



# LED Committee Report

Vol. 4, No. 8  
August 30, 2011

*An Information Service of the NCSL Labor and Economic Development Committee*

## COMMITTEE UPDATE

### Legislative Summit Handouts

The Labor and Economic Development Committee held a number of informative sessions at the NCSL Legislative Summit in San Antonio. You'll find the agenda and handouts from the Committee's sessions at <http://www.ncsl.org/?tabid=17977>.

### Policy Reports

During the Committee's business meeting, members had a discussion regarding the proposed changes to the NCSL Bylaws and policy process. The Committee also considered and passed the following five policies:

- Maintaining the Solvency of Social Security (joint with Human Services and Welfare)
- Mine Safety
- Presidential Trade Promotion Authority
- State Employee Pension Plan Authority (joint with Budgets and Revenue)
- World Trade Organization Negotiations

The full text of these policies can be found on the NCSL website:

<http://www.ncsl.org/Default.aspx?TabID=773&tabs=854,15,695#695>

### Bylaws and Rules Changes

The changes to the NCSL Bylaws and policy process include having bipartisan co-chairs for each of the standing committees and streamlining the policy process. A brief overview of the changes is available at <http://www.ncsl.org/default.aspx?tabid=23489>. More details will be provided in the coming weeks.

### Update on Officers

NCSL President Senator Stephen R. Morris, President of the Senate in Kansas, and NCSL Legislative Staff Chair Michael Adams of Virginia, are in the process of naming officers for all of the standing committees. There will be an update on committee officers in the September issue of the newsletter.

The Committee would like to thank the outgoing co-chairs and officers for their work in leading the Committee over the past year. **Representative Lana Gordon**, R-Kansas, and **Representative Brent Yonts**, D-Kentucky, teamed up to provide excellent guidance and leadership for the Committee. They were assisted by an excellent group of legislators and staff:

#### Vice-Chairs:

Rep. Angel Cruz, Pennsylvania  
Rep. Herbert Dixon, Louisiana  
Rep. Anna Fairclough, Alaska  
Rep. Julie Fisher, Utah  
Sen. Gary LeBeau, Connecticut  
Sen. Brandt Hershman, Indiana  
Rep. Patrick Long, New Hampshire

#### Legislative Staff Chair:

Gwennetta Tatum, Mississippi

#### Immediate Past Staff Chair:

Andrea Wilko, Utah

#### Staff Vice-Chairs:

Linda Bussell, Kentucky  
LeNee Carroll, Indiana  
Richard Daignault, Québec  
Jeff Houch, Illinois  
Gilbert Loredó, Texas

## UPCOMING MEETINGS

The NCSL Fall Forum will be held Nov. 30 - Dec. 2, 2011, in Tampa, Florida, at the Tampa Marriott Waterside hotel. The Labor and Economic Development Committee will be meeting to work on policy issues and hold informational sessions.

Tentative Agenda:

### Wednesday, November 30, 2011

8:00 am - 12:00 pm	Pre-Conferences/ Task Forces/ Working Groups
10:30 am - 12:30 pm	Orientation for Standing Committee Officers
1:00 pm - 4:00 pm	Standing Committees
4:15 pm - 5:30 pm	Opening Plenary Session
6:00 pm - 7:00 pm	Reception at Hotel

### Thursday, December 1, 2011

8:30 am - 11:30 am	Standing Committees
11:45 am - 1:15 pm	Plenary Luncheon
1:30 pm - 4:45 pm	Standing Committees
5:00 pm - 6:00 pm	Steering Committee
6:00 pm - 7:00 pm	Reception

### Friday, December 2, 2011

8:30 am - 10:30 am	Standing Committees
10:30 am - 12:00 pm	NCSL Business Meeting
12:00 pm - 5:00 pm	Post-Conferences

For more information on the Fall Forum, visit the meeting page at <http://www.ncsl.org/Default.aspx?TabID=714&tabs=2638,122,920#920>.

## IN THE NEWS



### Arts Award Presented to Senator Roger Reitz of Kansas

Americans for the Arts, the nation's leading nonprofit organization for advancing the arts has selected Kansas State Senator Roger Reitz as the recipient of the 2011 Public Leadership in the Arts Award for State Arts Leadership, which honors a public official who has demonstrated outstanding leadership in the advancement of the arts at the state level. Senator Reitz was presented with the award at the Legislative Summit of the National Conference of State Legislatures in San Antonio, Texas, in recognition of his support for arts funding and arts education in Kansas. Senator Reitz led the fight to restore funding for the Kansas Arts Commission.

