



LED Committee Report

Vol. 4, No. 4
April 29, 2011

An Information Service of the NCSL Labor and Economic Development Committee

COMMITTEE UPDATE

Briefing with Secretary Shaun Donovan, U.S. Department of Housing & Urban Development

Members of the Labor and Economic Development Committee met with Secretary of Housing and Urban Development Shaun Donovan, along with Deputy Assistant Secretary Francey Youngberg and Intergovernmental Affairs Liaison Leigh Szubrowski, during the recent Spring Forum meeting in Washington, D.C. Secretary Donovan provided a briefing on HUD's priorities and budget outlooks for FY11 & FY12. Secretary Donovan also sought NCSL's support for legislation to update Low Income Housing Tax Credits to include public housing authorities, and increased support for Housing Council and Neighborhood Stabilization funding. Committee officers and members expressed a desire to work with HUD to increase outreach opportunities in the states and collaborate on efforts between HUD, state legislators, and local stakeholders.

Also during the Spring Forum, committee officers and members met with their state Congressional delegations on Wednesday afternoon and Thursday morning, to discuss labor and economic development issues in their states. So called "Hill Visits" are a highlight of NCSL's meetings held in the D.C. area. Legislators are urged to meet with their Congressional representatives any time they are visiting in the D.C. area. NCSL staff will be happy to assist legislators in making appointments with their Congressional counterparts.

Committee Conference Call On Expiring Policies – May 13, 2011

During the Spring Forum, the committee decided to hold a conference call on the six expiring policy resolutions to be voted on at the Legislative Summit. The call is scheduled for Friday May 13, at 2:00 Eastern, and will provide members with an overview of the NCSL policy process and a summary of expiring policies. Officers will ask committee members (legislators and legislative staff) to volunteer to review these policies and submit an amended draft or other suggested action at the Legislative Summit. You will receive a separate email with the details and instructions for participating. The expiring policies can be found on the NCSL website at <http://www.ncsl.org/?TabId=19108>. Please contact Diana Noel or Michael Reed with any questions.

UPCOMING MEETINGS

2011 NCSL Legislative Summit

Mark your calendars for the 2011 NCSL Legislative Summit, being held in San Antonio, August 8-11, 2011.

Below is the general schedule for the meeting. The Committee will meet on Monday afternoon, all day on Tuesday, and on Wednesday morning. In addition, the committee will sponsor three pension-related issue forums on Wednesday, August 10.

Mon. Aug 8	Tues. Aug 9	Wed. Aug 10	Thurs. Aug 11
Pre-Conferences Task Forces 8:00 am-2:45 pm	New Staff Section Officers Orientation 7:45-8:45 am	Walk for Wellness 6:30-8:00 am	Bipartisan Bike Ride 6:30-8:00 am
Personal Staff Training (Separate Fee)	New Attendees Orientation	General Session 8:30-9:45 am	Issue Forums 8:00-9:15 am

7:45 am-2:45 pm Ancillary Groups 8:00 am-12:00 pm International 8:00 am-5:00 pm LSCC 9:00 am-12:00 pm	7:45-8:45 am Prayer Breakfast 7:45-8:45 am General Session 9:00-10:30 am Standing Committees 10:45 am-12:00 pm	Standing Committees/ Issue Forums 10:00-11:30 am Exhibit Hall Lunch Taste of Chicago 2012 11:30 am-1:30 pm	General Session 9:30-10:45 am Business Meeting 11:00 am-12:30 pm
NCSL Executive Committee 1:00-5:30 pm Staff Sections 1:00-2:45 pm Standing Committees 3:00-5:30 pm Steering Committee 5:45-6:45 pm	Standing Committee Lunches 12:00 pm-1:30 pm Standing Committees 1:30-5:00 pm Legislative Staff University 3:30-5:00 pm Steering Committee Ancillary Meetings 5:15-6:15 pm	Legis. Staff Workshops 1:00-3:45 pm Issue Forums 1:00-2:15 pm Issue Forums 2:30-3:45 pm Staff Sections 4:00-5:30 pm Legislators Roundtable 4:00-5:30 pm	Staff Section Lunches 12:30-2:00 pm DLCC & RLCC Lunches 12:30-2:00 pm Salute to Legis. Staff 2:15-3:45 pm Issue Forums 2:15-3:45 pm Ancillary Meetings 2:15-5:30 pm Staff Sections 4:00-5:30 pm
	Opening Social Event	States' Night	Closing Social Event

Registration is now open for the meeting. For more information on the Legislative Summit, visit <http://www.ncsl.org/Meetings/LegislativeSummit11/Home/tabid/22195/Default.aspx>.

