



LABOR NEWS

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STATE LEGISLATURE PASSES LAWS AFFECTING LABOR

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The Eighty-Sixth General Assembly for the State of Arkansas passed several pieces of legislation that affect Arkansas Department of Labor jurisdiction.

Act 545 of 2007 clarified some technical wage and hour exemption issues. This Act made some technical amendments to the state minimum wage law so that it mirrors federal law regarding exemptions and some special overtime rules for certain types of work. This ensures that there will be no disruption or technical violations with respect to the payroll practices of certain employers who have been complying with federal law for years, but have not been covered by state law until October 1, 2006, when the new state minimum wage law went into effect.

Act 707 of 2007 amended the tip credit statute. The previous law set the tip credit for tipped employees as a percentage of the state minimum wage. The Act did not change the actual amount of the tip credit; it simply changed the percentage reference to the actual dollar amount of that percentage so that any future increases in the state minimum wage do not automatically affect the tip credit.

(We have new posters available that reflect these changes. You may copy them from our website at www.arkansas.gov/labor/ or contact us at 501-682-4505 to have a copy mailed to you.)

Act 495 of 2007 changed electrical licensing for temporary and apprentice licenses. It allows the Board of Electrical Examiners to issue temporary licenses to out-of-state electricians for regularly scheduled or emergency maintenance work or shut-downs of not longer than six weeks at industrial facilities. The Act also allows an apprentice who has completed school to continue to renew his/her apprenticeship license and work as an apprentice indefinitely. There would be no requirement to take a journeyman exam or re-enroll in a school program.

Act 993 of 2007 requires homeowners performing electrical work on their primary residence to perform all work to National Electrical Code standards. Homeowners performing electrical work on their primary residence remain exempt from licensing requirements.

This article is not a comprehensive list of all changes made by the 86th General Assembly. It is also not as detailed as the actual changes made. All Acts can be found at www.arkleg.state.ar.us. Any questions about the changes should be directed to the Legal Division of the Arkansas Department of Labor at (501) 682-4504.



FEDERAL MINIMUM WAGE TO INCREASE

On May 25, President Bush signed a spending bill that, among other things, amended the Fair Labor Standards Act (FLSA) to increase the federal minimum wage from \$5.15 an hour in three steps: to \$5.85 per hour effective July 24, 2007; to \$6.55 per hour effective July 24, 2008; and to \$7.25 per hour effective July 24, 2009. The Arkansas state minimum wage remains at \$6.25 per hour with no scheduled increases.

No change was made to the FLSA tip credit provisions; consequently \$2.13 per hour is still the minimum required cash wage for an FLSA tipped employee with the difference between \$2.13 and the applicable minimum wage being the maximum tip credit allowable. However, most tipped employees must receive the minimum cash wage required by state law, which is \$2.63 per hour. This will be true even after the FLSA minimum wage exceeds the state minimum wage.

For more information, contact the Arkansas Department of Labor at 501-682-4500 or visit our website at:
<http://www.arkansas.gov/labor/>



OVERTIME CALCULATOR NOW AVAILABLE FROM U.S. DEPARTMENT OF LABOR

The U.S. Department of Labor's Wage and Hour Division has unveiled a new elaws advisor – the FLSA Overtime Calculator – to help employers and workers understand and calculate overtime pay. The calculator can be accessed at www.dol.gov/elaws/otcalculator.htm.

The department's elaws advisors are Internet-based compliance tools to help both employers comply with federal employment laws and workers understand their rights under these laws. By asking a series of questions, each advisor simulates a conversation with a Labor Department expert and provides the user with information on the law's requirements.

Under the Fair Labor Standards Act (FLSA), covered employees who are not exempt must be paid overtime at rates of one and one-half times their regular rates of pay for all hours worked over 40 in a single workweek. The new FLSA Overtime Calculator advisor is a practical and helpful compliance assistance tool that provides examples of how FLSA overtime should be completed under some, but not all, scenarios. The calculator will help improve compliance with this important worker protection.