*(Pictured: Senator Reitz and Jay Dick, Americans for the Arts.)*

<http://www.ncsl.org/default.aspx?TabId=23495>

### Discrimination Against the Unemployed

Finding a job is hard enough in a tough economy but a growing problem is discrimination against the unemployed. A survey of help-wanted ads shows that many firms are refusing to even consider applications from the unemployed. With notations that only the currently employed or recently employed need apply, the long-term unemployed are finding the job market even tighter.

[http://www.nytimes.com/2011/07/26/business/help-wanted-ads-exclude-the-long-term-jobless.html?\\_r=2&hp](http://www.nytimes.com/2011/07/26/business/help-wanted-ads-exclude-the-long-term-jobless.html?_r=2&hp)

### **Preliminary Data on Workplace Fatalities in 2010**

Preliminary figures for 2010 shows a total of 4,547 fatal work-related injuries in the United States in 2010, about the same as the final count of 4,551 fatal work injuries for 2009, according to results from the Census of Fatal Occupational Injuries (CFOI) program conducted by the U.S. Bureau of Labor Statistics. The rate of fatal work injury for U.S. workers in 2010 was 3.5 per 100,000 full-time workers, the same as the final rate for 2009. Over the last 3 years, increases in the published counts based on information received after the release of preliminary data have averaged 174 fatalities per year or about 3 percent of the revised totals. Final 2010 fatality data will be released in Spring 2012.

<http://www.bls.gov/news.release/pdf/cfoi.pdf>

### **Higher Summer Unemployment Among Youth**

From April to July 2011, the number of employed youth 16 to 24 years old rose by 1.7 million to 18.6 million, according to the U.S. Bureau of Labor Statistics. This year, the share of young people who were employed in July was 48.8 percent, the lowest July rate on record for the series, which began in 1948. The month of July typically is the summertime peak in youth employment. Unemployment among youth increased by 745,000 between April and July, more than last year's increase of 571,000, but well below the levels seen in 2008 and 2009, 1.2 and 1.1 million, respectively.

<http://www.bls.gov/news.release/pdf/youth.pdf>

### **Job Training Grants for Veterans Awarded in 15 States**

The U.S. Department of Labor has awarded 23 grants totaling \$5,436,148 to states and local governments to provide homeless veterans with job training aimed at helping them succeed in civilian careers. The grants are being awarded by the department's Veterans' Employment and Training Service through the Homeless Veterans Reintegration Program. Grantees in 15 states will offer occupational, classroom and on-the-job training, as well as job search and placement assistance, including follow-up services for homeless veterans. The program is the only federal program that focuses exclusively on employment of veterans who are homeless.

<http://www.dol.gov/opa/media/press/vets/VETS20111184.htm>

### **HUD Reduces Home Loan Limits**

On October 1, 2011, the Federal Housing Administration (FHA) will implement new single-family loan limits as specified by the Housing and Economic Recovery Act of 2008 (HERA). As a result, FHA will reduce loan limits in the highest cost metropolitan areas of the country while limits would remain unchanged in most other parts of the nation. The current standard (floor) loan limit for areas where housing costs are relatively low will remain unchanged at \$271,050 for one-unit properties. The new "ceiling" loan limit for higher cost areas will be reduced from \$729,750 to \$625,500 for one-unit properties. FHA loan limits vary based on area median home price, but all will fall within the range of \$271,050 and \$625,500 for one unit properties.

[http://portal.hud.gov/hudportal/HUD?src=/press/press\\_releases\\_media\\_advisories/2011/HUDNo.11-170](http://portal.hud.gov/hudportal/HUD?src=/press/press_releases_media_advisories/2011/HUDNo.11-170)

### **New Commerce Dept. Report Finds Greater Wage Parity for Women in STEM Jobs**

The U.S. Commerce Department's Economics and Statistics Administration has issued the second in a series of reports on science, technology, engineering and mathematics (STEM) jobs and higher education. While women make up 48 percent of the U.S. workforce, only 24 percent hold STEM jobs. Over the past decade, this underrepresentation has remained fairly constant, even as women's share of the college-educated workforce has increased. Women with STEM jobs, however, earned 33 percent more than women in non-STEM jobs in 2009, exceeding the 25 percent earnings premium for men in STEM. Women in STEM also experience a smaller gender wage gap than their counterparts in other fields.