The Officers of the Labor and Economic Development Committee are working on the meeting agenda for the Committee. Updates will be provided in upcoming issues of the newsletter and also on the Committee's web page at <http://www.ncsl.org/Default.aspx?TabID=773&tabs=855,26,638#855>.

IN THE NEWS

Unemployment Continues to Fall

The national unemployment rate fell to 8.8% in March, 2011, marking the fourth month in a row that unemployment has decreased and falling to the lowest rate in two years. States saw significant improvement, too, as unemployment fell in 34 states in March, 2011. Unemployment went up in only seven states and Puerto Rico, while rates in nine states and DC remained unchanged.

<http://www.ncsl.org/?tabid=13308>

Collective Bargaining Bills Introduced in All 50 States

Bills on collective bargaining have now been introduced in all 50 states. More than 775 bills have been introduced during the 2011 legislative session, with the majority focused on public sector unions. You can track legislation in NCSL's Collective Bargaining database.

<http://www.ncsl.org/?tabid=22275>

Veterans Experience Higher Unemployment

The Bureau of Labor Statistics has released a summary of unemployment data for veterans. The unemployment rate for veterans who served in the military at any time since September 2001--a group referred to as Gulf War-era II veterans--was 11.5 percent in 2010, compared with 9.4% for non-veterans. Data is also provided for veterans of other eras, going back to WWII.

<http://www.bls.gov/news.release/vet.nr0.htm>

Employee Benefits in the US 2010

The National Compensation Survey provides comprehensive measures of occupational earnings, compensation cost trends and employee benefit plans. This newly released bulletin of 2010 data presents estimates of the incidence and key provisions of selected employee benefit plans. Estimates are available on benefits for civilian workers in private industry, as well as workers in State and local government.

<http://www.bls.gov/ncs/ebs/benefits/2010/ebb10046.pdf>

HUD PowerSaver Program Offers Low-Cost Loans for Energy-Related Home Improvements

Eighteen national, regional and local lenders will participate in a new two-year pilot program that will offer qualified borrowers living in certain parts of the country low-cost loans to make energy-saving improvements to their homes. The PowerSaver loans are backed by the Federal Housing Administration and offer homeowners up to \$25,000 to make energy-efficient improvements of their choice, including the installation of insulation, duct sealing, replacement doors and windows, HVAC systems, water heaters, solar panels, and geothermal systems.

<http://portal.hud.gov/hudportal/documents/huddoc?id=FHAPowerSaverFactSheet.pdf>

National Farmworker Jobs Program Grants

The U. S. Dept. of Labor has announced a competition for \$78 million in grants for operating the National Farmworker Jobs Program (NFJP), under section 167 of the Workforce Investment Act. NFJP is designed to serve economically disadvantaged persons who primarily depend on employment in agricultural labor performed within the United States, including Puerto Rico, and who experience chronic unemployment or underemployment.

Through training and other workforce development services, the program is intended to assist eligible migrants and seasonal farmworkers and their families to prepare for jobs likely to provide stable, year-round employment, both within and outside agriculture. The FY 2011 appropriation request for this program is \$78,410,000, to be allocated among state service delivery areas for operation of NFJP. Grant: SGA-DFA-PY-10-05. Closing Date: May 2, 2011

<http://www.doleta.gov/grants/pdf/SGA-DFA-PY-10-05.pdf>

National Farmworker Housing Assistance Grants

The U.S. Dept. of Labor has announced a competition for \$5.7 million in grants for operating the Housing Assistance portion of the National Farmworker Jobs Program (NFJP), under section 167 of the Workforce Investment Act. The funds are available to state and local agencies for migrant and seasonal farmworkers housing assistance grants, and requires that no less than 70 percent of the specified amount must be used for permanent housing activities. Grant: SGA-DFA-PY-10-08. Closing Date: May 3, 2011.

<http://www.doleta.gov/grants/pdf/SGA-DFA-PY-10-08.pdf>

NEW REPORTS

Bureau of Labor Statistics

Monthly Labor Review Online – April, 2011 Issue

The April issue features and overview of employment losses in the 2007 2009 recession, with separate articles on various employment sectors, including health care, mining, construction, manufacturing, professional and business services, financial services, retail, leisure and hospitality.

