



LED Committee Report

Vol. 4, No. 7
July 29, 2011

An Information Service of the NCSL Labor and Economic Development Committee

COMMITTEE UPDATE

The Working Groups assigned to review the six expiring policies under the Committee's jurisdiction have completed the final drafts of the following policies:

- Coordination of Social Security and Workers' Compensation
- Maintaining the Solvency of Social Security (Joint with Human Services)
- Mine Safety
- Presidential Trade Promotion Authority
- Western Hemisphere Travel Initiative
- World Trade Organization Negotiations

The final drafts were presented in a conference call for all Committee members held on July 12, 2011. For more information on the final drafts of the policies, contact Diana Hinton Noel (diana.hinton@ncsl.org) or visit the committee's website at <http://www.ncsl.org/?TabId=19108>.

UPCOMING MEETINGS

2011 NCSL Legislative Summit

Final preparations are being made for the Committee's session at the NCSL Legislative Summit in San Antonio. Below are details on the committee's economic development tour, Committee programs, and Business Meetings.

Economic Development Tour

Toyota Manufacturing, Port San Antonio and Boeing Site Visit (sign up required)

Monday, August 8, 2011 9:00 am-2:30 pm

Economic Development in the Lone Star State: Committee members and interested others are invited to a program on economic development, which includes a site visit to the local Toyota manufacturing plant, Port San Antonio and Boeing. To sign up, contact Diana Hinton Noel (diana.hinton@ncsl.org).

Schedule: 9:00 am Depart Convention Center (meet at the Convention Center at 8:45)
9:30 am Toyota Manufacturing Plant: briefing, tour of plant, on-site suppliers, and medical facilities
11:30 am Lunch at the Toyota lunch facility
12:45 pm Port San Antonio: briefing, tour of Boeing and other facilities at the Port
2:30 pm Arrive back at the Convention Center

Committee Programs

States Dig for Ways to Make Mines Safer Monday, August 8, 2011, 3:00 pm-4:15 pm

Mining fatalities in the United States significantly increased in 2010, in both underground and surface mining operations. This session will explore safety issues related to the mining industry.

Trade 101: A Legislators Guide to Trade Monday, August 8, 2011, 4:15 pm-5:30 pm

Trade makes the news all the time but what really goes into the effort to craft and promulgate international trade and what role do state legislators play? This session will explore the importance of international trade to states and highlight key issues for state legislators.

Arts and Tourism Equals Economic Development for San Antonio Tuesday, August 9, 2011, 12:00 pm-1:30 pm
Luncheon sponsored by Americans for the Arts

San Antonio is known as a rich cultural center and major tourist destination. The city is bursting with art museums, galleries, and historic sites that draw visitors from across the nation and around the world. This session will highlight some of San Antonio's major arts, cultural and historic treasures and their positive impact on economic development.

Is the American Dream Still a Reality? Tuesday, August 9, 2011, 1:30 pm-3:15 pm

Affordable housing is out of reach for millions of middle and lower income Americans. This session will explore programs to make home ownership a reality, as well as the community benefits of vibrant and stable neighborhoods.

Let's Talk UI: Legislators Address Trust Fund Solvency Tuesday, August 9, 2011, 3:30 pm-5:00 pm

States are still struggling with high unemployment, depleted trust fund accounts and repayment obligations to the federal government. Listen to legislators discuss the latest state actions to replenish trust fund accounts, deal with the interest waiver issue and continue to provide needed benefits for the unemployed.

Business Meetings

Labor and Economic Development Committee Business Meeting Tuesday, August 9, 2011, 10:45 am-12:00 pm
Members of the Labor and Economic Development Committee will discuss and vote on six expiring policies and consider any new policies assigned under the Committee's jurisdiction.

NCSL Business Meeting Thursday, August 11, 2011, 10:45 am-12:30 pm

Member states meet at the NCSL Business Meeting to vote on policy positions that guide NCSL's advocacy efforts before Congress and the administration.

Visit <http://www.ncsl.org/Default.aspx?TabID=773&tabs=855,26,638#855> for updates to the Committee's agenda or <http://www.ncsl.org/Meetings/LegislativeSummit11/Home/tabid/22195/Default.aspx> for information on the overall Legislative Summit.

IN THE NEWS

Connecticut Passes the Nation's First Paid Sick Leave Law

Connecticut became the first state in the nation to pass a law requiring paid sick leave. The new law applies only to companies with 50 or more workers that don't already offer at least five paid days off for full-time workers, and exempts manufacturers, salaried workers, temporary workers and workers at nationally chartered nonprofits.

Workers qualify after four months on the job. An employer can count vacation time, personal days and any other paid time off against the requirement. Senate Bill 913 was sponsored by Senator Edith G. Prague.