<http://www.commerce.gov/news/press-releases/2011/08/03/new-commerce-department-report-finds-greater-wage-parity-premium-wome>

### **State Unemployment Rises in July**

Unemployment rates increased in 28 states, the District of Columbia and Puerto Rico for the month of July, according to figures released by the Bureau of Labor Statistics on August 19, 2011. Unemployment decreased in nine states and remained unchanged in 13 states. Rates for August will be released on September 16, 2011.

<http://www.ncsl.org/default.aspx?TabId=13308>

## NEW REPORTS

### NCSL Reports

#### **NCSL Report on Employment Challenges for Ex-Offenders**

Finding employment is one of the first needs for offenders just released from prison but having a criminal record make it more difficult for an ex-offender to find a job. Those who have served time in prison can expect to earn about 40 % less in annual wages compared to people in similar circumstances who have not been incarcerated. To improve employment prospects for ex-offenders, states have adopted policies to encourage their employment, address employer liability and hiring incentives, expand eligibility for record-clearing policies, and support employment training and reentry programs.

<http://www.ncsl.org/documents/cj/pew/ex-offenderreport.pdf>

### National Association of Social Insurance (NASI)

#### **NASI Report: Workers' Compensation Coverage and Costs Fall**

The number of workers covered by workers' compensation dropped by 4.4 percent in 2009, the biggest decrease in two decades, according to a report released August 16, 2011, by the National Academy of Social Insurance. Employer costs for benefits fell by 7.6 percent to \$73.9 billion in 2009 (the most recent year with complete data), reflecting the overall decline in employment. The total benefits paid to injured workers in 2009 increased in 23 states and D.C. while declining in the remaining 27 states, compared to the previous year. Payments for medical care declined for the first time in a decade, although they continue to make up roughly half of total workers' compensation benefits. Employers paid a total of \$73.9 billion nationwide for workers' compensation with a cost of \$1.30 per \$100 of payroll, the lowest in the last thirty years. The full report is available online at no charge.

[http://www.nasi.org/sites/default/files/research/Workers\\_Comp\\_Report\\_2009.pdf](http://www.nasi.org/sites/default/files/research/Workers_Comp_Report_2009.pdf)

### Bureau of Labor Statistics Reports

#### **Monthly Labor Review Online – July 2011**

Highlights from the July issue include reports on:

- Nonstandard Work Schedules Over the Life Course: a First Look
- Tackling Complexity in Retirement Benefits: Challenges and Directions for the NCS
- What is a Benefit Plan? Clarifying the NCS definition as Health and Retirement Benefits Evolve

<http://www.bls.gov/opub/mlr/2011/07/mlr201107.pdf>

#### **Occupational Outlook Quarterly**

The Summer issue is now available. Articles include:

- Serving, Learning, and Earning: An Overview of Three Organizations
- Medical Physicists and Health Physicists: Radiation Occupations
- Paid to Persuade: Careers in Sales

<http://www.bls.gov/opub/ooq/2011/summer/summer2011ooq.pdf>

#### **Transportation Fatalities in the Mining Sector 2004-2008**

Transportation accidents are the leading cause of occupational fatalities in the mining industry. The younger the worker is, the greater the likelihood of the worker becoming a victim of these types of fatal accidents. A substantial portion of transportation fatalities result from jackknifed and overturned vehicles. This new study identifies some of the factors associated with these high fatality rates and discusses possible remedies to reduce transportation deaths in the mining industry.

<http://www.bls.gov/opub/cwc/sh20110712ar01p1.htm>

## Congressional Budget Office Reports

### **Budget and Economic Outlook: An Update, August 2011**

The United States is facing profound budgetary and economic challenges. At 8.5 percent of gross domestic product (GDP), the \$1.3 trillion budget deficit that the Congressional Budget Office (CBO) projects for 2011 will be the third-largest shortfall in the past 65 years (exceeded only by the deficits of the preceding two years). This year's deficit stems in part from the long shadow cast on the U.S. economy by the financial crisis and the recent recession. Although economic output began to expand again two years ago, the pace of the recovery has been slow, and the economy remains in a severe slump. Recent turmoil in financial markets in the United States and overseas threatens to prolong the slump.

