



LED Committee Report

Vol. 4, No. 3
March 31, 2011

An Information Service of the NCSL Labor and Economic Development Committee

LABOR AND ECONOMIC DEVELOPMENT COMMITTEE UPDATE

Expiring Policies for the Labor and Economic Development Committee

The Labor and Economic Development Committee has six policies which are set to expire at the 2011 NCSL Legislative Summit in San Antonio, Texas. Links to the full text of the policies are found below.

- Coordination of Social Security and Workers' Compensation Benefits <http://www.ncsl.org/?TabId=16748>
- Maintaining the Solvency of Social Security (Joint policy with Human Services and Welfare Committee) <http://www.ncsl.org/?TabId=16754>
- Mine Safety <http://www.ncsl.org/?TabId=16757>
- Presidential Trade Promotion Authority <http://www.ncsl.org/?TabId=16761>
- Western Hemisphere Travel Initiative <http://www.ncsl.org/?TabId=16772>
- World Trade Organization Negotiations <http://www.ncsl.org/?TabId=16773>

Policies may be taken up and acted upon during any of the three meetings of the NCSL Standing Committees during the 2010 - 2011 conference year. The Committee has already met at the Fall Forum in Phoenix, in December 2010, and will convene at the 2011 Spring Forum in Washington, D.C., and the NCSL Legislative Summit in San Antonio, Texas.

Comments, questions, amendments or new policies for the Committee to consider should be directed to Committee Director Diana Hinton Noel, by calling 202-624-7779 or emailing her at diana.hinton@ncsl.org.

UPCOMING MEETINGS

Spring Forum

The Labor and Economic Development Committee will be holding three sessions at the Spring Forum. All three programs are related to expiring policies. For more information on the agenda, programs or policies, contact Diana Hinton Noel, at 202-624-7779 or email diana.hinton@ncsl.org.

Thursday, April 14, 2011

8:00 am - 12:00 pm

Labor and Economic Development Committee Hill Visits

(Transportation will be on your own)

This is an opportunity for all committee members to meet with their Congressional representatives on a one-on-one basis. Please contact NCSL Diana Hinton Noel or Michael Reed if you require assistance in arranging your meetings.

11:30 am - 12:30 pm

Steering Committee Meeting

The Steering Committee is comprised of the overall standing committee officers and the legislator chair and staff chair, or their designee, of each standing committee. Members will review the committees' plans for the Spring Forum, preview any policies anticipated for debate, and make determinations regarding joint and re-referral of the policy resolutions if necessary.

1:00 pm - 2:00 pm

Coordination of Disability Benefits

When the Social Security Act was amended in 1981, it limited the total benefits a permanently disabled worker could receive from workers compensation and Social Security disability benefits to 80% of the worker's pre-injury wages. But because the benefits aren't adjusted for inflation, the value of benefits has eroded over time. This session will examine current laws and explore options for better coordination of benefits, in updating NCSL's policy position.

Speaker:

Keith Bateman, Property Casualty Insurers Association of America, Illinois

2:00 pm - 4:00 pm

Ensuring Retirement Security

Joint with the Women's Legislative Network

The financial integrity and long-term solvency of the Social Security system are critical to retirees and survivors, as well as for workers paying into the system. In addition, many state workers are not covered by Social Security and must rely on state pensions for their retirement benefits. This session will examine the finances of Social Security, explore options for ensuring its long-term stability, and consider options for including all workers in the system, as part of a review of NCSL's current policy.

Speaker:

Joyce Manchester, Congressional Budget Office, Washington, D.C.

4:15 pm - 5:30 pm

Opening Plenary

John Morton is director of Immigration and Customs Enforcement (ICE). Mr. Morton has strengthened ICE's investigative efforts, and has focused ICE's efforts to remove criminal offenders, recent border violators, those who ignore removal orders, and those who obtain legal immigration status fraudulently.

6:00 pm - 7:30 pm

Reception

Friday, April 15, 2011

7:30 am - 9:00 am

Plenary Breakfast

Karen Bass, a California congresswoman who honed her political skills in the state Legislature, is serving her first term in the U.S. House of Representatives. Bass made history when she became the first African American woman in the nation to serve as speaker.

9:15 am - 12:30 pm

Working Session on Trade: A Conversation with USTR

Representatives from the Office of the United States Trade Representative's office will update the committee on a variety of trade issues as well as address some of the concerns listed in expiring NCSL policy (World Trade Organization Negotiations and Presidential Trade Promotion Authority). Committee members will spend the remaining time discussing potential updates or changes with these policies for action at the Legislative Summit.

Panelists:

Thomas Fine, Office of the U.S. Trade Representative, Washington, D.C.

