

HOUSE LABOR AND EMPLOYMENT RELATIONS COMMITTEE MINUTES
February 3, 1983

The House Labor and Employment Relations Committee met on Thursday, February 3, 1983, at 12:30 p.m., in Room 224K of the State Capitol, with Chairman Williams presiding and all members present except Representatives Bachini and Smith, who were excused. Chairman Williams opened the meeting to a hearing on House Bill 451.

HOUSE BILL 451

REPRESENTATIVE WILLIAM MENAHAN, District 90, chief sponsor, said he would just reserve the right to close and permit witnesses that have come from a distance to testify.

GENE VUCKOVITCH, Director, Montana Ironworkers' Joint Apprenticeship and Training Program, spoke next in support, and a copy of his testimony is Exhibit 1 of the minutes.

DON JUDGE, Montana State AFL-CIO, spoke next in support, and a copy of his testimony is Exhibit 2 of the minutes. Suggested amendments are Exhibit 3 of the minutes.

MITCH MIHAJOVICH, State Building Trades, spoke next in support, and a copy of his testimony is Exhibit 4 of the minutes.

JIM MAYES, Operating Engineers Local 400, spoke next in support, and a copy of his testimony is Exhibit 5 of the minutes.

ED MURPHY, Ironworkers Local 81, said he was an instructor with the ironworkers. He said apprenticeship and formal training is the only way to keep skills current. He said many people think that American workers no longer are productive or take pride in their work. But he said today's apprentice-trained workers are better trained than at any time in history. They have more knowledge than was traditional in the past. One ironworker can do the work of several of years ago. He said apprentice training gives more young people an opportunity to become qualified craftsmen. A copy of his testimony is Exhibit 6.

JERRY FUNSTON, Ironworkers #81, spoke in support of the bill. He said through working with graduates of their apprenticeship program he can see the necessity and value of such a program.

WILLIAM OLSON, Secretary-Manager, Montana Contractors' Association, Inc., spoke next in opposition, and a copy of his testimony is Exhibit 7 of the minutes.

House Labor and Employment Relations Committee
February 3, 1983
Page 2

CHARLES W. CHAMBERLAIN, Montana Chapter of Associated Builders and Contractors, spoke next in opposition. To get a Class A license a contractor has to have experience as a qualified contractor and have enough bonding capacity. This is to protect the consumer and the state of Montana. He said during this economic time employers should not be forced to take on more employees than they need. It will also be time-consuming and costly to set up and correctly administer the apprenticeship programs. He added this would give the Department of Labor the power to deny jobs if the company does not have an apprenticeship program. He did not feel it would be in the best interests of the apprentices to be placed with somebody who felt forced to take somebody they didn't really want and didn't need. He questioned whether they would get the proper training and attention.

JOHN HOLLOW, Montana Homebuilders, spoke as an amender. He suggested using an incentive program rather than a mandatory one to encourage apprenticeship programs. His suggestion was a tax incentive.

JERRY HAMLIN, Hamlin Construction, spoke as an opponent as he said it would keep him from bidding on state work in his present setup. He said he was inundated with paper work now, and this would be just another procedure to add more mountains of paper work. He said they do not have an apprenticeship program as they are a fairly small construction outfit. He said this would drive up the final cost to the state of these jobs. He said the Davis-Bacon Act provides protection for fair wages.

REPRESENTATIVE MENAHAN closed. He said the opponents were throwing out a smoke screen. He said this isn't a union or non-union shop. He said he felt the public would like to know the people working on state jobs know their business and have come through a certified program. He said this could encourage a good apprenticeship program.

Questions were asked by the committee.

Rep. Driscoll asked Mr. Chamberlain if members of his association had apprenticeship programs. The answer was yes, some.

Chairman Williams closed the hearing on this bill and opened the meeting to a hearing on HB 455.

House Labor and Employment Relations Committee
February 3, 1983
Page 3

HOUSE BILL 455

REPRESENTATIVE JERRY DRISCOLL, District 69, chief sponsor, said the total change in the law was on page 1, line 23, and changes the ages from 18 to 21. This applies to the child services exclusion in the definition of employment in the Unemployment Compensation Law. He said this will make it more similar to the federal law. He said Harold Kansier is present to answer any questions.

There were no other proponents and no opponents.

REPRESENTATIVE DRISCOLL closed.

There were no questions from the committee.

Chairman Williams closed the hearing on HB 455 and opened the meeting to a hearing on HB 454.

HOUSE BILL 454

REPRESENTATIVE JERRY DRISCOLL, District 69, chief sponsor, said this bill talks about the duration of unemployment benefits. He said after the Department determines if a person is qualified for unemployment the duration is established. This bill would extend the duration of weeks for unemployment insurance benefits by returning the level to that of 1977.

DON JUDGE, Montana State AFL-CIO, spoke in support, and a copy of his testimony is Exhibit 8 of the minutes.

