

MINUTES OF THE MEETING OF THE HOUSE LABOR AND EMPLOYMENT RELATIONS
COMMITTEE
February 10, 1981

The Labor and Employment Relations Committee convened on February 10, 1981 in Room 129 of the State Capitol, at 11:30 p.m. with Chairman Ellerd presiding and Reps. Briggs, Keyser, Menahan, Pavlovich excused.

Chairman Ellerd opened the meeting to an Executive Session on the following bills:

EXECUTIVE SESSION

HOUSE BILL 414 - Rep. Seifert moved DO PASS. Rep. O'Connell seconded the motion. Rep. Seifert said it didn't make sense to him that they couldn't take the test. He felt the curriculum wasn't that different and even if they pass the test they still have to have training in the field before they are licensed. He said other states have the same type of program as what is being addressed by the bill.

Rep. Harper said he disagreed saying the opponents had convinced him that it takes more than an academic test. He said he knows how important experience is and he said he was hesitant to put this much emphasis on a test.

Chairman Ellerd said he had done some calling and checking and said he will support the bill.

Rep. Underdal said experience is more important than what you learn in a book. He asked if these people would be working separately or with an experienced person. Rep. Seifert asked if a regular engineer has to have field training also. The answer to both questions was yes.

A roll call vote was taken and the motion carried with 10 voting yes, 4 no (Harper, Harrington, Menahan, Pavlovich) 1 pass (Keedy) and 2 absent (Keyser, Smith). Absentee votes had been left by Reps. Briggs, Menahan, and Pavlovich with the Chairman.

HOUSE BILL 464 -

Chairman Ellerd moved DO PASS. Rep. Harper moved to amend on page 2, line 13 following "customary" to strike "self". Ms. Brodsky was asked concerning this and she said Mr. Kansier had suggested replacing "self-employment" with "occupation". There were two other technical errors that Ms. Brodsky pointed out: p. 1, l 24, following "part 23" insert "of this chapter" and on page 2, l 23, strike "department" and insert "divisions"; p. 3, l 2 at the end of the line insert a comma. Rep. Harper withdrew his former motion and made a motion to pass all the amendments mentioned by Ms. Brodsky. The motion carried unanimously with those present. A question was raised about "suitable work" and Ms. Brodsky responded that it will be defined in federal law, and suggested leaving the amendment according to the way the federal government requires it to be amended.

Chairman Ellerd read a letter from Fred Barrett. A copy of this is EXHIBIT 1 of the minutes.

The question was called and the motion of DO PASS AS AMENDED carried with Rep. Menahan and Dozier voting no and Keyser and Smith absent. Absentee votes had been left with the Chairman by Reps. Briggs, Menahan and Pavlovich.

The statement of intent was read and approved unanimously.

HOUSE BILL 544 - Rep. Seifert moved DO PASS and said the guard came and talked about patriotism. He said the bill has no intent to reflect on the contribution of these individuals. He said it comes down to an economic issue. He said with this bill they can't preclude a man from going to camp, he just won't get paid for that time.

Rep. O'Connell said she would oppose the bill. She said she was not carrying a flag but truly felt these fellows should be encouraged to be part of the guards and be trained to defend our country. She said they give up time and family to do this. She felt if the cities and counties are too hard up maybe somewhere through the state we can find money to encourage these men staying with this to defend our country. She felt our defenses were in need of all the help it could get.

Rep. Harrington opposed the bill. He asked if this affected any town besides Havre. He said he had talked to his county and they just shrugged it off.

Rep. Dozier said he would oppose the bill as for one thing these men have to leave their families to go to these encampments. He expressed a feeling that when we start to economize we always go back and pick off the littlest guy, as he can't fight back.

Rep. Underdal said he was opposed to the bill. He said if you look at the fiscal note - \$150,000 and 97% of the cost is paid by the federal government and that amounts to \$30,000,000 - if we pinch pennies here and the manpower falls off we could lose all that. He also felt they are better trained and better qualified than our regular army. He felt they deserve a little consideration.

Chairman Ellerd said he would support the bill. He said he had problems with the national guard. He said when the Vietnam War was on, the strength of the guard was up as men opted to go that way instead of going to active duty. He said they have a tremendous retirement. He felt the program is very lucrative and well taken care of. He said they did do a good job in Warm Springs.