Luis Jimenez, Office of the U.S. Trade Representative, Washington, D.C.

Myesha Ward, Office of the U.S. Trade Representative, Washington, D.C.

Chris Wilson, Office of the U.S. Trade Representative, Washington, D.C.

12:45 pm - 2:45 pm

Plenary Luncheon

Friday's keynote speaker is Jim Leach, chairman of the National Endowment for the Humanities. He previously served 30 years representing southeastern Iowa in the U.S. House of Representatives, where he founded and co-chaired the Congressional Humanities Caucus. Leach will be speaking to Spring Forum attendees about civility, and the importance of bipartisanship and civil disagreement in creating a stronger and more cohesive nation.

12:45 pm - 1:30 pm

Steering Committee (opposite General Session)

The Steering Committee will review policies reported from the standing committees and determine the calendar for the Spring Forum's business meeting.

2:30 pm - 4:00 pm

Bankruptcy, Defaults, Debt, Pensions. Do States Need a Federal Rescue?

Budgets and Revenue Committee; Labor and Economic Development Committee; Law and Criminal Justice Committee

Do states need the federal government to authorize bankruptcy protection for them, fix state pensions, and statutorily guard against state and local government debt obligation defaults? Engage in a thorough discussion and examination of these issues and policy alternatives with federal policymakers, academics and meeting participants.

4:00 pm - 5:00 pm

Spring Forum Business Meeting

The business meeting features consideration of policy resolutions that the 12 Standing Committees adopted earlier in the Forum. Come discuss and vote on the policy resolutions that guide NCSL's advocacy efforts before Congress and the administration.

Saturday, April 16, 2011

8:00 am - 2:00 pm

Post conference Meetings

Updates to the Committee's agenda are available at <http://www.ncsl.org/?tabid=22293>.

For more information on the Spring Forum, including registration, hotel and agenda details, please visit the main meeting page, at: <http://www.ncsl.org/Default.aspx?TabID=714&tabs=2638,122,919#919>

IN THE NEWS

2011 Legislation on Collective Bargaining and Labor Unions

More than 700 legislative bills have been introduced on collective bargaining this session. As of March 31, there were bills in 48 states and Puerto Rico. (We'll make it easy – Arkansas and Louisiana are the two missing states.) NCSL has been tracking collective bargaining bills and has created a database of labor union and collective bargaining related legislation. You can search by state, bill number, title, sponsor, subject, or key word, or find all legislation by leaving the search boxes blank.

<http://www.ncsl.org/default.aspx?TabId=22275>

State Unemployment Drops

Unemployment rates decreased in 27 states and D.C. during February, according to figures released by the Bureau of Labor Statistics on March 25, 2011. Only seven states and Puerto Rico saw unemployment rise during the month and the rates were unchanged in 16 states. In comparison to a year ago, unemployment has eased in 41 states and D.C., another positive sign for economic recovery. Job growth was the leading factor in the overall decrease in unemployment. States with the largest job growth were California, which added more than 96,000 jobs, and Pennsylvania, with almost 24,000 new jobs. Florida added almost 23,000 jobs and Illinois created close to 18,000 positions during February.

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

Working Families – A Legislator's Toolkit

NCSL has partnered with the Annie E. Casey Foundation in a project called Family Economic Success. Many American families struggle against financial insecurity and a lack of opportunity. Legislators are in a unique position to help support the efforts of working families to achieve economic security in their districts and states. As policymakers and community leaders, legislators understand and can act upon issues to improve the prospects of working families. Learn more about issues affecting working families on NCSL's website.

<http://www.ncsl.org/Default.aspx?TabID=756&tabs=951,69,1182#1182>

Public Pensions Webinar

The Labor and Economic Development Committee recently presented a webinar for legislators and legislative staff, on the state of state pension plans. State public pension plans are currently underfunded and have a significant impact on state budgets, for both the near and long term. News stories appear almost daily about public pensions

but often provide conflicting data and opinions. This webinar provided factual information on the state of public pension plans and actions taken by the states to address underfunding and projected shortfalls. Speakers were Ron Snell, Senior Fellow with NCSL, and Kil Huh, Research Director for the Pew Center on the States. A recording of the webinar, "Public Pensions: Truth or Scare?" is now available.

<http://www.ncsl.org/?tabid=22204>

Federal Earned Income Tax Credit: What Legislators Need to Know

The long-standing federal Earned Income Tax Credit (EITC) puts cash into the hands of working poor families. Nationally, the federal EITC delivered \$57.9 billion to lower income workers in 2009 and helped lift more working families out of poverty than any other federal program. NCSL has background information and suggested ways for Legislators to get the word out to their constituents.

