



# LED Committee Report

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June 28, 2011

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

## COMMITTEE UPDATE

Working groups have been established for each of the six expiring policies under the jurisdiction of the Labor and Economic Development Committee. The working groups are still working on edits to the policies but should be ready to schedule a conference call with the full committee in July to discuss 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

For more information on the policies or working groups, please contact Diana Hinton Noel (202-624-7779 or [diana.hinton@ncsl.org](mailto:diana.hinton@ncsl.org)) or visit the committee's website at <http://www.ncsl.org/?TabId=19108>.

## UPCOMING MEETINGS

### 2011 NCSL Legislative Summit

Registration is now open for the Legislative Summit. **The deadline for advance registration, with a discounted registration fee, is July 8, 2011**, so please register before then if possible. The preliminary agenda for the Committee is shown below, along with a list of Issue Forums.

#### Monday, August 8, 2011

##### **Economic Development in the Lone Star State** 9:00 am-2:30 pm

Economic development is the key to economic recovery and job creation. San Antonio has reaped great benefits from Port San Antonio and the development of a major Toyota plant that have brought jobs and increased revenue to the region. Learn about the leadership role the Texas legislature played in economic development.

Schedule:

- 9:00 am Depart Convention Center
- 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

Space is limited and registration is required. Preference will be given to legislators and legislative staff. Other attendees are welcome to place their names on a waiting list and will be notified if there is room. Contact [Diana Hinton Noel](#) to register or for more information.

##### **States Dig for Ways to Make Mines Safer** 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** 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.

**Tuesday, August 9, 2011**

**Labor and Economic Development Committee Business Meeting** 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.

**Arts and Tourism Equals Economic Development for San Antonio** 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?** 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** 3:30 pm-5:00 pm

*Joint with Budgets and Revenue*

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.

**Wednesday, August 10, 2011**

**Issue Forums** 10:00 am-11:30 am

- Health Care: A New Approach to Savings and Quality
- State Immigration Laws and the Courts: Testing the Constitution
- New American Portrait
- Creating Jobs By Rolling Back State Regulations
- Getting the Most for Your Money: Investment Strategies that Work
- State Pensions: The Financial and Legal Framework

**Issue Forums** 1:00 pm-2:15 pm

- The U.S. Economy: When Will It Return to "Normal?"
- Building Skills and Creating Jobs
- Addressing Hunger in America
- Is Technology Transforming Government?
- Pain at the Pump: The Implications of Reducing U.S. Reliance on Oil
- State Pensions: States Respond to Challenges
- States Opting Out or Diving In: Health Reform Challenges, Waivers and Alternatives.
- K-12 Education: Are States Getting What They Pay for?
- Majority Rule and Minority Rights: Inside the Wisconsin and Indiana Legislative Walkouts

**Issue Forums** 2:30 pm-3:45 pm

- Growing Green: Fertilizing Job Growth and Local Economies
- States Transforming Medicaid--2011 and Beyond
- The Critical Link between Higher Education and the Economy

- The Special Case of Teachers' Pensions
- Crisis Leadership
- Global Perspectives on the Legislative Institution
- Creating The States' Agenda: What Do You Want to Tell the Federal Government?

#### Thursday, August 11, 2011

##### **Issue Forums** 8:00 am-9:15 am

- The Changing Face of State Government
- Charter Schools and Vouchers
- Health Insurance Reform – The State Response
- Maximizing State Economic Growth
- What Americans Think Now

##### **NCSL Business Meeting** 10:45 am-12:30 pm

Attend the business meeting to vote on policy positions that guide NCSL's advocacy efforts before Congress and the administration.

The Officers of the Labor and Economic Development Committee continue to work on speakers for the Committee's sessions. 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>.

For more information on the Legislative Summit, including the overall agenda, plenary speakers, housing, events and registration information, visit the Legislative Summit page at <http://www.ncsl.org/Meetings/LegislativeSummit11/Home/tabid/22195/Default.aspx>.

## IN THE NEWS

### **State Unemployment Rates Decline**

Unemployment at the state level continued to show progress, according to May unemployment figures released by the Bureau of Labor Statistics on June 17, 2011. Unemployment rates dropped in 24 states and Puerto Rico and remained unchanged in 13 states. Rates in 13 states and D.C. rose slightly. Overall, unemployment has declined in the last year in 43 states.

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

### **BLS Green Jobs Initiative**

The Bureau of Labor Statistics began collecting data on green jobs in 2010, through the Green Jobs Initiative. The goal of the BLS green jobs initiative is to develop information on the number of and trend over time in green jobs, the industrial, occupational, and geographic distribution of the jobs, and the wages of the workers in these jobs. The resulting information will be useful for evaluating policy initiatives and the labor market impact of economic activity related to protecting the environment and conserving natural resources. BLS activities also will be useful to State labor market information offices in their efforts to meet the information needs of policymakers, businesses, and job seekers.