The Overtime Calculator advisor computes overtime pay due in a sample pay period based on information submitted by the user, such as the primary method of pay, additional compensation paid in the form of bonuses, commissions and shift differentials, and information relating to the hours employees worked. The calculator then totals the hours worked during the sample pay period and, based on the user's input, calculates the overtime pay due for any overtime hours worked. Because it is an educational tool, the advisor also provides links to definitions and detailed information on overtime pay requirements.

The Overtime Calculator joins a suite of five other FLSA advisors:

- The Coverage and Employment Status Advisor at www.dol.gov/elaws/flsa.htm helps identify which workers are employees covered by the Fair Labor Standards Act.
- The Hours Worked Advisor at www.dol.gov/elaws/esa/flsa/hoursworked provides information to determine which hours spent in work-related activities are considered FLSA "hours worked" and therefore must be paid.
- The Overtime Security Advisor at www.dol.gov/elaws/overtime.htm helps determine which employees are exempt from the FLSA minimum wage and overtime pay requirements under the Part 541 overtime regulations.
- The Child Labor Rules Advisor at www.dol.gov/elaws/esa/flsa/cl/default.htm answers questions about the FLSA's youth employment provisions, including at what age young people can work and the jobs they can perform.
- The Section 14(c) Advisor at www.dol.gov/elaws/esa/flsa/14c

helps explain the special minimum wage requirements for workers with disabilities.

To view these and other employment-related advisors, visit www.dol.gov/elaws. For more information about the FLSA and other laws administered by the Wage and Hour Division, call the department's toll-free help line at (866) 4US-Wage (487-9243). Information is also available on the Internet at www.wagehour.dol.gov



WANT TO LEAVE AN IMPACT ON SOMEONE... THEN TEACH!

So, you want to teach but you don't have an education degree? Teach For America can get you to the front of the class – no education courses or experience needed.

Teach For America is a national program that prepares and helps place college graduates in teaching positions. Participants train in a 5-week summer program and start teaching in the fall. They receive the same starting salary and benefits as other teachers.

The Arkansas Department of Education also has the Non-Traditional Licensure Program (NTLP) which is a progressive and innovative program designed to prepare eligible candidates to enter the classroom as teacher-of-record while earning an Arkansas teaching license. For more information, visit their website at <http://www.teacharkansas.org/non-trad-lic-program.html>

To learn more about Teach For America, contact them at 315 West 36th Street, 7th Floor, New York, New York 10018, or call toll-free, 1-800-832-1230, or visit www.teachforamerica.org.



IN THE WORKS

📁 In October 2006, 65.8 percent of high school graduates from the class of 2006 were enrolled in colleges or universities. Since 2001, the college enrollment rate for recent high school graduates has been trending upward. Asians (82.4 percent) were considerably more likely than whites (66.5 percent), blacks (55.0 percent), and Hispanics (58.4 percent) to be enrolled in college in the fall following their high school graduation.

📁 Among 16 countries under comparison, all had manufacturing productivity gains in 2005. Korea and Taiwan had the largest increases as 8.5 and 7.1 percent respectively. The U.S. increase of 3.3 percent placed it eighth among the 16 economies compared. While this was less than its average annual growth rate since 1979, since 1995, only Korea and Sweden have had greater productivity growth than the United States. Korea and Taiwan have been among the leaders in the growth of manufacturing output for the last decade.

📁 On average, the 2.4 million registered nurses in the U.S. earned \$28.71 per hour in May 2006. Registered nurses in California were the highest paid among all the states, with an average hourly wage of \$36.12. The metropolitan areas with the highest mean hourly pay for registered nurses were the San Jose-Sunnyvale-Santa Clara area at \$44.42, and the Oakland-Fremont-Hayward area with \$43.18. Among the areas with the lowest wages paid were Blacksburg-Christiansburg-Radford, Virginia at \$19.70, Morristown, Tennessee at \$20.16, Lawrence, Kansas (\$20.55), and Jonesboro, Arkansas at \$20.68.



FOREIGN-BORN WORKERS' DEMOGRAPHICS STUDIED

Foreign-born workers' share of the U.S. workforce continues to grow, the Bureau of Labor Statistics of the U.S. Department of Labor recently reported. In 2006, foreign-born workers made up 15.3 percent of the U.S. civilian labor force age 16 and over, up from 14.8 percent in 2005. The unemployment rate for the foreign born fell for the third year in a row, to 4.0 percent in 2006. The jobless rate of the native born also continued to decline, decreasing from 5.2 to 4.7 percent.