JIM MAYES, Operating Engineers Local 400, said they would like to go on record as supporting the bill.

GENE VOCHOVITCH, Montana Ironworkers', said they would like to go on record as supporting the bill.

CHAD SMITH, Unemployment Compensation Advisors, spoke in opposition. He said he understood that there is considerable unemployment at this time, but he felt this was not the time to pass a bill extending the benefits. He said at the present time we are under a lot of pressure to keep people from going broke - that we are in need of preserving the economy. He also asked the committee to remember the cost and burden to the fund which is going broke. Mr. Smith asked permission

House Labor and Employment Relations Committee Minutes
February 3, 1983
Page 4

to leave, as he needed to testify on another bill. Chairman Williams asked if anyone had a question for Mr. Smith. There were no questions.

There were no further opponents.

REPRESENTATIVE DRISCOLL closed.

Questions were asked by the committee. It was asked where we would get the additional two million called for by the fiscal note. Rep. Driscoll said he didn't believe it would be that much for employees that are not working the overtime, but will collect more taxes if they worked the overtime. If you work the overtime and not seasonal you can't get the 26 weeks. If they would work, you could get more taxes.

Chairman Williams asked if the present base pay schedule includes the total overtime of the people in Montana. The answer was that the individual's base includes all wages paid to you with overtime included in the wage base that is being taxed.

Rep. Hannah asked if this adjustment made in 1979 was to help correct the imbalance in the fund. Rep. Driscoll said the biggest thing in 1979 was the experience rating to correct the fund. He said he had opposed in 1979 the way the person working overtime would suffer from it.

Rep. Hannah asked if there was a package of legislation that was designed to correct the imbalance of the fund and this was part of it, aren't we stepping right back into the fire in changing this when the fund is already going out of balance again. Rep. Driscoll said in 1979 the balance was getting low and a lot of talk on how we can turn it. As far as collection goes, some things put it more out of balance and don't think this measure does. Rep. Hannah said he had some concerns. He said he wondered if the committee would be willing to do something besides just charging the employer more. Rep. Driscoll said in 1979 they did raise the wage base to increase the income. He felt this session the committee would need to determine if they were going to face up to the little employer or the big one. He didn't feel this bill addressed that question. He said there are employers in the state with a four million dollar deficit - they have collected that much more than they paid.

House Labor and Employment Relations Committee Minutes
February 3, 1983
Page 5

Chairman Williams said if we look at this in the philosophical light, we are penalizing the small business people while big business gets the break. There needs to be a raise in the base pay before we can implement what is needed.

Chairman Williams closed the hearing on HB 454 and opened the meeting to an executive session.

EXECUTIVE SESSION

HOUSE BILL 300 Rep. Farris moved the amendments, which are Exhibit 9 of the minutes. She said this amendment would provide for the increase to be done in steps. Rep. Ellerd spoke in opposition to the amendment. He said we would be hurting the people who need it to delay until July 1. Rep. Addy felt the bill could have an impact, and felt the amendments were appropriate. Rep. Brown mentioned the federal minimum wage was increased in increments. Question was called, and the motion to amend carried with Reps. Jones, Seifert and Thoft voting no, and absent were Reps. Bachini and Smith. Rep. Farris moved that HB 300 AS AMENDED DO PASS, and this motion carried unanimously with those present (absent were the same as before).

HOUSE BILL 174 Rep. Harper said he had two amendments. One was to change the schedule of rates to the ones he had suggested at the hearing (Exhibit 10 of these minutes), and to strike total wages and say "the Social Security wage base." Rep. Harper said when they ran the computations they found it did raise money. He said this isn't a money-making bill. Rep. Driscoll requested the amendments be voted on separately. He said by putting on the \$35,700 cap you are letting the higher paid people off, and you are cutting income from the fund.

Rep. Addy spoke in favor of the amendment. He said people who make more than \$35,700 are less likely to need benefits.

Chairman Williams requested a comment from Mr. Harold Kansier, Administrator, Unemployment Insurance Division. Mr. Kansier said this cap would cover 95 percent of the total wages so it would be close to taxing total wages.

Rep. Harper said he favored the amendment. People who make more than this are usually employers that can incorporate to escape the tax. He said people seem to come off the wall at

the thought of not having a cap. He said this is a fairness bill to help the small businessman who is already paying tax on almost total wages. He said without a cap he feared the bill would not have a chance. He did feel that Rep. Driscoll was philosophically correct. Roll call vote was taken on the amendment, and it failed with seven voting yes (Williams, Addy, Brown, Farris, Harper, McCormick, Miller) and two absent (Bachini and Smith) and eight voting no.

Rep. Harper moved the amendment to cut the rates. He felt this was needed to give the employers that break since they would now be taxed on total wages. This motion carried with 11 voting yes and 4 voting no (Ellerd, Seifert, Thoft, Jones) and two absent (Bachini and Smith).