Rep. O'Connell questioned if the majority of the guards that just go to weekend trainings and summer encampments - which is what the bill addresses - have it that well.

Rep. Harper said this bill would have the most impact here in Helena. He said he has a letter on his desk from the mayor saying they are against the bill. He said counties are paid back in other ways. He said if the guard people were cutting such a fat hog you would have people breaking down the door to get in. He said they have a retention problem here in Montana. He said they really are a state militia.

Rep. O'Connell suggested asking for an appropriation to pay the \$88,000. She said this would be relief for the property tax payers.

Rep. Sivertsen said he appreciated the comments made. It is a problem and sooner or later we will have to deal with this problem. He said this money does not pay for services rendered.

A roll call vote was taken and failed with 6 voting for (Keedy, Seifert, Schultz, Sivertsen, Thoft, Ellerd) nine against and two absent (Keyser and Smith). Reps. Pavlovich, Briggs and Menahan had left absentee votes with the Chairman.

Rep. Harrington moved to reverse the vote on a DO NOT PASS motion. This motion carried.

In answer to a question of having the state general fund pay for the guards' time, Rep. Sivertsen said he wouldn't go with that. He said that would involve a lot of money - a lot more than on the fiscal note as if it is done for the public employees it would have to be done for the others also, otherwise it would be discrimination.

HOUSE BILL 332 - Rep. Seifert moved DO NOT PASS. Chairman Ellerd read the letter from Mr. Palmer EXHIBIT 2 of the minutes. (Rep. Smith came) Rep. Seifert said this bill would open up a can of worms. Chairman Ellerd said we have compassion for the people not getting too much in benefits. He said he didn't realize it would involve this kind of figures.

Chairman Ellerd called for a recess of the Executive Session and opened the meeting to a hearing on the following bill.

HOUSE BILL 557 -

REPRESENTATIVE DAVE BROWN, District 83, chief sponsor, said the bill was to increase Montana's minimum wage. A copy of his testimony is EXHIBIT 3 and part of the minutes.

JERRY DRISCOLL, Billings Laborers Union Local 98, spoke in support and a copy of his testimony is EXHIBIT 4 and part of the minutes.

LINDA SKAAR, Helena Women's Political Caucus, spoke in support and a copy of her testimony is EXHIBIT 5 and part of the minutes.

PAT MCKITRICK, Great Falls Teamsters No. 2, said they support the

bill. He said the basic reasons have been explained by other proponents.

RANDY SEIMERS, Operating Engineers, said his members would like to express support for this bill - while it would not affect them personally it could their wives, sons, and daughters who enter the labor market.

KATHY A. VAN HOOK, U.F.C.W., Local 1981, spoke in support. She said she has organized employees that earn less than minimum wage. She said a .30 an hour increase means a great deal to them. She said most of these people are eligible for every type of welfare and many times in desperation they have to sign up for it. This bill will enable some of these people to get off the welfare rolls.

DAVID HUNTER, Designee Commissioner of Labor and Industry, said he would like to remind the committee that one of our policies is to sustain the purchasing power for people in Montana. We will all admit purchasing power has been eroded over the past years. A minimum wage for people makes sense as it will adjust for inflation. He said it would have little effect in the employers cost for Compensation fund or the Unemployment Compensation fund.

DON JUDGE, MT State AFL-CIO, spoke next in support and a copy of his testimony is EXHIBIT 6 and part of the minutes.

JOE ROSSMEN, Butte, Teamsters, said their members are under contract and have a hard time getting by and he said it is hard to imagine what it must be like for those under or at the minimum wage.

REP. JOHN VINCENT, District 78, spoke in support. He said one of the questions the committee will have to address is one of simple elementary fairness. He said these jobs may be dreary and deadend jobs but some are also difficult jobs. People work hard and get paid little. He felt anyone working hard at any job is worth at least \$2.95.

PHIL STROPE, Innkeepers Association, speaking in opposition, felt this could be a very expensive piece of legislation. He said there is a federal law that binds all properties that do over \$325,000. The federal law permits them to pay the \$3.35 an hour with a 40% tip credit. Montana does not have the tip credit. He said if they wanted to as a committee raise the minimum wage in Montana for the properties that do less than \$325,000 annually you should say you want to raise the minimum wage in Montana to what the federal law is, they would then pay the \$2.95 with no tip credit but those over \$325,000 would pay the \$3.35 minus the 40% tip credit. He felt the tip credit was important. He said the Montana one was jerked out all at once in 1975. He felt if the minimum wage was to be raised the tip credit should be put back in. A copy of some testimony he presented is EXHIBIT 7.

