

MINUTES OF THE MEETING
LABOR AND EMPLOYMENT RELATIONS
Special Session - 47th Legislative Session

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DEC 4 1981

BY HONORARY

The first meeting of the Labor and Employment Relations Committee was called to order by Chairman Harold C. Nelson at 9:00 a.m. in Room 405, State Capitol Building, on November 17, 1981.

All members of the committee were present.

Senator Steve Brown, sponsor of Senate Bill 1, introduced Mr. David Hunter, Fred Barrett, and Harold Kansier. Mr. Kansier said the bill deals with benefits paid by the federal government for approved training and allows the State agency acting for the federal government to approve the training. The bill also deals with the duration of the trade adjustment, allowing for 52 weeks with that 52-week period reduced by regular unemployment benefits already received.

Don Judge, representing the Montana AFL-CIO spoke in opposition to the bill. He said current TRA benefits exceed \$230 per week and will adjust down to \$145 a week. He said the bill provides that one would have to exhaust all unemployment benefits before receiving TRA. His thought was that Anaconda would have gone completely under if this had been in effect at the time the company closed down.

Questions from the committee elicited the information that those being trained attend vo-tech or universities, recognized training centers. Mr. Kansier said if they approve the training they do not consider those receiving the benefits to be ineligible, that all the funds received are federal funds and will not affect the state funds; he said TRA benefits have been changed effective Aug. 14, 1981 and that the bill just deals with training and benefits where extended benefits are in force.

The hearing was closed on Senate Bill #1.

Senator Brown explained that Senate Bill #2 requests that when persons apply for unemployment benefits they must disclose whether they have any child support obligations so that the agency can make arrangements with the appropriate agencies for a deduction of part of those benefits for child support.

Mr. Kansier said this bill provides the UID, when taking a claim, to ask claimants if they owe child support. If the answer is yes, they forward the information to the child support agency. That agency lets us know and if things work out we will split the check. If the child support agency is not successful, then

they may go to court, and we will honor the attachment.

Don Judge, AFL-CIO, opposed the intent of this legislation. He cautioned the committee about other groups coming in and asking for powers to administer payments to themselves for car, house, etc.

Questions from the committee:

AKLESTAD: This is mandated by the feds. If we do not pass, what situation would we be put in?

HUNTER: It is a compliance issue. The risk would be that the government would say to the State of Montana that we are not in compliance and the credit to employers paying the unemployment tax would be taken away.

GOODOVER: Prior to the last session, child support payments that were delinquent were turned over to private law firms. Then we took it away from them and gave it to a state agency. Has the state agency done anything with child support up until now?

KANSIER: I can't speak for the agency, but we receive these attachments. They cross-match our benefit payments with the money owing. We have given SRS computer ability to look into our files.

AKLESTAD: Are you going to need additional FTE's?

KANSIER: We are not funded for this project. Legislation does provide that any cost to the Labor division must be borne by the child support division, so the child support agency may need additional funding.

The hearing was closed on Senate Bill 2.

Senator Brown asked David Hunter, Commissioner of Labor and Industry, to explain Senate Bill #3.

Mr. Hunter said extended benefits are an additional 13 weeks of eligibility in addition to the maximum 26-week unemployment benefits a claimant is eligible for. When the state passed extended benefits, half was paid by our trust fund and half by the federal government with a trigger mechanism. This bill amends that. The law says when an unemployment rate is high the state should have an extended benefit of 13 weeks. There have been two triggers, one national, one state. The national trigger has been eliminated by the ORA and this bill erases any reference to the national trigger. The State bill is being affected because the federal government is asking us to increase the figure of unemployment that would allow us to use the trigger.

At this point Mr. Hunter passed out Exhibit #1, attached, for explanatory purposes. He said the upper line on the chart tracks a 35-year period for the total unemployment rate, the bottom line the insured unemployment rate. He said persons not covered by unemployment insurance are those employed in agriculture, domestic help, church workers, self-employed persons, persons new in the labor market, or those people who are unemployed and have exhausted their UI benefits. They may be unemployed but are not considered in this rate. The federal government regulates that calculation and tell us how to make the calculation. The Department's recommendation is to change the trigger. Previously, unemployment had to be 4% and 120% of the same corresponding time period in the preceding two years to trigger. We have to change that to 120% and 5%. We are recommending that we add a new section (optional) or 6% on an insured unemployment rate. Six percent uninsured unemployment is a very high rate of unemployment, in Mr. Hunter's opinion. This bill meets requirements to give us a trigger and give extended benefits during a period of extended unemployment. He recommended an effective date of Sept. 26, 1982.

Don Judge, AFL-CIO, spoke in opposition to the bill. He wanted the committee to know that the average payment in Montana is \$108 per week and average duration 14.5 weeks. The timber industry has unemployment exceeding 10%. Old rates used to count all the unemployed, now we are going to discount anyone getting benefits. Mr. Judge urged the committee to accept the 6% figure given by the Department of Labor.

