

MINUTES OF THE House COMMITTEE ON LABOR AND INDUSTRY

The meeting was called to order by Representative Arthur Douville at  
Chairperson

9:30 a.m./~~p.m.~~ on January 17, 1984 in room 526-S of the Capitol.

All members were present except:

All members were present.

Committee staff present:

All present.

Conferees appearing before the committee:

Jerry Shelor, Secretary of Human Resources  
Ralph McGee, KS AFL-CIO

Chairman Douville called the meeting to order at 9:32 a.m.

Chairman Douville welcomed back committee members from last year and introduced the new committee member Rep. Donna Whiteman.

He then called Jerry Shelor to the speakers stand. Mr. Shelor introduced Bill Layes and Skip Herd, who work with him. Chairman Douville asked Mr. Shelor to bring the committee up to date on the status of the fund today as compared to a year ago.

Mr. Shelor passed out handout #1 to the committee members. A question and answer period followed.

Chairman Douville then introduced our new staff member Jerry Donaldson, from the Research Department.

Chairman Douville called Ralph McGee to the speakers stand. Mr. McGee told the committee about the problem that happened in Emporia relating to the Davis-Bacon Act. The David-Bacon Act has been around since about 1935. It simply states that if there is any federal monies involved in construction that the prevailing wage rate in that area will be paid. There is supposed to be a survey conducted by the labor department to determine that prevailing wage.

Chairman Douville then informed the committee that they would get into this in more detail at a later date.

Chairman Douville then called the committee's attention to handout #2. An article from the Kansas City Star.

A discussion followed on predetermined rate.

The meeting was adjourned at 9:57 a.m.

# HOUSE Comm. On LABOR & INDUSTRY

1-17-84

## VISITORS List

Bill Laves	Topeka	Ks. Dept. Human Resources
Tom Slattery	"	AGC of Ks
SKIP HERD	"	Ks. Dept. Human Resources
Dan Ramlow	"	Ks. Contractors Assn.
Paul M. Klotz	"	Assoc of CMHCs of Ks
Wayne Marchel	"	Kansas AFL-CIO
Harold Nelson Wichita		" "
DAN MORGAN		AGC of Ks.
Ron Coches		KACI
MARSHA HUTCHISON		BEECH AIRCRAFT
JANET STUBBS		HOME BUILDERS of Ks.
BUD GRANT		KAEI
BILL ARBON		BOEING
RAIPH MCGEE		Ks. AFL-CIO
BILL SNEED		Ks. Ins. DEPT.

# UNEMPLOYMENT INSURANCE

## WEEKLY REVIEW

Week Ended January 14, 1984

<u>Item</u>	<u>This Week</u>	<u>Last Week</u>
<u>Regular Program</u>		
Initial Claims.....	4,396	4,861
Continued Claims.....	22,867	23,335
Amount of Payments.....	\$3,435,004	\$3,255,819
Final Payments.....	737	653
"Trigger" Rate (1-7-84)	2.39%	2.32%
<u>Federal Supplemental Compensation Program</u> Week 67		
Initial Claims.....	640	473
Continued Claims.....	2,887	3,078
Amount of Payments.....	\$434,795	\$456,248
Final Payments.....	508	611
<u>U.I. Trust Fund Balance.....</u>	\$146.7M	\$149.7M

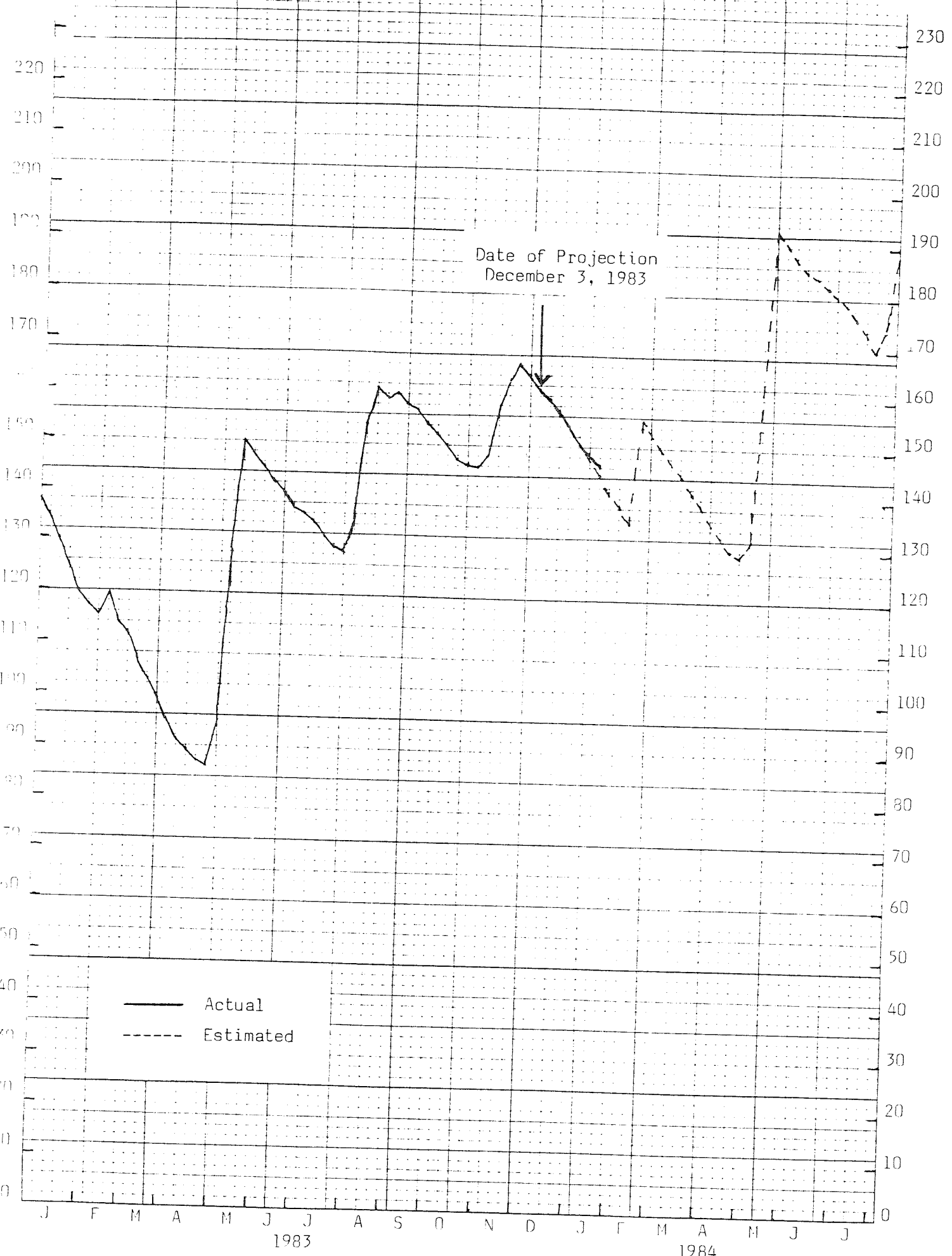
### Selected Characteristics of U.I. Claimants