AL DONOHUE, Montana Innkeepers, and Officer of the Heritage Inn of Great Falls, said they run a union house and have for years. He said he had come prepared to look at HB 190 and HB 557 and he felt they belonged together. He said he recognizes a need for an increase in the minimum wage but this is quite a jump all at once. He referred to a summary prepared by an employee having to do with his tipped employees. He said the federal wage they are under sets the rate at \$3.35 minus the 40% tip credit so they pay \$2.62 and \$.73 an hour is made up of tips and that is the tip money reported. He had figures which showed his waitresses with tips could make up to \$10.52 an hour. He said the average restaurant man hours for tipped personnel are estimated to be 65% of all the man hours. Doing away with the tip credit will increase expenses a great deal.

JIM DEMERS, Lewistown, Yogo Inn, said they start a waitress at \$2.35 an hour. He said that same waitress will refuse a job that pays \$4 an hour, as she won't take that cut in pay. He said it is all in the tip credit. He asked the committee to consider something in the tip credit line when they are setting up the wages.

CYNTHIA SMITH, Great Falls, Campground Owners, said they operate on a small profit margin. She said they can increase wages for inflation but this jump is too big. She said the morale of most of their workers is very high. She asked who this drastic increase is going to help. Not the small employer or the employee. She said they couldn't handle the greater amount.

JOHN BELGIUM, Bozeman, felt without tip credit it could become inflationary. The tipping practice part of an institution has been a reward for a good job. The tipped employees do not want to work elsewhere even if the base rate is higher because they can make more on tips.

LORINE TWEDT, Great Falls, Perks Coke and Store, said the business is down. She said their people average at least \$1 an hour with tips. She felt they are happy with what they are paid. She said she can't move them from the dining room into the kitchen. She felt the tip credit has to be taken into consideration.

Questions were asked by the committee. Mr. Donohue said he didn't think the employees will make as much money if you abolish the tip credit. He said if they have a big banquet they tack on a 15% surcharge for tips.

Rep. Seifert asked if we passed HB 557 as it is written at \$2.95 an hour and not have the tip credit in it would it be higher than the federal wages of \$2.01 plus 40% tip credit. Rep. Keedy said that seems to be the nub of the opposition, and the best place to start. If its true that an employee who doesn't fall under the federal standards can not have her wages reduced by reference to tips, what problem was Waldron attempting to remedy.

Mr. Strobe said he didn't think you could - HB 190 is saying positively what the legislature said negatively - "exclusive of gratuities" the 75 session took those words out of the law for any employer bound by size to Montana law. It says positively what was done negatively so makes it doubly clear.

Rep. Harper said the proposed minimum wage at \$2.95 compared to our big brother at \$3.35 less 40% tip credit - this bill covers more than we are getting the impression it covers. If the state minimum wage is higher would the federally covered also fall under it. He mentioned the Pluff case which said specifically that state law applied. Mr. McKittrick said he couldn't answer that but it is a plausible rationale.

Rep. Underdal asked does the waitress get to keep her tip. Mr. Donohue said they report up to the difference between wages paid and minimum wage but they keep it all. Rep. Harrington asked if the tip credit was counted into their cost of operation. Mrs. Smith said they would consider the whole amount - up to the minimum wage. Rep. Keedy asked Mrs. Smith what they paid. Answer was \$2 and \$2.25 an hour and they have been in operation for two years and they pay a bonus at the end of the season which brings it up to \$2.90 an hour. She stressed again that many of their employees are returnees.

Rep. Brown closed saying this law would impart about \$.40 difference. The impact is not as severe as made out. He felt tip credit is an unfair credit and not meant to help an employer out with his wages. He hoped the committee would consider a wage rate for Montana workers that would be at least poverty level for a family of four. He said this won't bring it up to poverty level.

Chairman Ellerd closed the hearing on the bill and returned the meeting to an executive session on HB 332.

EXECUTIVE SESSION

HOUSE BILL 332 CONTINUED - Rep. Schultz said he was not comfortable with the motion of DO NOT PASS. He said he was concerned about the person who is getting the \$10 a month.