Rep. Harper moved the bill AS AMENDED DO PASS, and this motion carried with 11 voting yes and four no (Ellerd, Seifert, Thoft, Jones), and two absent (Bachini and Smith).

HOUSE BILL 414 Rep. Addy moved DO PASS. Rep. Ellerd moved a substitute motion of DO NOT PASS. A roll call vote was taken with 10 voting no, six yes (Ellerd, Hannah, Jones, Miller, Pavlovich and Seifert), and one absent (Smith). Rep. Bachnini had left a vote favoring the bill, so he was voted as a no. Rep. Addy moved to reverse the vote. This carried and so the bill receives a DO PASS.

HOUSE BILL 497 Rep. Seifert moved DO PASS. Rep. Addy moved a substitute motion of DO NOT PASS. Rep. Harper said the bill is confusing, the way it is written. He said the sheriffs that testified for the bill did not come in to oppose labor. He said they want the Highway Patrol to have jurisdiction over the highways, and be permitted to keep them open.

Rep. Miller said he felt the Highway Patrol could be a stabilizing factor for small town law enforcement. Rep. Ellerd felt they were asking for some help. He said it is insulting to the Patrol when we say they can't help in an emergency.

Rep. Hannah said if there is a labor dispute, and I get caught in it as a private citizen on the highway, my understanding is they can't help me. Where in the bill does it say that they can? Rep. Driscoll said if you are on the interstate, they can issue a citation for blocking the road. What they cannot do is get involved in the picket line where the road meets the private property. They can't arrest, but they call the sheriff and let him do the arresting.

House Labor and Employment Relations Committee Minutes
February 3, 1983
Page 7

Rep. Hannah asked, but where does it say in the law that the Highway Patrol can protect you in a labor dispute. Rep. Addy read from the law - he said it was a general provision. Mr. Wright, research attorney, said he would concur with Rep. Addy, but the Attorney General interprets it differently and would rule that they could not.

Rep. Dozier said what actually happens in most instances is that the Highway Patrol isolates the area so the average citizen does not get to be involved in a dispute. He said there is not enough of them to do anything else.

Rep. Seifert moved a substitute motion for all motions pending to DO NOT PASS. He said this would make it an undebatable motion. The Chairman said there was already a motion of Do Not Pass, and the same motion can't be made twice, and a Do Not Pass is debatable.

A roll call vote was taken, and the motion of DO NOT PASS carried with nine yes, seven no (Bachini [left a vote], Ellerd, Hannah, Jones, Miller, Pavlovich and Thoft), and one absent (Smith).

HOUSE BILL 504 Rep. Driscoll said this bill talks about seniority. This bill deals mostly with the station agents. Rep. Harper asked how they can create a job equal in nature if there is nothing to do. Rep. Driscoll said those with the most seniority aren't always getting the jobs available. Rep. Driscoll made a motion of DO PASS. A roll call vote was taken and passed with 10 voting yes, six no (Ellerd, Hannah, Jones, Miller, Seifert and Thoft) and one absent (Smith). Rep. Bachini had left a vote favoring the bill.

HOUSE BILL 512 Rep. Addy moved an amendment on page 1, line 16, to strike "or the insurer" and insert ", or in the event the insurer denies liability and subsequently". Rep. Addy said this would clarify the meaning. Rep. Ellerd asked if an attorney takes the case on a contingency fee, does this assure him some pay if he loses all the way. Rep. Addy said no. This motion carried. Rep. Addy then moved the bill AS AMENDED DO PASS. This motion carried with 11 voting for, five against (Ellerd, Seifert, Thoft, Hannah and Bachini [left a vote]) and one absent (Smith).

House Labor and Employment Relations Committee
February 3, 1983
Page 8

HOUSE BILL 514 Rep. Driscoll moved DO NOT PASS. Rep. Harper made a substitute motion of DO PASS. Rep. Driscoll said he had checked to see how many people had run out of sick leave and were using unpaid leave. He said he didn't get the exact percentages but most are unmarried or single parents, and they are home with the children. Rep. Harper said there was a program on the drawing board right now in which state employees will donate their sick leave into a sick leave bank to help these people. Rep. Dozier said this would affect not only state employees but counties and cities. The committee felt the effects of the bill should be further checked into. Rep. Ellerd moved the bill be PASSED FOR THE DAY. Motion passed.

Meeting adjourned at 2:50 p.m.

Respectfully submitted,


J. MELVIN WILLIAMS, CHAIRMAN

Emelia A. Satre

WITNESS STATEMENT

Name Gene Vuckovich
Address 106 E. Commercial
Representing One Second Ironworkers
Bill No. 451

Committee On labor
Date 2/3/83
Support ✓
Oppose _____
Amend ✓

AFTER TESTIFYING, PLEASE LEAVE PREPARED STATEMENT WITH SECRETARY.

Comments:

1.