<http://www.cbo.gov/ftpdocs/123xx/doc12316/08-24-BudgetEconUpdate.pdf>

### **Estimated Impact of ARRA on Employment and Economic Output**

The American Recovery and Reinvestment Act of 2009 (ARRA) contains provisions that are intended to boost economic activity and employment in the United States. Section 1512(e) of the law requires the Congressional Budget Office (CBO) to comment on reports filed by recipients of ARRA funding that detail the number of jobs funded through their activities. This CBO report fulfills that requirement. It also provides CBO's estimates of ARRA's overall impact on employment and economic output in the second quarter of calendar year 2011. Those estimates—which CBO considers more comprehensive than the recipients' reports—are based on evidence from similar policies enacted in the past and on the results of various economic models.

<http://www.cbo.gov/ftpdocs/123xx/doc12385/08-24-ARRA.pdf>

### **Monthly Budget Review – August 2011**

The federal budget deficit was about \$1.1 trillion in the first 10 months of fiscal year 2011, CBO estimates—\$66 billion less than the roughly \$1.2 trillion deficit incurred through July 2010. Revenues were about 8 percent higher than they were at the same point last year, whereas outlays rose by less than 3 percent. The Treasury reported a deficit of \$43 billion for June, \$2 billion less than CBO had projected on the basis of the Daily Treasury Statements.

[http://www.cbo.gov/ftpdocs/123xx/doc12337/2011\\_07\\_MBR.pdf](http://www.cbo.gov/ftpdocs/123xx/doc12337/2011_07_MBR.pdf)

## Congressional Research Office Reports

### **Trade Adjustment Assistance (TAA) and Its Role in U.S. Trade Policy**

Congress created Trade Adjustment Assistance (TAA) in the Trade Expansion Act of 1962 to help workers and firms adjust to economic dislocation caused by expanded trade among nations. Although most economists agree that there are substantial national gains from trade, supporters of TAA argue that the government has an obligation to help those hurt by policy-driven trade opening. Despite disagreement, TAA still appears to be important for forging a compromise on national trade policy. The 112th Congress is considering legislative action to extend TAA, ranging from repeal to support for the higher ARRA program and funding levels. This report summarizes issues related to TAA and discusses Congressional options.

<http://fpc.state.gov/documents/organization/171390.pdf>

### **The Economic Implications of the Long-Term Federal Budget Outlook**

Following the financial crisis, the budget deficit reached 10% of gross domestic product (GDP) in 2009 and 9% of GDP in 2010, a level that cannot be sustained in the long run. Concerns about long-term fiscal sustainability depend on the projected future path of the budget, absent future policy changes. While entitlement spending made little contribution to current budget deficits, the retirement of the baby boomers, rising life expectancy, and the rising cost of medical care result in projections of large and growing budget deficits over the next several decades. Social Security outlays are projected to rise from 4.8% of GDP today to 6.1% of GDP in 2035, and federal health outlays, mainly on Medicare and Medicaid, are projected to rise from 5.6% today to as much as 10.3% of GDP in 2035. These increases in spending are not expected to subside after the baby boomers have passed away. Without any corresponding rise in revenues, this spending path would maintain unsustainably large and persistent budget deficits, which would push up interest rates and the trade deficit, crowd out private investment spending, and ultimately cause fiscal crisis.

<http://fpc.state.gov/documents/organization/171384.pdf>

## GAO Reports

### **Pension Benefit Guaranty Corporation: Asset Management Needs Better Stewardship**

GAO-11-271, Jun 30, 2011 (released August 1, 2011)

The Pension Benefit Guaranty Corporation's (PBGC) insures the pension benefits of more than 44 million people. Since its inception in 1974, PBGC's assets have grown from about \$34 million to almost \$80 billion in 2010, largely through assets received in plan terminations. Despite significant swings in PBGC's investment history, there has been little focus on the extent to which it has met its investment goals, the nature of its investment policies or how they compare with best practices in the industry. GAO examined how PBGC's investment objectives have changed over time and the outcomes associated with those changes, the performance of PBGC's investments, and how well PBGC's investment policies and operations comport with best practices in the industry. This report summarizes their findings.

<http://www.gao.gov/new.items/d11271.pdf>

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