Rep. Keedy moved a substitute motion that the bill be amended on line 17, page 1 to simply strike line 17 through the figure "1981." He said we are more concerned about the people disabled years ago. He said the amendment he wants is the one that will bring everybody into line.

Mr. Schultz said he understood there are some people being paid by the state on a bimonthly and other people have made settlements with the state. Those who have settled up would have no further claim.

Rep. Seifert said the idea is fantastic but suggested Rep. Keedy follow through the last page of Mr. Palmer's letter. The liability will fall on the state's general fund. The disabled may be receiving social security payments, also. He felt it was opening up a can of

Labor and Employment Relations Committee
February 10, 1981

page 7

worms you will never get closed. He said Workmen's Compensation reflects back on the employer.

Rep. Harper asked do you see intent to require two bills - an appropriation bill and this bill. You would have to go through and assess each case.

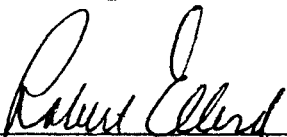
Chairman Ellerd said this is great but he wonders what we are doing? He suggested putting the bill into a subcommittee.

Rep. Keedy said he liked the idea of a subcommittee and this seemed to reflect the feeling of the committee.

Chairman Ellerd appointed the following subcommittee: Rep. Seifert, chairman, Rep, Keedy, and Rep. Schultz.

Meeting adjourned at 2:15 p.m.

Respectfully submitted,



ROBERT ELLERD, CHAIRMAN

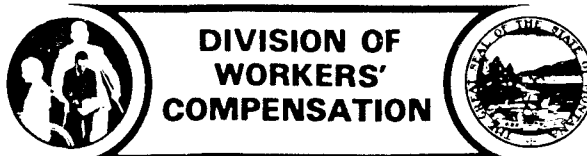
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House Bill 464 is federal required legislation and pertains to Extended Benefits. The federal government requires that any one disqualified for voluntarily leaving work without good cause, misconduct, refusing suitable work and failure to be available and seeking work have requalifying wages; that is, earnings in at least four weeks before they can satisfy the disqualification and become eligible for benefits.

Part of the present Montana law provides for requalification and this bill provides for the requalifying where the individual is disqualified for availability and seeking work.

In addition, for Extended Benefit purposes, the bill further defines suitable work. Primarily the addition to the present definition of suitable work as provided for in Section 39-51-2304 is to require the claimant to take work that is within the person's capabilities rather than limiting the jobs to the customary occupation.

In addition, the individual would be required to accept work which exceeded his weekly benefit amount and which paid not less than the higher of federal minimum wage or state and local minimum wage.



DIVISION OF
WORKERS'
COMPENSATION



THOMAS L. JUDGE, GOVERNOR

815 FRONT STREET

STATE OF MONTANA

February 3, 1981

HELENA, MONTANA 59601

Representative Bob Ellerd, Chairman
HOUSE LABOR & INDUSTRY COMMITTEE
State Capitol Building
Helena, MT 59620

Dear Representative Ellerd:

This letter is in response to questions that arose during a hearing on House Bill 332 last Thursday, January 29.

1. Question:

How many people are currently being paid as permanent total disability cases because of an industrial injury?

Answer:

In the time available, we were only able to compile data for the State Compensation Insurance Fund. We can assume, however, that since total paid benefits are about evenly divided between the State Fund and private carriers plus self-insurers, that our permanent total cases for the State Fund represent approximately one-half of the total.

Current open State Fund permanent total cases	42
Estimated private carrier and self-insurer permanent total cases	<u>42</u>
Estimated Total	<u>84</u>

2. Question:

What would it cost to give those people that now have a permanent total disability an increase which would base their rate on the current states' average weekly wage?

Answer:

If we make the assumption that we can expect the states' average weekly wage to increase at a rate of 10% per year

February 3, 1981

during the 1981-83 biennium, the rate for F/Y '82 will be \$241 and \$265 for F/Y '83.

By applying these rates to those permanent total State Fund cases, we determine that it would take \$217,000 for F/Y '82 and \$269,100 for F/Y '83 to adjust the current weekly rate. Since we assumed that the State Fund had only 1/2 the cases, the total estimated cost would be:

<u>F/Y '82</u>	<u>F/Y '83</u>	<u>Total</u>
<u>\$434,000</u>	<u>\$538,200</u>	<u>\$972,200</u>

Bear in mind, this total represents only an estimate of the additional expense involved for those current workers' compensation cases where a permanent total disability has been accepted.