<http://www.ncsl.org/?tabid=15428>

Monthly Labor Review Online – March, 2011

Featured articles:

- Unemployment Remains High in 2010
- Payroll Employment Turns the Corner in 2010
- The 2010 census: The Employment Impact of Counting the Nation
- China's Employment and Compensation Costs in Manufacturing Through 2008

<http://www.bls.gov/opub/mlr/2011/03/mlr201103.pdf>

Occupational Outlook Quarterly – Spring 2011

Featured articles

- Focused Jobseeking: A Measured Approach to Looking for Work
- Consulting Careers: A Profile of Three Occupations
- Nursing Jobs in Nursing Homes

<http://www.bls.gov/opub/ooq/2011/spring/spring2011ooq.pdf>

Nominations Open for Legislative Leadership in the Arts Awards

Americans for the Arts has announced that nominations are now being accepted for the 2011 Public Leadership in the Arts Award. The National Public Leadership in the Arts Awards are given in recognition of an elected official who plays an important role in the advancement of the arts and arts education within his or her community, and whose vision and leadership provide heightened visibility to the value of the arts.

http://www.americansforthearts.org/news/annual_awards/public_leadership/default.asp

NEW REPORTS

Congressional Budget Office Reports

Report on the Troubled Asset Relief Program (TARP)

The Emergency Economic Stabilization Act of 2008 established the Troubled Asset Relief Program (TARP) to enable the Department of the Treasury to purchase or insure troubled assets as a way to promote stability in financial markets. This fifth statutory report from CBO on the TARP's transactions follows the report that OMB submitted to the Congress on February 14, 2011. The report covers the costs of purchases and guarantees of troubled assets, the information and valuation methods used to calculate those costs, and the impact on the federal budget deficit and debt.

<http://www.cbo.gov/ftpdocs/121xx/doc12118/03-29-TARP.pdf>

Monthly Budget Review Online – March 2011

CBO estimates that the federal government incurred a budget deficit of \$642 billion for the first five months of fiscal year 2011, \$10 billion less than the shortfall recorded in the same period last year. Outlays were \$58 billion higher than in the previous year, while revenues were \$68 billion higher.

http://www.cbo.gov/ftpdocs/120xx/doc12088/MBR_March_2011.pdf

Congressional Research Office Reports

The Federal Budget: Issues for FY2011, FY2012, and Beyond

Over the last several fiscal years the imbalance between spending and revenues has grown as a result of the economic downturn and policies enacted in response to financial turmoil. In FY2010, the last completed fiscal year, the U.S. government spent \$3,456 billion (23.8% of GDP) and collected \$2,162 billion in revenue (14.9% of GDP), resulting in a budget deficit of \$1,294 billion (8.9% of GDP).

<http://fpc.state.gov/documents/organization/159329.pdf>

World Trade Organization (WTO) Decisions and Their Effect in U.S. Law

Congress has dealt with the legal effect of World Trade Organization (WTO) agreements and dispute settlement results. Domestic law prevails over conflicting provisions of WTO agreements and prohibits private remedies based on alleged violations of these agreements. Agreements adopted by the WTO Members that are in conflict with federal law do not have domestic legal effect unless Congress or the executive branch takes action to modify or remove the conflicting statute or regulation. State laws that violate agreements may be withdrawn by the state or, in rare circumstances, invalidated through legal action by the federal government. This report summarizes disputes, resolutions and recent court and legislative activity.

http://assets.opencrs.com/rpts/RS22154_20110204.pdf

Shutdown of the Federal Government: Causes, Processes, and Effects

When federal agencies and programs lack appropriated funding, they experience a funding gap. Under the Antideficiency Act, they must cease operations, except in emergency situations. Failure of the President and Congress to reach agreement on interim or full-year funding measures occasionally has caused government shutdowns, the longest of which lasted 21 days, from December 16, 1995, to January 6, 1996. Government shutdowns have necessitated furloughs of several hundred thousand federal employees, required cessation or reduction of many government activities, and affected numerous sectors of the economy. This report discusses the causes, processes, and effects of federal government shutdowns, including potential issues for Congress.

http://assets.opencrs.com/rpts/RL34680_20110218.pdf

GAO Reports

Knowledge of Past Recessions Can Inform Future Federal Fiscal Assistance.

GAO-11-401, Mar 31, 2011.

State and local revenue declines have varied during each recession. Declines have been more severe during recent recessions. Revenues vary substantially across states, due in part to states' differing tax structures, economic conditions, and industrial bases. State and local government spending also tends to increase during economic expansions, but spending on safety net programs, such as health and hospitals and public welfare, appears to decrease during economic expansions and increase during national recessions, relative to long-run trends. This report examines trends that can exacerbate the fiscal conditions of state and local governments.

