretary of the Interior, the Secretary of Agriculture and the Attorney General of the Department of Justice subsequently joined the Task Force, bringing the number of cabinet-level and other agencies to eighteen. The Task Force issued its initial report to the President in November 1998, and its second report in November 1999.

<sup>11</sup> Presidential Task Force on Employment of Adults with Disabilities, Re-charting the Course. The First Report of the Presidential Task Force on Employment of Adults with Disabilities, November 13, 1998. (Washington: U.S. Government Printing Office, 1998).

<sup>12</sup> The Department of Labor's (DOL) Office of Disability Policy brings a permanent and heightened focus of disability into the everyday operation at DOL, sending a message to employers and employees that people with disabilities are part of the mainstream workforce. It will subsume the existing President's Committee on Employment of People with Disabilities.

<sup>13</sup> U.S. Department of Labor, Bureau of Labor Statistics, Report on the Youth Labor Force, June 2000. (Washington: U.S. Government Printing Office, 2000).

<sup>14</sup> Among some of the most recognizable corporations in the industry attending were: Federated Department Stores, Wal-Mart, Kmart, The May Department Stores, Reebok International, J.C. Penny, Nordstrom, The Limited, Patagonia, Target Stores, Nike, Inc., Liz Claiborne, Inc., Levi Strauss, Guess? Inc., Gerber Childrenswear, Fruit of the Loom, Dillard Department Stores, Spiegel, Inc., Tweeds, Leslie Fay, Inc., Sears Roebuck & Co., Playtex Apparel, Phillips Van Huesen Co., Depeche Mode and the garment licensing divisions of Major League Baseball, National Hockey League, National Basketball Association and the National Football League.

In addition, labor leaders from UNITE, United Food and Commercial Workers Union and the Models Guild, as well as garment workers themselves participated. Trade associations and consumer groups, including the National Retail Federation, the American Apparel Manufacturing Association, International Mass Retail Association, National Consumers League, Consumers Union, also attended the working meeting.

<sup>15</sup> The Minimum Wage: Increasing the Reward for Work, A Report by the National Economic Council with the Assistance of the Council of Economic Advisors and the Office of the Chief Economist, U.S. Department of Labor, March 2000.

<sup>16</sup> One case in particular, involving the Emergi-Lite company's 401(k) plan, highlighted another potential security concern with respect to small pension plans and the exception from ERISA's audit requirement. In this case, the Department investigated and, working with the plan sponsor, was able to return to the participants their lost benefits.

<sup>17</sup> Coverage Status of Workers Under Employer Provided Pension Plans, July 18, 2000.

<sup>18</sup> HIPAA's provisions amend Title I of the Employee Retirement Income Security Act of 1974 (ERISA), as well as the Internal Revenue Code and the Public Health Service Act, and place requirements on employer-sponsored group health plans, insurance companies and health maintenance organizations (HMOs).

<sup>19</sup> The Newborns' Act is subject to concurrent jurisdiction by the Departments of Labor, Treasury, and Health and Human Services. In October 1998, regulations were issued implementing the Newborns' and Mothers' Health Protection Act.

<sup>20</sup> MHPA's provisions are subject to concurrent jurisdiction by the Departments of Labor, Treasury, and Health and Human Services. In December 1997, PWBA issued regulations implementing the Mental Health Parity Act.

<sup>21</sup> WHCRA amended the Employee Retirement Income Security Act of 1974 (ERISA) and the Public Health Service Act (PHS Act) and is administered by the Departments of Labor and Health and Human Services.

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<sup>22</sup> Over a similar period, from 1970 to 1998, U.S. employment increased from 79 million workers at 3.5 million worksites to 131 million workers at nearly 6.9 million worksites.

<sup>23</sup> Early in 1999, OSHA sent letters to about 12,000 sites, letting them know that they had high injury/illness rates. In April 1999, OSHA placed 2,200 of these sites on its programmed inspection list. (More than 3,000 sites are expected to be on the 2000 list.)

<sup>24</sup> U.S. Department of Labor, Employment Standards Administration, Office of Federal Contract Compliance Programs, The Glass Ceiling Initiative: Are There Cracks in the Ceiling?, June 1997. (Washington: U.S. Government Printing Office, 1997)..

<sup>25</sup> U.S. Department of Labor, Bureau of International Labor Affairs, By the Sweat & Toil of Children, Vol. I: The Use of Child Labor in U.S. Manufactured and Mined Imports, (Washington: U.S. Government Printing Office, 1994).

U.S. Department of Labor, Bureau of International Labor Affairs, By the Sweat & Toil of Children, Vol. II: The Use of Child Labor in U.S. Agricultural Imports & forced and Bonded Child Labor, (Washington: U.S. Government Printing Office, 1995).

<sup>26</sup> U.S. Department of Labor, Bureau of International Labor Affairs, The Apparel Industry and Codes of Conduct: A Solution to the International Child Labor Problem?, (Washington: U.S. Government Printing Office, 1996).

U.S. Department of Labor, Bureau of International Labor Affairs, By the Sweat & Toil of Children, Vol. IV: Consumer Labels and Child Labor, (Washington: U.S. Government Printing Office, 1997).

<sup>27</sup> U.S. Department of Labor, Bureau of International Labor Affairs, By the Sweat & Toil of Children, Vol. V: Efforts to Eliminate Child Labor, (Washington: U.S. Government Printing Office, 1998).

<sup>28</sup> The amount included \$2.1 million in 1995; \$1.5 million in 1996; \$1.5 million in 1997; \$3.0 million in 1998; \$29 million in 1999; and \$30 million in 2000.