



LED Committee Report

Vol. 4, No. 9
Sept. 30, 2011

An Information Service of the NCSL Labor and Economic Development Committee

COMMITTEE UPDATE

2011-2012 Committee Co-Chairs Named



Rep. Anna Fairclough
Alaska



Sen. Gary LeBeau
Connecticut

Representative Anna Fairclough (R-Alaska) and Senator Gary LeBeau (D-Connecticut) have been named by NCSL President Senator Stephen Morris (R-Kansas) to serve as the co-chairs of the Labor and Economic Development Committee for 2011-2012. Both have served as vice-chairs of the Committee for several years and have extensive experience with issues under the Committee's jurisdiction and in working on the development of NCSL's policies.

Under the recently amended NCSL Bylaws, each of the 12 NCSL Standing Committees will have two bi-partisan co-chairs.

The Labor and Economic Development was one of three committees to use bi-partisan co-chairs last year, with Representative Lana Gordon (R-Kansas) and Representative Brent Yonts (D-Kentucky) providing effective leadership for the Committee. The experiment with co-chairs worked very well for the three committees and so it was expanded to all 12 committees this year.

Senator Morris has also made appointments for vice-chairs for the Labor and Economic Development Committee. The names of vice-chairs will be announced after approval is given by legislative leadership their respective states.

NCSL Staff Chair Michael Adams, director of Strategic Planning for the Virginia Senate, will name the legislative staff co-chairs and vice-chairs for the Committee. Staff officers will be announced following approval by legislative management in their respective states.

NCSL Staff Update



Diana Hinton Noel

covering pension issues.

With mixed feelings, we say good-bye to long-time Committee Director Diana Hinton Noel. Diana has accepted a position with AARP, starting September 30, 2011.

Diana has been with NCSL for nine years and worked with the Labor and Economic Development Committee for the last six years. She was a great asset to the Committee and to NCSL and we're sorry to see her leave. We'll miss her stewardship and out-going personality, but we wish her the very best in this exciting new chapter of her career. And you'll still be able to see Diana at many NCSL meetings, in her new role with AARP,

UPCOMING MEETINGS

Fall Forum

The next meeting of the Labor and Economic Development Committee will be held at the NCSL Fall Forum, Nov. 29-Dec. 2, 2011, at the Tampa Marriott Waterside in Tampa, Florida. Officers will be meeting shortly to develop the agenda for Committee programs in Tampa.

Fall Forum Preliminary Schedule

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 Meeting
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

The Committee will also meet in Tampa to review changes that are needed to our existing policies to comply with NCSL Bylaws amendments, which were approved at the Legislative Summit in San Antonio. The amendments call for streamlined and concise policy directives. Officers and members of the Committee will review each of our current policies to ensure that they meet the new standards. Under the amendments, all NCSL policies must be reviewed prior to the 2012 Legislative Summit. The Committee's current policies are available online at <http://www.ncsl.org/Default.aspx?TabID=773&tabs=855,26,670#670>.

Registration is now available online for the meeting. For more information on the Fall Forum, visit <http://www.ncsl.org/Default.aspx?TabID=714&tabs=2638,122,920#920>

IN THE NEWS

States Share \$191 Million To Modernize UI Systems

The U.S. Dept. of Labor announced awards totaling \$191.5 million to 40 states, the District of Columbia and Puerto Rico for unemployment insurance program integrity and technology infrastructure systems. The grants are intended to accelerate actions to reduce UI improper payment rates; provide an opportunity for modernizing UI tax and benefits systems; and enable the design of technology-based tools to prevent, detect and recover improper UI payments. Among other program enhancements, the awards will allow states to address worker misclassification; expand technology-based prevention, detection and collection activities; and implement the State Information Data <http://www.dol.gov/opa/media/press/eta/eta20111361.htm>

New Jersey Bans Discrimination Against the Unemployed

New Jersey became the first state to pass a law banning discrimination against the unemployed. The new law prohibits advertising job vacancies that include current employment as a job qualification, or that indicate that only applications from currently employed persons will be considered or that applications from unemployed persons will not be accepted. Violators face a \$1,000 fine on the first offense, \$5,000 for a second offense, and \$10,000 for third or subsequent offenses. Illinois, Michigan and New York have introduced bills during the 2011 legislative session banning discrimination against the unemployed and there are two bills in Congress prohibiting discriminatory hiring practices.

<http://www.ncsl.org/?tabid=23564>

Mass Layoffs Up Slightly in August

The Bureau of Labor Statistics reported there were 1,587 mass layoff actions in August involving 165,547 workers. Each mass layoff involved at least 50 workers from a single employer. The number of mass layoff events in August was a small increase, with eight more mass layoffs reported in August than in July. California recorded the highest number of mass layoff initial claims, followed by Pennsylvania, New York, New Jersey, and Massachusetts. Thirty states and the District of Columbia experienced over-the-year increases in initial claims, led by Massachusetts and New Jersey.