<http://www.bls.gov/opub/mlr/2011/04/mlr201104.pdf>

Congressional Budget Office Reports

CBO Analysis of the President's Budgetary Proposals for Fiscal Year 2012

At the request of the Senate Committee on Appropriations, the Congressional Budget Office (CBO) has prepared an analysis of the President's budgetary proposals for fiscal year 2012, which were released on February 14, 2011. The analysis uses CBO's economic assumptions and estimating techniques, rather than the Administration's, to project how the proposals in the President's budget would affect federal revenues and outlays and the U.S. economy. For tax provisions, the analysis incorporates estimates prepared by the staff of the Joint Committee on Taxation.

<http://www.cbo.gov/ftpdocs/121xx/doc12130/04-15-AnalysisPresidentsBudget.pdf>

CBO Analysis of Rep. Ryan Budget Plan

Rep. Paul Ryan (R-WI) requested the Congressional Budget Office to conduct an a long-term analysis of his proposal to substantially change federal payments under the Medicare and Medicaid programs, eliminate the subsidies to be provided through new insurance exchanges under last year's major health care legislation, leave Social Security as it would be under current law, and set paths for all other federal spending (excluding interest) and federal tax revenues at specified growth rates or percentages of gross domestic product (GDP). The results of that analysis are summarized in the attachment to a response letter to Rep. Ryan.

http://www.cbo.gov/ftpdocs/121xx/doc12128/04-05-Ryan_Letter.pdf

CBO Report on 2010 Unfunded Mandates

The federal government, through laws and regulations, sometimes imposes requirements on state, local, and tribal governments and entities in the private sector to achieve national goals. In 1995, the Congress passed and the President signed the Unfunded Mandates Reform Act (UMRA) to ensure that, during the legislative process, the Congress receives information about such proposed requirements, known as federal mandates, and their costs before enacting a piece of legislation. In this 2010 report, which is part of an annual series that began in 1997, the Congressional Budget Office reviews its activities under UMRA. The report covers public laws enacted and legislation considered by the Congress in calendar year 2010 that would impose federal mandates on state, local, or tribal governments or on the private sector.

<http://www.cbo.gov/ftpdocs/121xx/doc12117/03-31-UMRA.pdf>

Congressional Research Office Reports

Japan's 2011 Earthquake and Tsunami: Economic Effects and Implications for the United States

The March 11, 2011, earthquake and tsunami in Japan, and ensuing nuclear crisis have had a large negative impact on the economy of Japan but a lesser effect on world trade and financial markets. Physical damage in Japan has been estimated to be from \$195 billion to as much as \$305 billion. Analysts expect that over the next quarter, Japan's economy will contract but may begin to expand later in the year because of rebuilding activity. As the third largest economy in the world, Japan's GDP at \$5.5 trillion accounts for 8.7% of global GDP. The net impact of the disaster on global GDP is expected to shave about a half percentage point off global economic growth with about half of that effect confined to Japan. This report examines the impact on the global economy.

<http://fpc.state.gov/documents/organization/161324.pdf>

The Depreciating Dollar: Economic Effects and Policy Response

The dollar has been depreciating since 2002 and raises concern among some in Congress and the public that the dollar's decline is a symptom of broader economic problems, such as a weak economic recovery, rising public debt, and a diminished standing in the global economy. A falling currency is not always a problem, and instead may be an element of economic adjustments that are, on balance, beneficial to the economy. This report examines the trends and impact of the decreasing value of the dollar.

<http://fpc.state.gov/documents/organization/161571.pdf>

GAO Reports

Davis-Bacon Act: Methodological Expertise Critical for Improving Survey Quality

GAO-11-486T, Apr 14, 2011

This testimony discusses the Department of Labor's (Labor) procedures for determining prevailing wage rates under the Davis-Bacon Act. Davis-Bacon wages must be paid to workers on certain federally funded construction projects, and their vulnerability to the use of inaccurate data has long been an issue for Congress, employers, and workers. More recently, the passage of the American Recovery and Reinvestment Act of 2009, focused attention on the need for accurate and timely wage determinations, with more than \$300 billion estimated to provide substantial funding for, among other things, federally funded building and infrastructure work potentially subject to Davis-Bacon wage rates.

<http://www.gao.gov/new.items/d11486t.pdf>

Davis-Bacon Act: Methodological Changes Needed to Improve Wage Survey

GAO-11-152, Mar 22, 2011

Procedures for determining Davis-Bacon prevailing wage rates, which must be paid to workers on certain federally funded construction projects, and their vulnerability to the use of inaccurate data have long been an issue for Congress, employers, and workers. In this report, GAO examined (1) the extent to which the Department of Labor (Labor) has addressed concerns regarding the quality of the Davis-Bacon wage determination process, and (2) additional issues identified by stakeholders regarding the wage determination process. GAO interviewed Labor officials, representatives from contractor associations and unions, contractors, and researchers; conducted site visits to three Labor regional offices; and analyzed data from Labor's wage survey database.