It should be noted that insurance carriers are only liable for benefit requirements that were in effect at the time when premium was collected. In this case, where a retroactive payment is proposed, the liability will likely fall upon the state's general fund. This is now the procedure for the widow benefits on Social Security offset cases that fell between July 1, 1973 and March 14, 1974. That program now costs the general fund approximately \$120,000 per year.

It is also interesting that of the 42 State Fund cases identified, 36 are receiving a Social Security disability payment in addition to the workers' compensation benefit. Social Security currently has a cost of living provision in their benefit schedule.

I hope the information will answer the questions of the committee. If we can be of further help, please advise.

Sincerely,



WILLIAM R. PALMER
Assistant Administrator

WRP:bc



The Big Sky Country

MONTANA STATE HOUSE OF REPRESENTATIVES

Representative Dave Brown
District 83
3040 Ottawa
Butte, Montana 59701
406-792-3604

Committees:
Natural Resources,
Judiciary

FEBRUARY 10, 1981

MR. CHAIRMAN, MEMBERS OF THE COMMITTEE: FOR THE RECORD MY NAME IS DAVE BROWN, REPRESENTATIVE FROM DISTRICT 83 (BUTTE-SILVER BOW). I APPRECIATE THE OPPORTUNITY TO APPEAR BEFORE YOU TODAY.

I HAVE INTRODUCED HOUSE BILL 557, TO INCREASE MONTANA'S MINIMUM WAGE, BECAUSE I BELIEVE THAT WORKERS SHOULD HAVE THE PROTECTION OF AN ADEQUATE, BASE WAGE. THIS CONCEPT WAS FIRST SET INTO LAW IN 1938, WHEN THE UNITED STATES CONGRESS PASSED THE FAIR LABOR STANDARDS ACT, ESTABLISHING A FEDERAL MINIMUM WAGE. THE FEDERAL MINIMUM WAGE IS NOW \$3.35 AN HOUR.

AN INCREASE IN THE MINIMUM WAGE NOT ONLY PROTECTS WORKERS FROM WORKING FOR NEAR-STARVATION WAGES, IT ALSO BENEFITS THE ECONOMY. IT KEEPS THE DOLLARS MOVING IN OUR ECONOMY, BECAUSE AS PEOPLE EARN MORE MONEY, THEY BUY MORE GOODS AND SERVICES. THIS AIDS LOCAL COMMUNITIES AND MAIN STREET BUSINESSES.

MONTANA'S CURRENT MINIMUM WAGE IS \$2.00 AN HOUR. IT HAS NOT BEEN RAISED SINCE 1976. ACCORDING TO THE MONTANA DEPARTMENT OF LABOR AND INDUSTRY, IN 1976, THE AVERAGE YEARLY EARNINGS FOR A NON-FARM PRODUCTION WORKER WAS \$8,904. THE YEARLY EARNINGS FOR THOSE WORKING FOR MINIMUM WAGE IN 1976, WAS \$4,160, A LITTLE LESS THAN HALF

TESTIMONY OF DAVE BROWN
PAGE 2
FEBRUARY 10, 1981

OF THE AVERAGE WORKERS' YEARLY EARNINGS. BY 1980, THE AVERAGE YEARLY WAGE FOR MONTANA'S NON-FARM PRODUCTION WORKERS WAS \$11,919. BUT YEARLY EARNINGS FOR THOSE ON MINIMUM WAGE REMAINED CONSTANT AT \$4,160, WHICH BY 1980 HAD DROPPED TO ABOUT ONE-THIRD OF THE AVERAGE WORKERS' YEARLY EARNINGS.

IF THE MINIMUM WAGE IS RAISED TO \$2.95 AN HOUR, IN ACCORDANCE WITH HOUSE BILL 557, THE WORKERS' YEARLY INCOME WILL BE \$6,136 PER YEAR, ONCE AGAIN ONLY ABOUT HALF OF THE AVERAGE YEARLY EARNINGS IN MONTANA. IT WILL SIMPLY MAKE PURCHASING POWER FOR THOSE ON MINIMUM WAGE ABOUT THE SAME AS IT WAS IN 1976.

