

JANUARY 27, 1979  
PROCEEDINGS OF THE  
LABOR AND EMPLOYMENT RELATIONS COMMITTEE

The meeting was called to order at 1:30 p.m. by Chairman Williams. The secretary took roll. Representatives Seifert and Fagg were excused.

HOUSE BILLS 53 & 190: Chairman Williams said that because HB 53 and HB 190 were so closely related and one depends so heavily on the other they would be heard as companion bills.

Representative Harper, sponsor, said the purpose of the bills is to establish the trust fund and pay back the \$10,500,000.00 we owe to the federal government. He said that at the present time all employers pay a flat rate, but as the trust fund builds rates will drop, if the program operates properly. Amendments attached (exhibit

Rep. Harper introduced Harold Kansier and Fred Barrett, Employment Security Division, Department of Labor and Industry, who further explained the bills with flip charts and graphs (exhibit 2). Mr. Kansier said that an increase in the fund is the only thing that will reduce the rates. He also stated that the Department needs to be ready for a high benefit year.

Mr. Barrett said this is the third consecutive legislative session they have appeared before the Labor Committee asking that something be done. He said that each time they were told to wait until there was a crisis and now there is a crisis. He said they have been forced to borrow money from the federal government and must make a payment on the loan by November, 1979. He said the proposals they offer will cost employers more now, but doing nothing will cost even more.

There were no proponents. The following were opponents to HB 53 and said amendments were needed for HB 190:

Chad Smith, Unemployment Compensation Advisors, Helena, said an increase on the taxable wage base would affect the most stable employers and the ones most able to pay. He said the fund is not in trouble because we have not contributed enough, but because we have over-spent. He said he would rather see a payroll tax than this type of tax increase.

Forrest Boles, Montana Chamber of Commerce, Helena, said he opposes the bill for the same reasons given by Chad Smith (exhibit 3).

William Porter, American Chemet Corp., Helena, suggested keeping the reserves as low as possible (exhibits 4 & 5).

Ed Nurse, Helena Chamber of Commerce.

Mike Watts, Personnel Officer, Northwestern Bank, Helena.

Questions were asked by the Committee.

HOUSE BILL 113: Representative Carroll V. South, sponsor, explained that his bill would exempt employers from making unemployment contributions for student employees. He said that under present state law, students are precluded from drawing unemployment benefits, but their employers are required by the state to make payments on them.

He said it is unfair for an employer to have to pay into the fund for employees who can never collect from that fund.

Proponents:

Mike Brown, Big Al's Sandwich Joint, Miles City, said the present law discriminates against students, as their employers must pay but they are ineligible to receive benefits (exhibit 6). Gerald Stewart, A & W Drive-in, Miles City, also spoke for the bill.

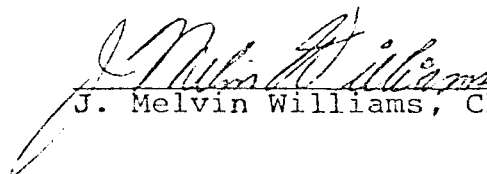
Opponents:

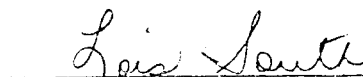
James Murry, AFL-CIO, said he thinks the bill is highly discriminatory and urged the Committee to vote against the bill.

Mitch Mihailovich, Montana State Building Trades, Helena, said a student who is employed part-time during the school year and unable to find employment during the months that they are not going to school would be denied benefits under this bill.

Harold Kansier, Employment Security Division, said students can be excluded from the state act, but could not be excluded from the federal act. He said that if students were excluded from the state act, the contribution to the federal government would increase.

Questions were asked by the Committee. The meeting adjourned at 3:30 p.m.

  
J. Melvin Williams, Chairman

  
Lois South, Secretary