Questions from the committee:

KEATING: When we go into this extended benefit period, what effect does that have on employers?

HUNTER: The table we'll be on is determined by the trust fund balance and might trigger us into a higher rate.

KEATING: We are looking at a deficit balance for this coming year. Are we going to have enough from employers?

KANSIER: The balance we have is \$31,750,000, but we collect in excess of \$40 million annually. We are realizing 9.5% on our trust fund money.

GOODOVER: Texas has a benefit for high-priced employees who have been laid off. Does Montana do that?

JUDGE: Yes.

GOODOVER: What about seasonal employees?

HUNTER: If they are on a layoff status, they are eligible. One of the things we are seeing now is that there are more and more people in the construction industry who are not eligible because they haven't worked enough in the last 12 months to earn it.

AKLESTAD: Will this make more money available for people in the construction area?

HUNTER: If we were to trigger on under the 6% provision more money would be available through those extended benefits. The October unemployment rate for the State of Montana is 6.7% on a seasonally adjusted basis. The insured unemployment rate is 3%. So if the rates were to follow exactly we would have to hit 9.7% unemployment before we trigger on under the 6%. Under the 120 and 5% we are much more likely to hit 5% but unlikely to reach the 120% of what it has been in the previous two years.

There was no further discussion on Senate Bill #3.

Senator Goodover made a motion that the committee approve Senate Bill 1 and give it a DO PASS.

A roll call vote was taken. The motion carried by a 7-1 margin.

Senator Keating moved that Senate Bill 2 be given a DO PASS. A roll call vote showed a 7-1 vote in favor of the motion.

Senator Goodover moved that Senate Bill 3 be given a DO PASS. A roll call vote was taken; the motion passed by a 7-1 margin.

The meeting was adjourned at 10:10 a.m.