2.

3.

4.

Itemize the main argument or points of your testimony. This will assist the committee secretary with her minutes.

A SUPPORTIVE PAPER BY GENE VUCKOVICH, DIRECTOR, MONTANA IRONWORKERS' JOINT APPRENTICESHIP AND TRAINING PROGRAM.

HOUSE BILL NO. 451, ENTITLED: AN ACT TO REQUIRE CONTRACTORS ON STATE CONSTRUCTION, RENOVATION, OR DEMOLITION PROJECTS TO PARTICIPATE IN APPROVED APPRENTICESHIP TRAINING PROGRAMS.

FORMAL APPRENTICESHIP TRAINING PROGRAMS APPROVED BY THE BUREAU OF APPRENTICESHIP AND TRAINING, DEPARTMENT OF LABOR AND INDUSTRY, ARE RECOGNIZED AS THE BEST METHOD FOR TRAINING PEOPLE TO BE SKILLED JOURNEYMAN IN THE VARIOUS TRADE CATEGORIES OF THE CONSTRUCTION INDUSTRY. NOT ONLY DO FORMAL APPRENTICESHIP TRAINING PROGRAMS PROVIDE THE HIGHLY SKILLED WORKFORCE WHICH IS REQUIRED TO PROPERLY CONSTRUCT THE BUILDINGS, BRIDGES AND HIGHWAYS OF THIS COUNTRY BUT THEY ALSO SERVE AS THE ENTRY CONDUIT TO THE BUILDING TRADES. THIS IS AN IDEAL MECHANISM TO PROVIDE FAIR AND EQUAL TREATMENT FOR ALL AMERICANS WHO WISH TO HAVE THE OPPORTUNITY TO BE PROPERLY TRAINED AS BUILDING CRAFTSMAN REGARDLESS OF RACE, COLOR, CREED, SEX, NATIONAL ORIGIN, ETC.

THERE IS NO BETTER WAY TO BRING A PROPERLY MOTIVATED PERSON INTO THE MAIN STREAM OF THE AMERICAN WORKFORCE THAN BY PROVIDING THEM WITH THE PROPER TRAINING TO BECOME A HIGHLY SKILLED CONSTRUCTION CRAFTSMAN. STEADY WORK, SUBJECT OF COURSE TO THE SEASONAL NATURE OF CONSTRUCTION AND DICTATES OF THE ECONOMY, IS USUALLY AVAILABLE AND AT WAGES WHICH PROVIDE AN OPPORTUNITY TO PURCHASE THE NECESSITIES OF LIFE DURING THE WORKING CAREER OF A BUILDING TRADESMAN. GOOD EMPLOYMENT OPPORTUNITIES WITH FAIR WAGES AND FRINGE BENEFITS ALSO CONTRIBUTE TO THE STABILITY AND WELFARE OF THE AMERICAN FAMILY, WHICH HAS LONG BEEN RECOGNIZED AS THE BASIC BUILDING BLOCK OF OUR STATE AND NATION.

SHODDY CONSTRUCTION PRODUCED BY POORLY TRAINED CONSTRUCTION PERSONAL IS A MAJOR PROBLEM AND STANDS AS A BARRIER TO INCREASED PRODUCTIVITY IN THE CONSTRUCTION INDUSTRY. PROPER TRAINING THROUGH FORMAL APPRENTICESHIP PROGRAMS MUST BE REGARDED AS AN INVESTMENT IN THE FUTURE OF THE CONSTRUCTION INDUSTRY, THE STATE OF MONTANA, AND THE NATION, THUS WE SUPPORT HOUSE BILL NO. 451 AND URGE THAT YOU GIVE FAVORABLE CONSIDERATION TOO THE PASSAGE OF SAME.

WE FURTHER URGE THAT HOUSE BILL NO. 451 BE EXPANDED TO INCLUDE NOT ONLY "BUILDINGS", BUT ALL STATE OF MONTANA CONTRACTS IN EXCESS OF \$2,000.00 INVOLVING JOB SITE LABOR FOR CONSTRUCTION, RENOVATION AND/OR DEMOLITION.



Box 1176, Helena, Montana

JAMES W. MURRY
EXECUTIVE SECRETARY

ZIP CODE 59624
406/442-1708

TESTIMONY OF DON JUDGE ON HOUSE BILL 451, BEFORE THE LABOR EMPLOYMENT RELATIONS COMMITTEE, FEBRUARY 3, 1983

I am Don Judge, representing the Montana State AFL-CIO.

We support House Bill 451, although we would like to suggest that the committee amend it to make it more comprehensive.

This bill, as drafted applies only to construction, renovation or demolition of state buildings, on projects that cost \$2,000 or more. We would like to see it apply to all state construction and repair, projects funded in whole or in part with state funds, including highway contracts.

House Bill 451 will be a positive force in our state, for the construction industry, for young workers entering the construction field, for women and minorities, for the state's economy and for taxpayers.

