

February 23, 1977.

LABOR AND EMPLOYMENT RELATIONS COMMITTEE PROCEEDINGS:

A meeting of the House Labor and Employment Relations Committee was held on Wednesday, February 23, 1977 at 10:00 a.m. in Room 225 of the State Capitol. All members were present with the exception of Reps. Kimble, Dassinger, Ellerd, Kanduch and Lynch. The meeting was called to order by Vice Chairman Williams.

The first bill heard was HOUSE BILL 792, sponsored by Rep. Brand. This bill was introduced because the people in the elevator business have problems regarding the cars sent to them from the railroads that are not in a proper condition to be loaded. This bill would update the rate of repair from \$3 per day to \$30 per day. Richard Thompson then testified. He has worked part-time at the grain elevator in Choteau, Montana. Every year there is a problem getting enough suitable box cars to ship out all of the grain. As a consequence, farmers have to be turned away by the elevator. Elevator operators don't have much incentive to complain, because the present law doesn't make it worthwhile to go to the railroads to collect. The increased rate in this bill would give them this incentive.

Gorham E. Swanberg, Montana Railroad Association, then stood up as neither a proponent nor an opponent to the bill. On January 13, 1972 the federal government passed a law which effectively repealed this act. It takes the duty away from the railroads and gives it to the consignee. As a result, this bill would be putting a penalty on a law which has been repealed. Questions were then asked. Mr. Swanberg stressed that the problem lies in that the farmers today have greater storage capabilities than they did in the past. Rep. Sivertsen asked Mr. Swanberg, if this bill were passed, and the railroads were faced with a possible fine, might they then tend to just pull the questionable cars off the track rather than risk being fined. He replied that this would probably be the case.

HOUSE BILL 803 was heard. The sponsor, Rep. Ramirez, explained that the bill proposes to create a pilot program in which recipients of unemployment insurance would be required to perform public service work in return for receiving benefits. Programs would last until the next session of the Legislature. In Grand Rapids, Michigan there is such a program, and apparently it is working with great success. 83% of the people in his district are in favor of such a program. (1) It is a way to get help in public service work, where it is needed. (2) The bill specifically prohibits creating any work which would take away any jobs from the work force; this would curb certain abuses.

The opponents to HOUSE BILL 803 then spoke. The first was Mr. Tony Softich, Labor Standards Division, Dept. of Labor. He sympathizes with the intent of the bill, but it really amounts to forced labor. A bill of this nature would take the state backwards. A person should never be forced to work for something he has already earned. Ernest Post, Staff Representative for the Montana State AFL-CIO then spoke. HOUSE BILL 622 is almost an identical bill to this one. Now the unemployed person is trying to be included. Some of the provisions in HB 803 are not in accordance with CETA regulations. A pamphlet entitled "What CETA Means to Unions" was presented to the committee members. Public Law 93-203 as it currently stands was also presented, for the committee members' reference. CETA encourages employers to get people to enter the work force. This bill will not put people back to work. Who will supervise these "slaves"? The bill provides that people shall work for non-profit organizations; however, there is no definition in the bill for non-profit organizations. He pointed out several other problems he had found with the bill. Passage of this bill would change the whole set of unemployment compensation laws. This bill was written to harass the employees. Passage would open up a hornet's nest.

Joe Rossman, Montana Joint Council of Teamsters, spoke next. The bill eliminates one of the requirements to draw benefits, namely that the claimant is able and available for work. If these persons are involved in the programs, the potential employers could not reach them for interviews, and the people themselves would have no time to search for employment.

Harold Kansier, Dept. of Labor, also testified. There is a conformity problem with the Unemployment Tax Act. The trust fund law provides that monies paid out of it must be paid for benefits for unemployment, not for employment. The definition of suitable work and the state's ability to comply with the federal requirements defining suitable work is in question. Also, who would finance administration of this bill? The regional office of the Dept. of Labor would not. Tom Ryan, an employee of several years' of Manpower, Inc., then spoke. He thinks this bill is not the right way of going about retraining people. These people are unemployed because of a national economy failure, not a state problem; the solution should be a federal responsibility.

The sponsor then closed. Legitimate concerns have been expressed about parts of the bill. He stressed that this bill was not out to get those persons who are unemployed through no fault of their own or displaced because of the economic conditions. However, to say that this program is against the working man is not correct. But someone has to pay the cost of all the people who are drawing unemployment. The working people pay the tax. Discussion took place. Rep.

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Teague asked if the bill couldn't be made into a voluntary pilot program, by striking part of Section 2, and Section 3 in its entirety. The sponsor was agreeable to Rep. Teague's suggestion. Ernie Post stated that such a proposal could not be incorporated into this particular bill; in his opinion possibly a resolution could accomplish this. The idea was also brought up of having the employers supplement the volunteers' unemployment benefits with additional money. The sponsor was also agreeable to this idea. The hearing was then closed.

HOUSE BILL 802 was heard. This is a committee bill which is the substitute bill for HOUSE BILL 75. The first proponent was Ernie Post. As was promised at the previous hearings, this bill is agreed to by all parties. He stated, however, that he was not speaking for the other parties, but that the AFL-CIO did wish to express their support of the bill. Tony Softich, Labor Standards, spoke in support of the bill also. Phil Strobe, Montana Tavern Association, spoke up as a proponent.

Rep. Turner spoke in opposition to HOUSE BILL 802. He doubted the constitutionality of the bill. Discussion then took place. Rep. Sivertsen pointed out that if the employer owned his place of business, he would have collateral, but if he leased, he wouldn't necessarily have the collateral. He added that this bill was an example of the ability of people to co-operate and work together to reach a compromise. He expressed support for the bill. Rep. Teague suggested that line 7 on page 2 be amended by inserting "non-cash", and this might possibly solve the problem. Mr. Strobe informed the committee that the language in this bill had been taken from the contractors' bonding law; if an employer "takes the money and runs", he is circumventing the law. This bill would allow the Labor Standards office to base their decisions on this financial statement.

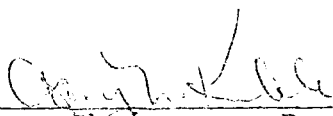
HOUSE BILL 815 was then heard. This was also a committee bill; the first proponent was Mr. Larry Nachtsheim, Administrator of PERS. He has no quarrel with the intent of the bill, but did suggest some amendments, intended for administrative purposes. See witness statement. He explained that his office could not know which employees were to be included. Stan Gerke, AFSCME, AFL-CIO, then spoke. He felt that this was a very good bill, and that it spoke for itself. He sympathized with the problems Mr. Nachtsheim had brought up. Tom Schneider, Executive Director of the Montana Public Employees Assoc., then spoke up in support of the bill and the amendments. He commented further on the second amendment which had been proposed. At some point the employee would be informed of the facts by PERS, and anytime the employee wants to pick up the service, he would be able to. Ernie Post also

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spoke up in support of the bill. In regard to the first amendment, he stressed the importance of the employee's being made aware of this provision of the law.

There were no opponents to HOUSE BILL 815. Questions followed. The hearing was then closed.

Six committee members were not present and as a result it was decided not to take executive action. The meeting was adjourned.



Chairman - Rep. Gary N. Kimble

Secretary