<http://www.cga.ct.gov/2011/ACT/PA/2011PA-00052-R00SB-00913-PA.htm>

Hiring Discrimination Targets the Unemployed

Those who have been out of work already find it hard to get a job in an era of high unemployment. But discrimination by businesses make it even harder for those who don't have a current job. Thousands of help-wanted ads include notices that only those currently employed may apply. Recruiters and career counselors have noted that businesses are using such requirements to filter out unemployed workers who are seeking employment, making it even less likely that the unemployed will be able to find another job.

http://www.nytimes.com/2011/07/26/business/help-wanted-ads-exclude-the-long-term-jobless.html?_r=3&hp

Mass Layoffs Top 1500 for June

Employers reported 1532 mass layoffs in June, involving more than 143,000 workers, a small decrease from the number reported for May. Mass layoffs are considered those that involve 50 or more workers. Businesses are

required to report mass layoffs under the federal WARN law, which triggers a coordinated response to deal with unemployment benefits and worker retraining.

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

State Unemployment Rates Rose in June

Unemployment rates went up in 28 states and the District of Columbia in June, according to figures released by the Bureau of Labor Statistics on July 22, 2011. Eight states and Puerto Rico saw their unemployment rates fall during the month, while rates remained the same in 14 states. South Carolina experienced the largest increase in unemployment, with their rate increasing by half a percentage point from May. Other states with statistically significant increases in unemployment were Alabama, Arkansas, Illinois, Maryland, Montana, North Carolina, Texas and Wisconsin.

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

U.S. Labor Dept. Solicits Nominations for 2012 ERISA Advisory Council

The U.S. Labor Dept.'s Employee Benefits Security Administration is soliciting nominations to fill five three-year vacancies on the Advisory Council on Employee Welfare and Pension Benefit Plans. The deadline for nominations is Sept. 16., 2011. The 15-member council provides advice on policies and regulations affecting employee benefit plans governed by the Employee Retirement Income Security Act. Members serve for staggered three-year terms and are appointed by the secretary of labor to represent specified groups involved in employee benefits.

Nominations are being accepted for one vacancy each to represent the fields of employee organizations, employers, corporate trust, investment management and the general public.

<http://www.dol.gov/opa/media/press/ebsa/EBSA20111108.htm>

NEW REPORTS

Bureau of Labor Statistics

Monthly Labor Review Online – June 2011

Highlights from the June issue include reports on:

- How Occupational Employment Is Affected By Mass Layoffs
- Reentering The Labor Force After Retirement
- The Overestimated Workweek Revisited

<http://www.bls.gov/opub/mlr/2011/06/mlr201106.pdf>

Congressional Budget Office Reports

Monthly Budget Review – July 2011

CBO estimates that the Treasury Department will report a deficit of \$973 billion for the first nine months of fiscal year 2011, \$31 billion less than the \$1,004 billion deficit incurred through June 2010. Outlays are about 4 percent higher and revenues are about 8.5 percent higher than they were at the same point last year. The Treasury reported a deficit of \$58 billion for May, about \$2 billion less than CBO had projected on the basis of the Daily Treasury Statements. That difference occurred largely because spending for veterans, transportation, housing, and income security programs was lower than CBO expected.

http://www.cbo.gov/ftpdocs/121xx/doc12165/2011_06_MBR.pdf

Congressional Research Office Reports

The Debt Limit: History and Recent Increases

Congress has historically placed restrictions on federal debt. The form of debt restrictions, structured as amendments to the Second Liberty Bond Act of 1917, evolved into a general debt limit in 1939. Congress has voted to raise the debt limit 10 times since 2001, as federal debt has nearly reached the debt limit several times due to persistent deficits and additions to federal trust funds. It should be noted that the only other nation to impose a debt ceiling is Denmark.

<http://fpc.state.gov/documents/organization/169370.pdf>

The State of Campaign Finance Policy: Recent Developments and Issues for Congress

Significant changes have occurred in campaign finance policy since 2002, when Congress substantially amended campaign finance law via the Bipartisan Campaign Reform Act. More recently, the Supreme Court's 2010 ruling in *Citizens United v. FEC* and a related lower court decision, *SpeechNow.org v. FEC*, represent the most fundamental changes to campaign finance law in decades. Fundraising and spending in the 2010 election cycle suggest that previously prohibited sources and amounts of funds will continue to be a factor in federal elections. Activities by super PACs and IRS 527 tax-exempt organizations may be particularly prominent. Campaign finance issues continue developing in Congress, with at least seven bills introduced.

<http://fpc.state.gov/documents/organization/169367.pdf>

A Balanced Budget Constitutional Amendment: Background and Congressional Options

One of the most persistent political issues facing Congress in recent decades has been over a balanced budget amendment. The debate over a balanced budget measure actually consists of several interrelated debates. Most prominently, the arguments of proponents have focused on the economy and the possible harm resulting from consistently large deficits and a growing federal debt. Opponents often focus on the difficulties of implementing or enforcing such a measure. Another issue involves whether such a requirement should be statutory or made part of the Constitution. Some proponents of balanced budgets oppose a constitutional amendment, fearing that it would prove to be too inflexible for dealing with future circumstances.