	<u>Initial Claims</u>	<u>Continued Claims</u>
Male.....	3,152	15,934
Female.....	1,244	6,933

<u>Industry Division</u>	<u>Initial Claims</u>	<u>Year Ago</u>
	<u>This Week</u>	<u>100.0%</u>
<u>Total All Industries.....</u>	<u>100.0%</u>	<u>100.0%</u>
Agriculture.....	1.9%	1.7%
Mining.....	5.2%	3.5%
Construction.....	26.2%	22.0%
Manufacturing.....	25.0%	34.1%
Trans., Comm., Util.....	5.1%	5.0%
Wholesale, Retail Trade..	19.7%	18.6%
Fin., Ins., Real Estate..	1.4%	1.4%
Services.....	13.4%	11.7%
Government.....	2.1%	2.0%

Research and Analysis Section  
 Division of Employment & Training  
 Kansas Department of Human Resources  
 January 16, 1984

*Atch. 1*



# Changes upheld in wage law for federal work

## Supreme Court backs administration over Depression-era regulation

By The Associated Press

Washington—The Reagan administration's effort to cut federal construction costs by changing a Depression-era wage law survived a Supreme Court test today.

The justices, without comment, rejected an appeal by organized labor that the changes undermine protection for workers enacted nearly 50 years ago. The court left intact a ruling that upheld the administration's actions.

A federal appeals court in Washington ruled last July that Labor Secretary Raymond J. Donovan did not abuse his powers in revising regulations under the 1935 Davis-Bacon Act. The law guarantees to workers on federal construction projects a minimum wage based on locally prevailing rates.

The appeals court ruled that nearly all of the new regulations are "within the broad adminis-

trative discretion" Congress gave to the labor secretary.

The appeals court noted that the changes are designed to save taxpayers hundreds of millions of dollars a year by cutting the cost of federal construction contracts.

The overhaul was challenged by the AFL-CIO, 16 affiliates and the Teamsters Union.

They contend the changes "eliminate the central worker protection provided by the Davis-Bacon Act" that wages on federal projects be no lower than the prevailing wages in the area.

The 1935 law was aimed at preventing contractors from cutting costs by transporting cheap, unskilled labor from one part of the country to another.

In other action today, the court:

- Left intact a ruling that news reporters and photographers may be convicted of trespassing for covering a demonstration at the site of a proposed

nuclear power plant. Without comment, the court rejected the appeals of six journalists fined \$25 each for trespassing in 1979 on utility company land near Tulsa, Okla.

- Turned down the appeal of five states trying to recover millions of dollars their citizens overpaid for gasoline and heating oil. The court left intact rulings that cited a 1977 Supreme Court decision barring antitrust suits by indirect purchasers.

- Allowed the government to continue selling various leases for oil and gas exploration off the central California coast. The action today follows up a major ruling last week.

- Turned back a bid by AT&T to avoid paying \$276 million in antitrust damages to Litton Systems Inc. The justices, without comment, left intact a ruling that Bell Telephone for years illegally excluded Litton from competing in the sale of phone terminal equipment.

In the Davis-Bacon case, the administration's revisions to the law do the following:

- Eliminate a rule that the prevailing wage rate in an area equal to the highest paid 10 percent of the local work force.

- Combine wage data for adjacent rural counties but exclude nearby urban counties when calculating the prevailing wage rate.

- Exclude other local projects covered by Davis-Bacon when calculating the prevailing wage rate for the area.

- Expand the permitted categories of semi-skilled helpers in various ways.

The appeals court struck down a fifth provision of the act that required a contractor to hire a certain number of freed companies from a list of firms that had been receiving weekly payroll records from the government.

The appeals court said that the requirement for payroll information was necessary to assure that workers were not being "kicked back" part of the wages to the contractor.

1-16-84

Atch. 2