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

U.S. Dept. of Labor, IRS and States Cooperate on Employee Misclassification

The U.S. Dept. of Labor and the Internal Revenue Service have signed a memorandum of understanding to improve departmental efforts to end the business practice of misclassifying employees as independent contractors. The Department also entered into memorandums of understanding with the state labor agencies of Hawaii, Illinois and Montana, and New York's attorney general. The memorandums of understanding will enable the U.S. Dept. of Labor to share information and coordinate law enforcement efforts with the IRS and participating states in order to identify incidents of employee misclassification, ensure that employees receive the protections to which they are entitled under federal and state law, and aid states in collecting payroll and unemployment tax revenue.

<http://www.dol.gov/opa/media/press/whd/WHD20111373.htm>

State Unemployment Rates for August, 2011

Unemployment rates in the states were little changed in August 2011, according to figures released by the Bureau of Labor Statistics on September 16, 2011. Twenty-six states, D.C. and Puerto Rico experienced increases in unemployment during August, while unemployment rates dropped in 12 states and remained unchanged for the month in another 12 states. The increased unemployment rates were statistically significant in only seven states and D.C. State unemployment rates for September will be released on Friday, October 21, 2011.

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

NEW REPORTS

Bureau of Labor Statistics Reports

Monthly Labor Review Online – August 2011

Featured articles from this month's issue include:

- Job openings and Hires Show Little Post-Recession Improvement
- Employment Dynamics Over the Last Decade
- Jobless Rates in Different Types of Labor Market Areas, 2000–2010

<http://www.bls.gov/opub/mlr/2011/08/mlr201108.pdf>

Occupational Outlook Quarterly – Fall 2011 Issue

Featured articles from the Fall 2011 Issue of the Occupation Outlook Quarterly include:

- Work for Play: Careers in Video Game Development
- Paving the Occupational Path: A New System for Assigning Education and Training
- Helping Those in Need: Human Service Workers

<http://www.bls.gov/opub/ooq/2011/fall/fall2011ooq.pdf>

Congressional Budget Office Reports

Monthly Budget Review – Sept. 8, 2011

The federal budget deficit totaled \$1.23 trillion through the first 11 months of fiscal year 2011, CBO estimates, about \$28 billion less than the deficit incurred in the same period last year. Revenues were about 7.6 percent higher through August than they were at the same point last year, and outlays were 3.7 percent higher. In its most recent budget projections, CBO estimated that the deficit for fiscal year 2011, which ends on Sept. 30, 2011, will total \$1.28 trillion, about \$10 billion less than last year's shortfall.

http://www.cbo.gov/ftpdocs/124xx/doc12412/2011_09_08_MBR.pdf

Estimated Impact of Automatic Budget Enforcement Procedures Specified in the Budget Control Act

The Budget Control Act of 2011 enacted on August 2 as Public Law 112-25 made several changes to federal programs and established budget enforcement mechanisms, including caps on future discretionary appropriations, that were estimated to reduce federal budget deficits by a total of at least \$2.1 trillion over the 2012–2021 period. At least another \$1.2 trillion in deficit reduction was anticipated from provisions related to a newly established Congressional Joint Select Committee on Deficit Reduction. This CBO report summarizes the estimated impact of automatic budget reduction procedures.

<http://www.cbo.gov/ftpdocs/124xx/doc12414/09-12-BudgetControlAct.pdf>

Congressional Research Office Reports

Canada-U.S. Relations

The two North American countries historically have a close relationship and cooperate widely in international security and political issues, both bilaterally and through numerous international organizations. Canada's foreign and defense policies are usually in harmony with those of the United States. Areas of contention have been relatively few, but sometimes sharp, as was the case in policy toward Iraq. The United States and Canada maintain the world's largest bilateral trading relationship, one that has been strengthened over the past two decades by the approval of two major free trade agreements. This report provides an overview of Canada's current economic and political climate and examines common issues and challenges facing the two nations.

<http://fpc.state.gov/documents/organization/174201.pdf>

United States-Canada Trade and Economic Relationship: Prospects and Challenges

Canada is the largest single-country trading partner of the United States. In 2009, total merchandise trade with Canada consisted of \$224.9 billion in imports and \$204.7 billion in exports. In 2007, China displaced Canada as the largest source for U.S. imports for the first time, a trend that has continued since then. While Canada is an important trading partner for the United States, the United States is the dominant trade partner for Canada, and trade is a dominant feature of the Canadian economy. Trade with Canada has been affected by increased border security issues following the Sept. 11, 2001 terrorist attacks. This report summarizes trade and security issues with Canada and the United States.