Senator Harold C. Nelson, Chairman

ROLL CALL

LABOR & EMPLOYMENT RELATIONS COMMITTEE
SPECIAL SESSION

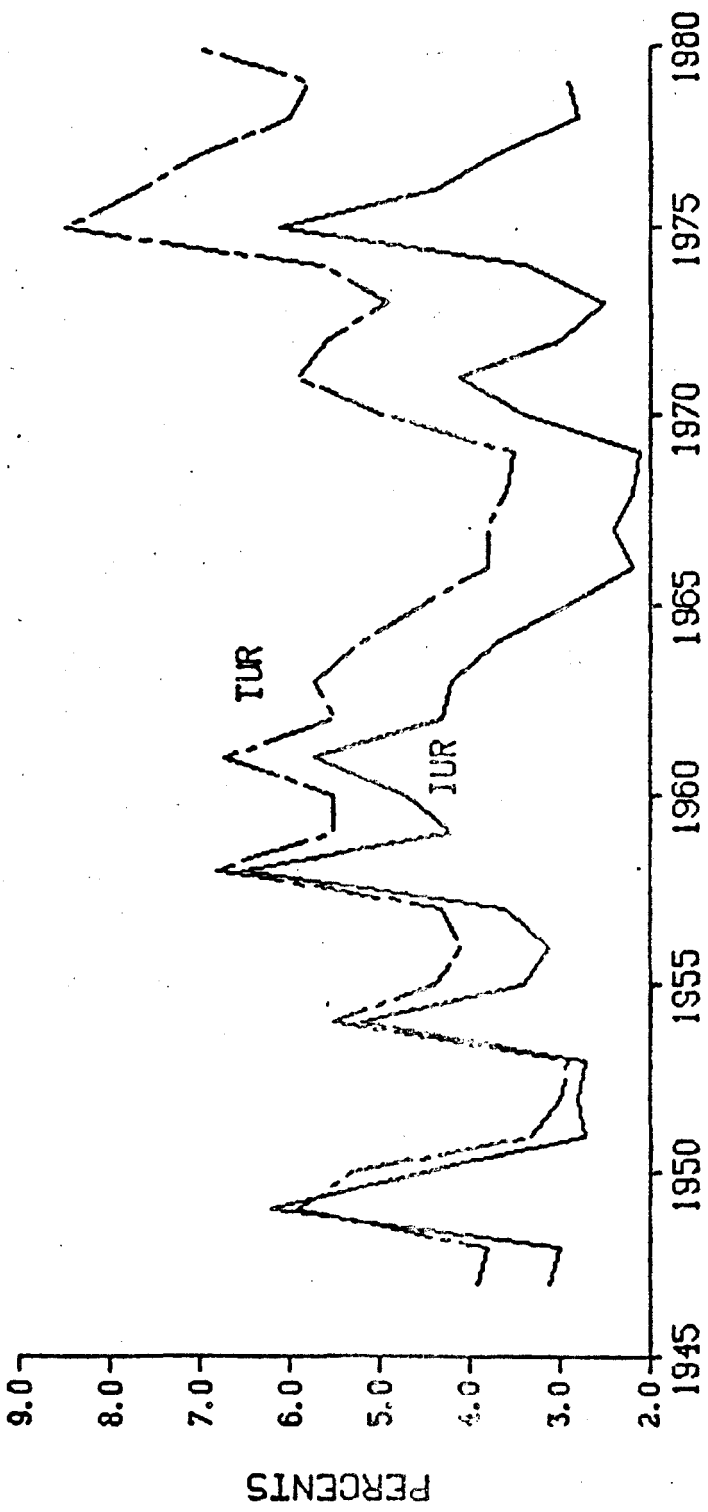
47 th LEGISLATIVE SESSION - - 1981

Date 11/17/81

NAME	PRESENT	ABSENT	EXCUSED
GARY C. AKLESTAD, VICE-CH.	✓		
MIKE ANDERSON	✓		
PAT M. GOODOVER	✓		
WILLIAM HAFFERMAN	✓		
THOMAS F. KEATING	✓		
BILL NORMAN	✓		
PATRICK L. RYAN	✓		
HAROLD C. NELSON, CHAIRMAN	✓		

Each day attach to minutes.

Comparison of Total Unemployment Rate (TUR) and Insured Unemployment Rate (IUR) 1947-1980



*INSURED UNEMPLOYMENT (STATE REGULAR WEEKS CLAIMED ONLY)
AS A PERCENT OF COVERED EMPLOYMENT.

SOURCES: DOL / BLS AND
DOL / EIA / UIS / DAS

JANUARY 14, 1981

SENATE COMMITTEE LABOR & EMPLOYMENT RELATIONS

SPECIAL SESSION, 47th Legislative Session, 1981

Date Nov. 17, 1981 Senate Bill No. #1 Time 9:55

NAME	YES	NO
GARY C. AKLESTAD, VICE-CHAIRMAN	✓	
MIKE ANDERSON	✓	
PAT M. GOODOVER	✓	
WILLIAM HAFFERMAN		✓
THOMAS F. KEATING	✓	
BILL NORMAN	✓	
PATRICK L. RYAN	✓	
HAROLD C. NELSON, CHAIRMAN	✓	

7-1

Betty Dean
Secretary

Senator Harold C. Nelson
Chairman

Motion: Do pass SB #1

(include enough information on motion--put with yellow copy of committee report.)

STANDING COMMITTEE REPORT

November 17

81

19.....

PRESIDENT:

MR.

LABOR AND EMPLOYMENT RELATIONS

We, your committee on

SENATE

Bill No. **1**

having had under consideration

SENATE

1

Bill No.

Respectfully report as follows: That

DO PASS

H.C.

SENATE COMMITTEE LABOR & EMPLOYMENT RELATIONS
 SPECIAL SESSION, 47th Legislative Session, 1981

Date Nov 17, 1981 Senate Bill No. 2 Time 9:58 a.m.

NAME	YES	NO
GARY C. AKLESTAD, VICE-CHAIRMAN	✓	
MIKE ANDERSON	✓	
PAT M. GOODOVER	✓	
WILLIAM HAFFERMAN	✓	
THOMAS F. KEATING	✓	
BILL NORMAN	✓	
PATRICK L. RYAN		✓
HAROLD C. NELSON, CHAIRMAN	✓	

7 - 1

Betty Dean
 Secretary

Senator Harold C. Nelson
 Chairman

Motion: That Senate Bill 2 be given a DO PASS.
Motion by Sen. Keating.

(include enough information on motion—put with yellow copy of committee report.)

STANDING COMMITTEE REPORT

November 17 19 81

MR. **PRESIDENT:**

LABOR AND EMPLOYMENT RELATIONS

We, your committee on

having had under consideration **SENATE** Bill No. **2**

Respectfully report as follows: That **SENATE** Bill No. **2**

DO PASS

H.C.

SENATE COMMITTEE LABOR & EMPLOYMENT RELATIONS

SPECIAL SESSION, 47th Legislative Session, 1981

Date Nov. 17, 1981 Senate Bill No. 3 Time 10:01 a.m.

NAME	YES	NO
GARY C. AKLESTAD, VICE-CHAIRMAN	✓	
MIKE ANDERSON	✓	
PAT M. GOODOVER	✓	
WILLIAM HAFFERMAN		✓
THOMAS F. KEATING	✓	
BILL NORMAN	✓	
PATRICK L. RYAN	✓	
HAROLD C. NELSON, CHAIRMAN	✓	

17-1

Betty Dean
Secretary

Senator Harold C. Nelson
Chairman

Motion: Sen. Goodover's motion for DO PASS.

(include enough information on motion--put with yellow copy of committee report.)

STANDING COMMITTEE REPORT

November 17

19 81

PRESIDENT:

MR.

LABOR AND EMPLOYMENT RELATIONS

We, your committee on

SENATE

3

having had under consideration Bill No.

SENATE

3

Respectfully report as follows: That Bill No.

DO PASS

mc.