RAISING THE MINIMUM WAGE TO \$3.25 FOR THE SECOND YEAR IS AN INCREASE OF ONLY ABOUT 12%, WHICH MAY NOT EVEN KEEP UP WITH SKYROCKETING INFLATION, PREDICTED AT 10% TO 15%. AGAIN, THIS INCREASE WILL LEAVE THE WORKERS' PURCHASING POWER, IN REAL DOLLARS, ABOUT WHERE IT WAS IN 1976.

ALTHOUGH MONTANA'S MINIMUM WAGE IS LOWER THAN THE FEDERAL MINIMUM WAGE, THE COST OF LIVING IN MONTANA IS CLOSE TO THE NATIONAL AVERAGE, WITH SOME MONTANA CITIES ABOVE THE AVERAGE AND SOME SLIGHTLY BELOW. AN INDEX REPORT OF THE AMERICAN CHAMBER OF COMMERCE RESEARCHERS ASSOCIATION FOR THE SECOND QUARTER OF 1980 SHOWED, WITH THE NATIONAL AVERAGE BEING CONSIDERED AT 100, THAT BILLINGS WAS RATED AT 97.4; BOZEMAN, 101.3; GREAT FALLS, AT 92.3; HELENA, 101.2; AND KALISPELL, 103.7.

I HAVE ALSO PROPOSED AN INCREASE IN WAGES FOR AGRICULTURAL WORKERS, WHOSE PURCHASING POWER HAS ALSO BEEN BADLY ERODED BY INFLATION. HOUSE BILL 557 PROVIDES FOR AN INCREASE IN THEIR MONTHLY

TESTIMONY OF DAVE BROWN
PAGE 2
FEBRUARY 10, 1981

WAGES FROM \$460 A MONTH TO \$680 A MONTH THE FIRST YEAR AND TO \$750 PER MONTH THE SECOND YEAR. FORTY PERCENT OF THAT WAGE MAY BE IN THE FORM OF BOARD, LODGING OR OTHER FACILITIES. IN DISCUSSIONS WITH FARMER AND RANCHER FRIENDS, I HAVE LEARNED THAT THIS INCREASE WILL NOT BE A PROBLEM, AS THE PROPOSED INCREASE IS STILL UNDER THE AVERAGE WAGE FOR FARM WORKERS WHICH THEY ARE CURRENTLY PAYING.

AN INCREASE IN THE MINIMUM WAGE WILL HELP THE LOW-PAID WORKER AND WILL STIMULATE THE GENERAL ECONOMY. THOSE WHO WORK FOR MINIMUM WAGE ARE AMONG THE HARDEST HIT BY THE DOUBLE-DIGIT INFLATION RAGING THROUGH OUR ECONOMY. THEY DEPEND ON LEGISLATED INCREMENTS FOR PROTECTION AGAINST INFLATION, AND THEY WILL BE SPENDING ADDITIONAL INCOME IN MONTANA. I URGE YOUR SUPPORT OF HOUSE BILL 557.

HSP/JIM
2/10/81

LABORERS INTERNATIONAL UNION OF NORTH AMERICA

Local Union No. 98



8x.4
Bill McColley
Secretary-Treasurer
and Business Manager
345 Calhoun Lane
Telephone 259-4471

BILLINGS, MONTANA 59101,

TESTIMONY OF JERRY DRISCOLL ON HOUSE BILL 557, HOUSE LABOR COMMITTEE,
FEBRUARY 10, 1981

I am Jerry Driscoll of Billings Laborers Local 98. I am here to speak in support of House Bill 557, which will increase Montana's minimum wage.

As you know, my union members do not work for minimum wage. They will not be directly affected by this bill. But we believe that all Montanans should be concerned about those who earn minimum wage, the working poor. These people want to work and they want to provide a decent living for themselves and their families. Union members are involved in the desperate struggle to keep up with inflation. They know how deeply inflation has cut into their real wages. And they know that it is even worse for those who work for minimum wage.

Increasing the minimum wage is important for Montana's workers and for Montana's economy. It will provide those workers who are most destitute with higher earnings. It will also increase consumption and demand, which will result in a healthier economy.

Most other Montana workers have seen an increase in their wages over the past five years, even though those increases have usually not even kept pace with inflation. Their dollars continue to be worth less and their real purchasing power has decreased. No relief is predicted in the near future, with the prices of gasoline, fuel oil and food costs expected to go even higher.