First, it's a good program for workers who are being trained, because apprenticeship is the best system ever devised for such training. It provides standardized, in-depth training in an occupation, so that the trainee, upon completion, is able to work anywhere in the United States, not just for one particular employer doing one particular job. That makes it an excellent means of upward mobility for a young person in our society.

Second, House Bill 451 would be positive for the construction industry. When training is standardized, then employers can be more certain that employees will have the skills and training necessary to do the job. All economic development studies show that a skilled workforce is a requirement for expansion of desirable kinds of businesses. And apprenticeship provides a skilled workforce.

Third, apprenticeship is the best means of entry for women and minorities

into non-traditional trades which have been the realm of white male workers. In Montana, apprentices currently are 9.6% female and 6.7% minority. We are higher than the national average for women entries. And the percentage of minorities is approximately double the percentage of minority workers in the state's workforce.

Fourth, apprenticeship is good for communities, because it provides for a better paid, more highly skilled workforce. That provides more money to buy in the stores of the main street merchants, and more money paid into taxes to support essential services like schools, fire and police protection and state services.

And last, apprenticeship is good for taxpayers, not only because it adds new workers to the rolls of good-paying jobs, so the tax base is expanded, but also because good training makes for better construction. And that saves the taxpayers money in repair and maintenance costs in the long run.

There are some things that this bill does not do. It does not require contractors to be union. There are both union and non-union apprenticeship programs approved by the Montana Bureau of Apprenticeship. In fact, there are more non-union programs than union, although the union programs involve more workers. Of course we are proud of the union programs because they are run by joint councils involving both unions and management. That way the training is especially good, and includes everything that the trainee needs to know from the perspective of both management and of fellow workers.

It also does not mean that training will simply be eight hours a day on the job, trying to learn what it is you are supposed to do. Apprenticeship involves not only on the job training, but also either classroom or home study training, so that the theoretical and mathematical subjects are covered, along with parts of the training that may not be needed on the particular job. Registered apprenticeship programs are the best form of training for the trainee and for

the industry.

And last, House Bill 451 is not going to cost the state money in the form of higher bids on contracts. Apprentices are paid less than journeyworkers. They also produce less, so the cost is about the same. But in the long run everyone benefits, from the people being trained, to the employers, to women and minorities, to the communities, to the taxpayers.

We ask that you support House Bill 451, and amend it to make it more comprehensive.

Thank you.

WITNESS STATEMENT

Name Mitch Mihalovich Committee On _____
Address 1900 Elm Suite Date 2-3-83
Representing State Bldg Trades Support X
Bill No. HB 451 Oppose _____
Amend _____

AFTER TESTIFYING, PLEASE LEAVE PREPARED STATEMENT WITH SECRETARY.

Comments:

1.

2.

3.

4.

Itemize the main argument or points of your testimony. This will assist the committee secretary with her minutes.

Judge Ex. 3

SUGGESTED AMENDMENTS FOR HB451

Amend the title, page 1, line 5:

Following "STATE",

Insert: FUNDED

Amend page 1, line 14:

Following "Demolition"

Strike: "of a state building that is"

Insert: projects funded in whole or in part by state funds that are
individually

Page 1, Line 11

Following:

Insert: do not



MONTANA STATE BUILDING & CONSTRUCTION TRADES COUNCIL
IN AFFILIATION WITH
THE NATIONAL BUILDING & CONSTRUCTION TRADES DEPARTMENT
AMERICAN FEDERATION OF LABOR — CONGRESS OF INDUSTRIAL ORGANIZATIONS

President Mitch Mihailovich

Secretary-Treasurer Dan Jones

Testimony of Mitch Mihailovich
 House Bill 451, House Labor Committee

I am Mitch Mihailovich, president of the Montana State Building and Construction Trades Council.

The Executive Board of the state building trades council voted unanimously to do whatever we can to support the apprenticeship system in this state. Apprenticeship is the backbone of the skilled crafts, because it provides a steady, reliable stream of workers who are well-trained.

HB 451 would encourage apprenticeship, which is the best known form of training.

Obviously, I would prefer that all work in Montana would be done by union workers. But it is obvious that some of the construction work is done by non-union contractors. This bill would in no way force them to become union. It simply would require that any training be done under a registered program, with standards that assure that the new worker gets adequate training.

I urge you to vote for HB 451. This encourages the best kind of training that is available. And when workers are highly skilled, that is an incentive for companies which need skilled workers, when they look at expanding in Montana or moving to Montana.