The demographic characteristics of the foreign-born labor force differ significantly in many respects from those of the native born. For example, men made up a larger proportion of the foreign-born labor force (60 percent) in 2006 than they did of the native-born labor force (53 percent). Also, a higher proportion of the foreign-born than the native-born labor force was made up of 25- to 54-year olds (76 and 67 percent, respectively); labor force participation is typically highest among persons in that age group.

In 2006, Hispanics comprised about 50 percent of the foreign-born labor force compared with about 7 percent of the native-born labor force. About 22 percent of the foreign-born workforce was Asian compared with about 1 percent of the native-born workforce. One in 5 persons in the foreign-born labor force was non-Hispanic whites, compared with nearly 4 of 5 in the native-born labor force.

About 28 percent of the foreign-born labor force 25 years old and over had not completed high school in 2006, compared with about 6 percent of the native-born labor force. About equal proportions of the foreign-born labor force and the native-born labor force had a bachelor's or higher degree.

By region, the foreign born comprised 24.0 percent of the total labor force in the West, 17.9 percent in the Northeast, and 13.5 percent in the South. By comparison, only 7.3 percent of the total labor force in the Midwest was foreign born.

A smaller proportion of foreign-born than native born workers was employed in management, professional, and related occupations, 26.4 versus 36.4 percent. Foreign-born workers were more likely than their native-born counterparts to be employed in service occupations (22.5 versus 15.4 percent), natural resources, construction, and maintenance occupations (16.5 versus 10.0 percent), and in production, transportation, and material moving occupations (16.7 versus 11.9 percent).

In 2006, the median usual weekly earnings of foreign-born full-time wage and salary workers were \$532, compared with \$698 for the native born. As with the native-born, the earnings of foreign-born workers increased with education.

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ARKANSAS... WORK IN PROGRESS

When people ask about work in Arkansas, what do you really know to tell them? Here are a few facts:

- Our unemployment rate is 4.9% (the U.S. rate was 4.4%)
- Arkansas's average weekly earnings were \$617 and the median family income per year is \$45,300
- In 2004, Arkansas's manufacturing sector accounted for 18 percent of the state's jobs, as well as 18% of the state's gross state product.
- In 2004, the average hourly manufacturing wage in Arkansas was \$13.49, or 83% of the national average of \$16.34.
- Established in Arkansas in 1959, Tyson Foods Inc. is the state's largest manufacturer and a *Fortune 500* company. Other top manufacturing companies include Whirlpool, Pilgrim's Pride, ConAgra Inc., Georgia-Pacific Corporation, OK Industries, Cooper Tire and Rubber, and International Paper Company.
- Other homegrown *Fortune 500* companies headquartered in Arkansas are: ALLTEL, Dillard's, Murphy Oil, and Wal-Mart. These companies, along with Tyson, are among the 112 *Fortune 500* parent firms with more than 310 facilities in Arkansas.
- Wal-Mart, which was named by *Fortune* as the world's largest corporation from 2002 to 2006, has also ranked as one of the nation's most admired companies.
- Tyson Foods was named by *Fortune* as the most admired company in the food production industry in 2003. Acxiom Corporation was on *Fortune's* list of 100 Best Companies to Work for in 2003.
- Alltel, Arkansas Best, J.B. Hunt Transport, Murphy Oil and Tyson Foods were on the 2004 *Forbes* Platinum List of 400 companies, which listed J.B. Hunt first among transportation companies.
- J.B. Hunt is also the only transportation firm in the top ten of *Computerworld's* top 100 information technology workplaces.
- Services now account for the largest share of Arkansas's employment (34%) as well as Arkansas's gross state product (18.6%); supplanting manufacturing as the largest component in Arkansas. Employment in the construction, health services and transportation sectors has also grown substantially.
- Agriculture and agriculture-related biotechnology also play an integral part in Arkansas's economy. The state leads the nation in rice production with 107.4 million cwt harvested in 2004/2005, is the second largest poultry producer with 1.2 billion birds raised and processed in 2004, and is the third largest producer of catfish.