<http://fpc.state.gov/documents/organization/174202.pdf>

GAO Reports

American Samoa And Commonwealth of the Northern Mariana Islands: Employment, Earnings, and Status of Key Industries Since Minimum Wage Increases Began

GAO-11-956T, Sep 23, 2011

In 2007, the U.S. enacted a law incrementally raising the minimum wages in American Samoa and the Commonwealth of the Northern Mariana Islands (CNMI) until they equal the U.S. minimum wage. American Samoa's minimum wage increased by \$.50 three times, and the CNMI's four times before subsequent legislation delayed the increases, providing for no increase in American Samoa in 2010 or 2011 and none in the CNMI in 2011, as both areas have experienced recent economic declines. This report examines employment and earnings and the status of key industries since the increases began.

<http://www.gao.gov/new.items/d11956t.pdf>

Social Security Disability: Participation in the Ticket to Work Program Has Increased, but More Oversight Needed

GAO-11-828T, Sep 23, 2011

This testimony discusses the Social Security Administration's Ticket to Work and Self-Sufficiency Program (Ticket program). Created by law in 1999, the Ticket program was intended to assist disability beneficiaries in finding employment, and potentially bring about significant savings to the Disability Insurance Trust Fund by reducing or eliminating their benefits. The program's viability has been questioned due to low participation and costs that are not offset by reduced dependency on benefits. In an effort to address these concerns, SSA revised its regulations to increase participation. This testimony summarizes how participation in the Ticket program has changed over time, what is known about the range of service approaches used by employment networks, and the policies and processes SSA has to evaluate employment networks and ticket holders to ensure program integrity and effectiveness.

<http://www.gao.gov/new.items/d11828t.pdf>

Troubled Asset Relief Program: Status of GAO Recommendations to Treasury

GAO-11-906R, Sep 16, 2011

The Emergency Economic Stabilization Act of 2008 created the Troubled Asset Relief Program (TARP) to address the most severe crisis that the financial system had faced in decades. GAO is required report at least every 60 days on TARP activities and performance. GAO oversight has resulted in 69 performance audit recommendations, most directed to the U.S. Dept. of Treasury, the primary agency responsible for TARP programs. While Treasury has taken a number of steps to address many recommendations, some recommendations remain outstanding. This 60-day report describes the status of our TARP performance audit recommendations to Treasury as of September 2011, focusing particularly on communications and staffing issues and two major TARP programs, the Capital Purchase Program (CPP), which supports certain U.S. financial institutions, and Making Home Affordable (MHA), which is a collection of housing programs designed to help homeowners avoid foreclosure.

<http://www.gao.gov/new.items/d11906r.pdf>

Small Business Contracting: Opportunities to Improve the Effectiveness of Agency and SBA Advocates and Mentor-Protege Programs

GAO-11-844T, Sep 15, 2011

This report examines the federal government's efforts to increase contracting opportunities for small businesses. Specifically, this testimony discusses the reporting structure at and functions performed by the Offices of Small and Disadvantaged Business Utilization at federal agencies, the mentor-protege programs at 13 federal agencies, and the Small Business Administration's Procurement Center Representatives and Commercial Market Representatives.

<http://www.gao.gov/new.items/d11844t.pdf>

Small Business Innovation Research: SBA Should Work with Agencies to Improve the Data Available for Program Evaluation

GAO-11-698 August 15, 2011

Federal agencies with a budget of at least \$100 million for research and development conducted by others must participate in the Small Business Innovation Research (SBIR) program. SBIR has four purposes: meet federal R&D needs; stimulate technological innovation; increase commercialization of innovations based on federal R&D; and encourage participation in innovation by small businesses owned by disadvantaged individuals and women. This report examines how agencies have addressed SBIR's purposes and the extent of data available to evaluate progress in increasing commercialization.

<http://www.gao.gov/new.items/d11698.pdf>

Defined Benefit Pension Plans: Plans Face Challenges When Investing in Hedge Funds and Private Equity

GAO-11-901SP, Aug 31, 2011

Administrators of retirement savings plans are increasingly investing in assets such as hedge funds (privately administered pooled investment vehicles that typically engage in active trading strategies) and private equity funds (privately managed investment pools that typically make long-term investments in private companies). Given ongoing market challenges, it is important that plan fiduciaries apply best practices, and choose wisely when investing plans assets to ensure that plans are adequately funded to meet future promised benefits. This statement addresses what is known about the extent to which defined benefit plans have invested in hedge funds and private equity, challenges that such plans face in investing in hedge funds and private equity, steps that plan sponsors can

take to address these challenges, and the implications of these challenges for plan sponsors and the federal government.

<http://www.gao.gov/new.items/d11901sp.pdf>

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