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

Key Events Leading to the Termination of the Delphi Defined Benefit Plans.

GAO-11-373R, Mar 30, 2011.

The Delphi Corporation was a global supplier of mobile electronics and transportation systems that began as part of the General Motors Corporation (GM) and was spun off as an independent company in 1999. Following bankruptcy in 2005, Delphi's six qualified defined benefit (DB) plans were terminated and trustee by the Pension Benefit Guaranty Corporation (PBGC) in July 2009. These terminations culminated from a complex series of events involving Delphi, GM, various unions, the U.S. Department of the Treasury (Treasury), as well as PBGC. Congress asked us to examine a range of issues related to PBGC's termination of Delphi's DB plans, such as the decision to terminate, the efforts to secure plan assets, the treatment of collective bargaining agreements, and Treasury's role throughout the process.

<http://www.gao.gov/new.items/d11373r.pdf>

Federal Food Safety Oversight: Food Safety Working Group Is a Positive First Step but Governmentwide Planning Is Needed to Address Fragmentation.

GAO-11-289, Mar 18, 2011.

results in inconsistent oversight, ineffective coordination, and inefficient use of resources. In 2007, GAO added this issue to its high-risk list. In March 2009, the President established the Food Safety Working Group (FSWG) to coordinate federal efforts and establish food safety goals to make food safer. Section 21 of Public Law 111-139 mandated that GAO identify programs, agencies, offices, and initiatives with duplicative goals and activities. This review examines: (1) steps, if any, that the FSWG has taken to increase collaboration among federal food safety agencies, and (2) options we and others have identified to reduce fragmentation, overlap, and potential duplication in food safety oversight.

<http://www.gao.gov/new.items/d11474r.pdf>

401(K) Plans: Certain Investment Options and Practices That May Restrict Withdrawals Not Widely Understood

GAO-11-291, Mar 10, 2011

401(k) plan sponsors are responsible for offering an array of appropriate investment options, and participants are responsible for directing their investments among those options. While participants expect to be able to switch investment options or withdraw money from their accounts, during the recent economic downturn, some 401(k) plan sponsors and participants found that they were restricted from doing so. GAO was asked to (1) identify some of the specific investments and practices that prevented plan sponsors and participants from accessing their 401(k) plan assets and (2) determine any changes the Department of Labor (Labor) could make to assist sponsors in understanding the challenges posed by the investments and practices that restricted withdrawals.

<http://www.gao.gov/new.items/d11359t.pdf>

401(k) Plans: Issues Involving Securities Lending in Plan Investments.

GAO-11-359T, Mar 16, 2011.

securities lending can also present a number of challenges to plan participants and plan sponsors. GAO was asked to explain how securities lending with cash collateral reinvestment works in relation to 401(k) plan investments, who bears the risks, and what are some of the challenges plan participants and plan sponsors face in understanding securities lending with cash collateral reinvestment. In this testimony, GAO discusses its recent work regarding securities lending with cash collateral reinvestment.

<http://www.gao.gov/new.items/d11359t.pdf>

Export Controls: Improvements Needed to Prevent Unauthorized Technology Releases to Foreign Nationals in the United States

GAO-11-354, Feb 2, 2011

Countries posing national security concerns to the U.S. could upgrade their military forces with certain technologies having civilian and military (dual-use) applications. The Department of Commerce (Commerce) may require employers to obtain a "deemed export" license before they can transfer these technologies to foreign nationals in the U.S. The State Department also requires foreign nationals to obtain specialty occupation visas to work in the U.S. in occupations such as engineering, computers, and biotechnology. GAO was asked to examine the risk that foreign nationals in the U.S. may gain unauthorized access to controlled technologies, and the extent to which Commerce and other agencies implemented recommended changes to the deemed export licensing process and enforcement system.

<http://www.gao.gov/new.items/d11354.pdf>

Troubled Asset Relief Program: Actions Needed by Treasury to Address Challenges in Implementing Making Home Affordable Programs

GAO-11-338T, Mar 2, 2011

Since the Department of the Treasury (Treasury) first announced the framework for its MHA program over 2 years ago, the number of homeowners facing potential foreclosure has remained at historically high levels. HAMP, the key component of MHA, provides financial incentives to servicers and mortgage holders/investors to offer modifications on first-lien mortgages. The modifications are intended to reduce borrowers' monthly mortgage payments to affordable levels to help these homeowners avoid foreclosure and keep their homes. Since HAMP's inception, concerns have been raised that the program is not reaching the expected number of homeowners. In two prior reports, we looked at the implementation of the HAMP first-lien modification program, noted that Treasury faced challenges in implementing it, and made several recommendations intended to address these challenges.

<http://www.gao.gov/new.items/d11338t.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.

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