80X.5

International Union of Operating Engineers

LOCAL 400

Affiliated with AFL-CIO

Montana

JOHN SLATTERY
President

D. F. "DAVE" JOHNSTON
Vice President

LOUIS LAYMAN
Treasurer

RALPH REID
Rec. Corres. Secretary



BILL BURLINGAME
Business Manager &
Financial Secretary

HEADQUARTERS
2717 Airport Road
Helena, Montana 59601
Telephone: (406) 442-9597

TESTIMONY OF JIM MAYES, REPRESENTATIVE, OPERATING ENGINEERS LOCAL 400 -- House Bill 451
BEFORE THE HOUSE LABOR AND EMPLOYMENT RELATIONS COMMITTEE -- FEBRUARY 3, 1983

My name is Jim Mayes, and I am representing the Operating Engineers Local 400, the states' largest local union.

We are all for House Bill 451, but we wish it would cover highway and other construction and repair as well as state building.

Apprenticeship is a great training program. I realize that most apprenticeship programs in Montana are non-union. But the majority of the apprentices are in those union and management programs.

In an apprenticeship program, management and labor have an equal say. And both of us are under state and federal standards for training. That leads to training that really means something, and a skilled group of workers.

Right now there are not many apprentices going out on jobs, for the simple reason that there aren't many jobs to go out on. But we have to look at the future. So many of our operating engineers, for example, are in their 50s and 60s. There will be a need to replace them with skilled new workers. HB 451 would encourage the use of apprentices, but wouldn't require that apprentices be used. For the good of the state, we need to prepare for the future by encouraging good training now. HB 451 is a good way to do that.

Thank you.

(NOTE: Union label removed
for duplication purposes)

WITNESS STATEMENT

Name Jerry Funston Committee On _____
Address 32 MT View Ave, Mont. Date 2-3-83
Representing IRONworkers #81 Abo. Support yes
Bill No. H.B. 451 Oppose /
Amend ✓

AFTER TESTIFYING, PLEASE LEAVE PREPARED STATEMENT WITH SECRETARY.

Comments:

1. Opportunitys of Appn.
2. Necessity of Appn.
- 3.
- 4.

Itemize the main argument or points of your testimony. This will assist the committee secretary with her minutes.

A SUPPORTIVE PAPER BY ED MURPHY, IRONWORKERS APPRENTICESHIP INSTRUCTOR, LOCAL #81,

ANACONDA, MONTANA 59711.

HOUSE BILL NO. 451, ENTITLED: AN ACT TO REQUIRE CONTRACTORS ON STATE CONSTRUCTION, RENOVATION, OR DEMOLITION PROJECTS TO PARTICIPATE IN APPROVED APPRENTICESHIP TRAINING PROGRAMS.

THE VAST AND GROWING CONSTRUCTION INDUSTRY, COMBINED WITH AN EXPANDING POPULATION, IS PLACING AN EVER INCREASING EMPHASIS ON THE VITAL IMPORTANCE OF A SKILLED WORK FORCE. NO LOCAL UNION, GROUP OF EMPLOYERS, OR SECTION OF THE NATION CAN HOPE TO PROGRESS AND KEEP PACE WITH THE NATION AS A WHOLE IN OUR COMPLEX ECONOMY UNLESS IT POSSESSES, OR IS ABLE TO OBTAIN, SKILLED MANPOWER.

SKILLED JOURNEYMAN, OF ANY CRAFT, ARE DEVELOPED - NOT BORN. THE SKILL OF THE ALL-AROUND JOURNEYMAN IS NOT ACQUIRED BY A FEW MONTHS ON THE JOB, OR MERELY BY BEING IN A PLACE WHERE THE DIFFERENT JOB OPERATIONS ARE PERFORMED. SKILLS ARE ACQUIRED ONLY THROUGH A DEFINITE PROGRAM OF TRAINING UNDER THE SUPERVISION OF A SKILLED CRAFTSMAN AND THE OPPORTUNITY TO DEVELOP THESE SKILLS THROUGH EXPERIENCE IN A SERIES OF JOB SITUATIONS, COMBINED WITH A PARALLEL PROGRAM OF STUDY AND RELATED INSTRUCTION. SUCH A PROGRAM IS KNOWN AS "APPRENTICESHIP." IT IS THE TYPE OF TRAINING THAT TAKES PLACE AS A RESULT OF A COOPERATIVE PLAN - CAREFULLY, CONSCIENTIOUSLY, DELIBERATELY EXECUTED, CONTRASTED WITH INCIDENTAL LEARNING WHICH TAKES PLACE THROUGH OBSERVATION OR EXPOSURE.

APPRENTICESHIP HAS BEEN THE MEANS BY WHICH THE CRAFTSMEN THROUGHOUT THE AGES HAVE PASSED THEIR SKILLS ALONG TO THEIR SUCCESSORS, THEREBY PRESERVING THE ARTS OF ONE GENERATION FOR THE EDIFICATION OF THE NEXT.

MANY PEOPLE SAY THAT TODAY AMERICAN WORKERS NO LONGER ARE PRODUCTIVE NOR DO THEY TAKE PRIDE IN THEIR WORK. TO THIS WE SAY "BULL". TODAY'S APPRENTICE TRAINED JOURNEYMAN ARE BETTER TRAINED, MORE VERSATILE, BETTER QUALIFIED AND MORE PRODUCTIVE THAN AT ANY TIME IN HISTORY.