<http://www.gao.gov/new.items/d11152.pdf>

Employment and Training Administration: More Actions Needed to Improve Transparency and Accountability of Its Research Program

GAO-11-285, Mar 15, 2011

The Department of Labor's Employment and Training Administration (ETA) conducts research in areas related to job training and employment. Building upon our earlier work, GAO examined the following: (1) To what extent do ETA's research priorities reflect key national employment and training issues and how useful were the studies funded under them? (2) What steps has ETA taken to improve its research program? (3) How has ETA improved the availability of its research since our last review in January 2010? To answer these questions, GAO reviewed ETA's research reports disseminated between January 2008 and March 2010 costing \$1 million or more, as well as ongoing studies costing \$2 million or more.

<http://www.gao.gov/new.items/d11285.pdf>

Employment Verification: Agencies Have Improved E-Verify, but Significant Challenges Remain

GAO-11-522T, Apr 14, 2011

This testimony discusses the E-Verify program, which provides employers a tool for verifying an employee's authorization to work in the United States. The opportunity for employment is one of the most powerful magnets attracting immigrants to the United States. According to the Pew Hispanic Center, as of March 2010, approximately 11.2 million unauthorized immigrants were living in the country, and an estimated 8 million of them, or about 70 percent, were in the labor force. Congress, the administration, and some states have taken various actions to better ensure that those who work here have appropriate work authorization and to safeguard jobs for authorized employees.

<http://www.gao.gov/new.items/d11522t.pdf>

Employment and Training Programs: Opportunities Exist for Improving Efficiency

GAO-11-506T, Apr 7, 2011

This testimony discusses the findings from our recent work on fragmentation, overlap, and potential duplication in federally funded employment and training programs and our prior work on the Workforce Investment Act of 1998 (WIA). We recently issued two reports addressing fragmentation, overlap, and potential duplication in federal programs--one that outlined opportunities to reduce potential duplication across a wide range of federal programs and another that focused more specifically on employment and training programs. This work and our larger body of work in the area will help government policymakers address the rapidly building fiscal pressures facing our nation's government--pressures that stem, in part, from our mounting debt and sustained high unemployment.

<http://www.gao.gov/new.items/d11506t.pdf>

State and Local Governments' Fiscal Outlook: April 2011 Update

GAO-11-495SP, Apr 6, 2011

The state and local government sector continues to face near- and long-term fiscal challenges that grow over time. The fiscal challenges confronting the state and local sector add to the nation's overall fiscal difficulties. Although the sector's near-term fiscal picture has improved slightly since our March 2010 update, the economic downturn has created an unprecedented fiscal situation for states as revenues declined in tandem with the economy. Since most state and local governments are required to balance their operating budgets, the declining fiscal conditions shown in our simulations suggest that these governments would need to make substantial policy changes to avoid growing fiscal imbalances.

<http://www.gao.gov/new.items/d11495sp.pdf>

Factors for Evaluating the Cost Share of Manufacturing Extension Partnership Program to Assist Small and Medium-Sized Manufacturers

GAO-11-437R, Apr 4, 2011

U.S. manufacturing plays an important role in the nation's economy, producing about \$1.6 trillion of value each year--11.5 percent of the U.S. gross domestic product (GDP)--and accounting for over 13 million jobs in the United States in 2008, according to the Department of Commerce. However, over the past decade, increased competition abroad and the migration of manufacturing overseas have led to declines in U.S. manufacturing. To support the manufacturing sector, the federal government has undertaken efforts, including creating programs that are partly funded by the federal government and partly funded by nonfederal entities such as state and local governments. <http://www.gao.gov/new.items/d11437r.pdf>

State and Local Governments: Knowledge of Past Recessions Can Inform Future Federal Fiscal Assistance

GAO-11-401, Mar 31, 2011

Understanding state and local government revenue and expenditure patterns can help policymakers determine whether, when, where, and how they provide federal fiscal assistance to state and local governments in response to future national recessions. In general, state and local governments' revenues increase during economic expansions and decline during national recessions (relative to long-run trends). State and local revenue declines have varied during each recession, and the declines have been more severe during recent recessions. Additionally, revenue fluctuations vary substantially across states, due in part to states' differing tax structures, economic conditions, and industrial bases

<http://www.gao.gov/new.items/d11401.pdf>

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~~~~~ **NCSL Standing Committee on Labor and Economic Development** ~~~~~

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