<http://www.bls.gov/green/home.htm>

### **Grants Awarded for Green Jobs Innovations**

The U.S. Dept. of Labor has awarded \$38 million in Green Jobs Innovation Fund grants to serve workers in 19 states and the District of Columbia. The Green Jobs Innovation Fund was authorized under the Workforce Investment Act to help workers receive job training in green industry sectors. These funds will help organizations with existing career training programs leverage Registered Apprenticeships, pre-apprenticeship programs and community-based partnerships to build sustainable green career pathways.

<http://www.dol.gov/opa/media/press/eta/eta20110949.htm>

### **Homeless Veterans Job Training Programs**

The U.S. Dept. of Labor awarded 122 grants in June totaling more than \$28 million to provide approximately 17,000 veterans who are homeless or at risk of being homeless with job training to help them succeed in civilian careers. The grants were awarded under the U.S. Department of Labor's Homeless Veterans Reintegration Program to continue successful programs into second and third years. Funding includes \$4,335,775 for the Homeless Female Veterans and Veterans with Families Program and \$3,882,443 for the Incarcerated Veterans Transition Program, which helps veterans who have served time in justice facilities.

<http://www.dol.gov/opa/media/press/vets/VETS20110814.htm>

## **NEW REPORTS**

### **Congressional Budget Office Reports**

#### **CBO's 2011 Long-Term Budget Outlook**

This Congressional Budget Office (CBO) report presents the agency's projections of federal spending and revenues over the coming decades. Under current law, an aging population and rapidly rising health care costs will sharply increase federal spending for health care programs and Social Security. If revenues remained at their historical average share of gross domestic product (GDP), such spending growth would cause federal debt to grow to unsustainable levels.

[http://www.cbo.gov/ftpdocs/122xx/doc12212/06-21-Long-Term\\_Budget\\_Outlook.pdf](http://www.cbo.gov/ftpdocs/122xx/doc12212/06-21-Long-Term_Budget_Outlook.pdf)

#### **Federal Debt and the Risk of a Fiscal Crisis**

Stalled negotiations over the federal debt limits have raised the probability of a sudden fiscal crisis, during which investors would lose confidence in the government's ability to manage its budget, and the government would thereby lose its ability to borrow at affordable rates. As other countries' experiences show, it is possible that investors would lose confidence abruptly and interest rates on government debt would rise sharply.

[http://www.cbo.gov/ftpdocs/116xx/doc11659/07-27\\_Debt\\_FiscalCrisis\\_Brief.pdf](http://www.cbo.gov/ftpdocs/116xx/doc11659/07-27_Debt_FiscalCrisis_Brief.pdf)

### **Congressional Research Office Reports**

#### **Reaching the Debt Limit: Background and Potential Effects on Government Operations**

The federal debt limit currently stands at \$14,294 billion. The U.S. government has yet to face a situation in which it was unable to pay its obligations as a result of reaching the debt limit because in the past, the debt limit has always been raised before the debt reached the limit. However, on several occasions Treasury took extraordinary actions to avoid reaching the limit and, as a result, affected the operations of certain programs. If the Secretary of the Treasury determines that the issuance of obligations of the United States may not be made without exceeding the public debt limit, Treasury can make use of "extraordinary measures" to authorize a debt issuance suspension.

<http://fpc.state.gov/documents/organization/166819.pdf>

#### **The Debt Limit: History and Recent Increases**

Total federal debt outstanding was \$14,345 billion on May 31, 2011. The U.S. Treasury Secretary Timothy Geithner announced that the federal debt reached its statutory limit on May 16, 2011, and that he had declared a debt issuance suspension period, allowing certain extraordinary measures to extend Treasury's borrowing capacity until early August 2011. Since May 16, debt subject to limit has been held just below \$14,294 billion. Funding federal operations could soon become complicated without a debt limit increase.

<http://fpc.state.gov/documents/organization/166795.pdf>

### **GAO Reports**

#### **Small Business Programs: Efforts to Address Internal Control Weaknesses and Potential Duplication**

GAO-11-558T, Jun 16, 2011

Economic development programs, administered efficiently and effectively, can contribute to the well-being of the economy at the least cost to taxpayers. Such programs can encompass small business development and contracting. To encourage such contracting, Congress created programs, such as the Historically Underutilized Business Zone, service-disabled veteran-owned small business, and 8(a) Business Development programs, that give contracting

preferences to some types of small businesses, such as those in economically distressed communities, those owned by service-disabled veterans, and those with eligible socially and economically disadvantaged owners. This testimony addresses potential duplication in economic development programs and internal controls weaknesses in three small business programs.

<http://www.gao.gov/new.items/d11558t.pdf>

**NCSL Staff Contacts:**

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

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