<http://fpc.state.gov/documents/organization/169050.pdf>

GAO Reports

Economic Development: Efficiency and Effectiveness of Fragmented Programs Are Unclear

GAO-11-872T, Jul 27, 2011

Economic development program activities include planning and developing strategies for job creation and retention, developing new markets for existing products, building infrastructure by constructing roads and sewer systems to attract industry to undeveloped areas, and establishing business incubators to provide facilities for new businesses' operations. This report includes information on 80 economic development programs at four agencies--the Departments of Commerce, Housing and Urban Development, and Agriculture, along with the Small Business Administration--and discusses how overlap and duplication can be eliminated by better coordination of programs.

<http://www.gao.gov/new.items/d11872t.pdf>

Federal Workers' Compensation: Questions to Consider in Changing Benefits for Older Beneficiaries

GAO-11-854T, Jul 26, 2011

This report discusses possible changes to the Federal Employees' Compensation Act. In 2010, the program had paid more than \$1.88 billion in wage-loss compensation, impairment, and death benefits, and another \$898.1 million for medical and rehabilitation services and supplies. Currently, benefits are paid to federal employees who are unable to work because of injuries sustained while performing their federal duties, including those who are at or older than retirement age. Concerns have been raised that federal employees receive benefits that could be more generous than under the traditional federal retirement system and that the program may have unintended incentives for beneficiaries to remain on the program beyond the traditional retirement age.

<http://www.gao.gov/new.items/d11854t.pdf>

Abandoned Mines: Information on the Number of Hardrock Mines, Cost of Cleanup, and Value of Financial Assurances

GAO-11-834T, Jul 14, 2011

Four federal agencies fund the cleanup of hardrock mine sites. From 2005 through 2009, GAO issued a number of reports and testimonies on issues related to abandoned and current hardrock mining operations. This report summarizes some of the key findings of these reports and testimonies focusing on the number of abandoned hardrock mines, the availability of information collected by federal agencies on general mining activities, the amount of funding spent by federal agencies on cleanup of abandoned mines, and the value of financial assurances for mining operations on federal land managed by BLM. In 2005, GAO recommended that the Bureau of Land Management strengthen the management of its financial assurances, which BLM generally implemented. BLM also agreed to take steps to address additional concerns raised by GAO in 2008.

<http://www.gao.gov/new.items/d11834t.pdf>

Trade and Commerce: Office of Manufacturing and Services Could Better Measure and Communicate Its Contributions to Trade Policy

GAO-11-583, Jun 7, 2011

Declining U.S. manufacturing has been an issue of continuing concern for policymakers. In 2004, the Office of Manufacturing and Services (MAS) was established within the Dept. of Commerce's International Trade Administration to enhance the global competitiveness of U.S. industry. GAO was asked to examine MAS's goals and activities and how they compare with those of other government entities; how MAS prioritizes its activities and targets its resources; and the extent to which MAS tracks and reports its efforts. GAO reviewed agency documents and interviewed officials from MAS, other parts of ITA and Commerce, and other agencies. This report summarizes their findings.

<http://www.gao.gov/new.items/d11583.pdf>

Retirement Income: Ensuring Income throughout Retirement Requires Difficult Choices

GAO-11-400, Jun 7, 2011

As life expectancy increases, the risk that retirees will outlive their assets is a growing challenge. The shift from defined benefit pension plans to defined contribution plans also increases the responsibility for workers and retirees to make decisions and manage their pension and other financial assets so that they have income throughout retirement. GAO was asked to review strategies that experts recommend retirees employ to ensure income throughout retirement, choices retirees have made for managing their pension and financial assets for generating income, and policy options available to ensure income throughout retirement and their advantages and disadvantages. GAO interviewed experts about strategies retirees should take, including strategies for five households from different quintiles of net wealth (assets less debt); analyzed nationally representative data and studies about retirees' decisions; and interviewed experts and reviewed documents about related policy options. This report summarizes their findings.

<http://www.gao.gov/new.items/d11400.pdf>

NCSL Staff Contacts:

For more information on committee activities, contact [Diana Hinton Noel](#), 202-624-7779; [Jeanne Mejeur](#), 303-856-1467; or [Michael Reed](#), 202-624-8187.

Denver Office: 7700 East First Place, Denver, CO 80230, 303-364-7700

Washington, D.C. Office: 444 N. Capitol Ave., N.W., Washington, DC 20001, 202-624-5400

Website: www.ncsl.org

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

**Co-Chairs:**

Rep. Lana Gordon, Kansas  
Rep. Brent Yonts, Kentucky

**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 Loredo, Texas

**NCSL Committee Staff**

Diana Hinton Noel, DC  
Jeanne Mejeur, Denver  
Michael Reed, DC