IN OUR CRAFT (IRON WORKER) FOR EXAMPLE, TODAY'S IRON WORKER MUST BE MORE KNOWLEDGEABLE THAN WERE THE TRADESMEN OF THE PAST. BECAUSE OF TECHNOLOGICAL PROGRESS IN METHODS AND MATERIALS, ONE IRON WORKER TODAY WILL DO THE WORK EXPECTED OF 10 MEN YEARS AGO.

BECAUSE OF THESE REASONS AND IN ORDER TO GIVE MORE YOUNG PEOPLE THE OPPORTUNITY TO BECOME QUALIFIED CRAFTSMEN THROUGH APPRENTICESHIP TRAINING, WE URGE YOU TO GIVE A 'DO PASS' CONSIDERATION TO HOUSE BILL 451 AS AN INVESTMENT IN OUR STATE OF MONTANA AS A WHOLE AND TO OUR YOUNG WORKERS IN PARTICULAR.

MONTANA CONTRACTORS' Association, Inc.

William Olson, Sec.-Mgr.
Phone (406) 442-4162



1717 11th Ave., P.O. Box 4519
Helena, Montana 59604

CHAPTER OF THE ASSOCIATED GENERAL CONTRACTORS OF AMERICA, INC.

February 3, 1983

TESTIMONY TO HOUSE LABOR & EMPLOYMENT COMMITTEE

By: William Olson
Secretary-Manager
Montana Contractors' Association, Inc.
Helena, Montana

For the record I am Bill Olson, Secretary-Manager of the Montana Contractors' Association. Our association represents some 80 contractors who perform Heavy-Highway-Building and Utility contracts in the state.

Our contractor members are advocates of apprenticeship training as evidenced by being signatory to Union contracts which include apprenticeship programs. These programs are funded by employer contributions which amount to hundreds of thousands of dollars annually. These apprenticeship programs, commonly called JATC's are managed by a joint board of trustees, consisting of both Labor & Management. I myself sit as a trustee on some of these joint committees.

We are adamantly opposed to this bill! What this bill says is that any contractor doing work on state buildings has to be a Union Contractor! Our membership is approximately 90% Union and 10% Open Shop (Non-Union). Contractors in our state who are not members of our organization probably number in the hundreds, mainly building contractors. I don't know what percentage of these contractors are union, but I would suspect that the majority of them operate open shop. Under this bill, this group would not be able to be awarded a contract, even if they were qualified low bidders. This bill would force contractors to be union in order to pursue their livelihood - the free enterprise system.

Compulsory Unionism by statute as a result of this bill is not in the best interests of the taxpaying public. The responsibility of placing apprentices in training slots is that of the various joint apprentice committees, not the legislature.

I urge you to exercise your responsibility as legislators and vote "Do Not Pass" on House Bill 451!

Thank you.

WITNESS STATEMENT

Name CHARLES W. CHAMBERLAIN Committee On LABOR & EMPLOYMENT
Address 3202 SILVERWOOD ST. BILLINGS 59102 Date 2-3-83
Representing MONTANA CHAPTER ASSOCIATED BUILDERS & CONTRACTORS Support _____
Bill No. H.B. 451 Oppose ✓
Amend _____

AFTER TESTIFYING, PLEASE LEAVE PREPARED STATEMENT WITH SECRETARY.

Comments:

1. DOES NOT PROTECT CONSUMER (STATE) OR WORKER
2. CONTRACTORS CANNOT ECONOMICALLY AFFORD TO BE FORCED TO HIRE PERSONNEL
3. PLACES POWER OF LIFE AND DEATH IN HANDS OF DEPT. OF LABOR AND INDUSTRY.
4. TIME CONSUMING AND COSTLY TO SET UP AND CORRECTLY ADMINISTER PROGRAMS.
5. NOT IN BEST INTEREST OF APPRENTICES

Itemize the main argument or points of your testimony. This will assist the committee secretary with her minutes.



Montana Chapter Associated Builders & Contractors, Inc.

105 Florine Lane
Billings, Montana 59101

TESTIMONY H. B. 451

MONTANA CHAPTER, ASSOCIATED BUILDERS & CONTRACTORS OPPOSE H. B. 451

Testimony given by Charles Chamberlain, Executive Vice President of the association.

HISTORY OF LAWS AND REGULATIONS GOVERNING CONTRACTORS DOING STATE WORK

We raise the question of what are the requirements for a contractor to do state work and why these requirements are set?