(more)

TESTIMONY OF JERRY DRISCOLL
PAGE TWO
HOUSE BILL 557

Raising Montana's minimum wage, which has not changed since 1976, from \$2.00 an hour to \$2.95 just gives low paid workers a little better chance to gain a barely adequate standard of living. We ask that you vote in favor of House Bill 557.

Ex. 5

STATEMENT IN SUPPORT OF HB 557

HELENA WOMEN'S POLITICAL CAUCUS

A full time worker who earns \$2 an hour earns only \$4160 a year.

I don't know what the official poverty level is today but I think we would all agree that if we were to try to live on \$4100 a year we would be living in poverty.

Most of the people making this wage are women. In fact, a Department of Labor study shows that in 1977 over 64% of those workers making under \$5000 were women.

The old myth that women work for pin money is simply not true. Forty-three percent of working women are single, widowed, divorced or separated. Many are the sole support of their children. In fact, 1 family in 5 with children under 18 is headed by a single parent and that parent is usually the mother.

The issue of minimum wage is a crucial one to women--one that impacts women more than men.

As you deliberate on HB 557 I would ask you to remember that in practicality, when you set an hourly wage, you are setting a women's wage.

Linda Skaar
816 N. Ewing
Helena, Montana

Ex. 6



Box 1176, Helena, Montana

JAMES W. MURRY
EXECUTIVE SECRETARY

ZIP CODE 59601
406/442-1708

Room 100 "Steamboat Block"
616 Helena Ave.

TESTIMONY OF DONALD R. JUDGE ON HOUSE BILL 557, HEARINGS OF THE HOUSE
LABOR COMMITTEE, FEBRUARY 10, 1981

I am here today on behalf of the AFL-CIO to offer our support for House Bill 557. We believe that the proposed increase in Montana's minimum wage is essential to helping low-paid workers in their battle against ever-increasing inflation.

All of us suffer from the crushing effects of inflation, but minimum wage workers bear a disproportionate share of the burden. The U.S. Bureau of Labor Statistics reports that double digit inflation ran rampant throughout the economy in 1980 for the second straight year, causing workers' purchasing power to plummet 4.8%. Not since 1918-19 had inflation previously exceeded 10% for two years in a row.

The National Center for Economic Alternatives, a private research organization, said prices for the necessities -- food, housing, energy and health care -- rose at the rate of 13.8%, even faster than the 1980 12.4% overall inflation rate. The report, as noted in an Associated Press release in the Montana Standard, February 8, 1981, said the news was worse at year-end, with the rate for those four categories rising at a seasonally adjusted annual rate of 15.2%. The report estimates that the four categories make up about 60% to 70% of an average family's household budget -- a major portion that is very difficult to cut.

Montana's minimum wage has remained constant at \$2.00 an hour since 1976. Workers receiving minimum wage are generally disaffiliated, low-paid workers in dead-end jobs. An increase in the minimum wage is a matter of equity for these workers and in today's market, a matter of necessity. We ask your support for House Bill 557.

Ex. 7

NAME PHIL STROPE BILL No. HB 557
ADDRESS HEL DATE 3-11-81
WHOM DO YOU REPRESENT Mont INTERESTS ASS
SUPPORT _____ OPPOSE _____ AMEND X

PLEASE LEAVE PREPARED STATEMENT WITH SECRETARY.

Comments:

Bill should be amended to
allow the same tip credit
for small employers under
state law as large employers
under fed law. AS FOLLOWS:
ADD NEW SECTION (3) FROM FEDERAL
FAIR LABOR STANDARDS ACT:

In determining the wage
of a tipped employee, the amount paid such employee by his employer
shall be deemed to be increased on account of tips by an amount deter-

LABOR

29 § 203
Note 30

mined by the employer, but not by an amount in excess of 40 per centum
of the applicable minimum wage rate, except that the amount of the
increase on account of tips determined by the employer may not exceed
the value of tips actually received by the employee. The previous sen-
tence shall not apply with respect to any tipped employee unless (1) such
employee has been informed by the employer of the provisions of this sub-
section, and (2) all tips received by such employee have been retained by
the employee, except that this subsection shall not be construed to pro-
hibit the pooling of tips among employees who customarily and regularly
receive tips.

[See main volume for text of (n) to (e)]