First, a contractor must have a state license commensurate with the amount of work to be done. Further, he must have had the experience doing the type of work to be performed to qualify to bid the project. The contractor must have the bonding capacity to bid the work and also carry those insurances required to protect his employees while on the project. The contractor also must abide by other regulations that govern wages, etc. IN OTHER WORDS, THE LAWS NOW EXISTING DO PROTECT THE CONSTRUCTION BUYER, IN THIS CASE THE STATE, AND THE WORKERS ON THE PROJECT. H. B. 451 does none of these things, therefore, it should not become mandatory for contractors to participate in such a program.

OUR DOWN ECONOMY DOES NOT WARRANT THIS KIND OF LEGISLATION

At the present time contractors are having a difficult time keeping their present work force employed. To be forced to employ unskilled people rather than their already skilled personnel is not in the best interest of the industry nor the existing craftsmen.

EXTREMELY HARD TO GET AN APPRENTICESHIP PROGRAM REGISTERED

Those contractors who have in the past attempted to get programs registered have had a difficult time with the Bureau of Apprenticeship and Training, Department of Labor and Industry. Some contractors never been able to get programs registered; others have spent weeks even months getting a program approved.

DEPARTMENT OF LABOR AND INDUSTRY WILL HOLD LIFE AND DEATH GRIP ON CONTRACTORS

This bill would put the Department of Labor and Industry in a position of ultimate power over the contractor. They could take the position of dictating what kind of an agreement the contractor would be signatory to, they could stop a project if the contractor did not have the paperwork required in correct order, it could stop a project if the contractor laid an apprentice off for cause until that contractor rehired that apprentice or placed another apprentice on the job.

OFFICERS: PRESIDENT - Larry A. Lockrem, 1st VICE PRESIDENT - Charles Rowland,
2nd VICE PRESIDENT - Gilbert Mattes, SECRETARY - Steve Koontz, TREASURER - Gregory Sampson
Charles W. Chamberlain - EXECUTIVE VICE PRESIDENT
Tommy B. Duke - ATTORNEY

Merit Shop Builds Montana Best

THE MOST IMPORTANT FACTOR IS THE APPRENTICE

The objective of apprenticeship training is to take an unskilled individual who has the desire to become a tradesman and train them to be a skilled individual in the craft of their choice. If a contractor is forced by this bill to train apprentices, then these young people will not receive the training that they would like to have. Apprenticeship always has been a voluntary program. You cannot train by forcing an apprenticeship training program on a contractor. THEREFORE WE ASK THIS COMMITTEE TO GIVE THIS BILL AN UNFAVORABLE REPORT.

VISITOR'S REGISTER
LABOR AND
HOUSE EMPLOYMENT RELATIONS **COMMITTEE**

BILL HB 455

DATE 2/3/83

SPONSOR

NAME	RESIDENCE	REPRESENTING	SUP-	OP-
PORT	POSE			
H. M. Falb	1900 Elm Butte	State Bldg Trades	X	
Harry Persinger	1800 Phillips Ave	Butte Laborer's Union #1334	X	
Gene Vuckovich	1806 E. 20th, Ansco Rd.	Ironworkers	X	
Chef Smith	Helena	Mining Camp Advisor	X	
			</	

IF YOU CARE TO WRITE COMMENTS, ASK SECRETARY FOR LONGER FORM.

WHEN TESTIFYING PLEASE LEAVE PREPARED STATEMENT WITH SECRETARY.

**VISITOR'S REGISTER
LABOR AND
HOUSE EMPLOYMENT RELATIONS COMMITTEE**

BILL HB 451

DATE 2/3/83

SPONSOR MENAHAN

IF YOU CARE TO WRITE COMMENTS, ASK SECRETARY FOR LONGER FORM.

WHEN TESTIFYING PLEASE LEAVE PREPARED STATEMENT WITH SECRETARY.

VISITOR'S REGISTER

HOUSE LABOR & EMPLOYMENT COMMITTEE

BILL H.B. 451

DATE 2-3-83

SPONSOR MENAHAN & DECOLL

IF YOU CARE TO WRITE COMMENTS, ASK SECRETARY FOR LONGER FORM.

WHEN TESTIFYING PLEASE LEAVE PREPARED STATEMENT WITH SECRETARY.



Ex. 8
Box 1176, Helena, Montana

JAMES W. MURRY
EXECUTIVE SECRETARY

ZIP CODE 59624
406/442-1708

TESTIMONY OF DONALD R. JUDGE ON HOUSE BILL 454, HEARINGS OF THE HOUSE COMMITTEE ON LABOR AND EMPLOYMENT RELATIONS, FEBRUARY 3, 1983

I am Don Judge, representing the Montana State AFL-CIO. I am here to speak in support of House Bill 454. This bill would extend the duration of weeks for unemployment insurance benefits, by returning the level to that of 1977.

The ratio of the total base period is calculated by taking the wages for the employee's high quarter and dividing it by four. That ratio is then applied to determine the length of weeks for which the unemployed worker may receive benefits.

The benefits schedule was changed by the 1979 legislature, and the argument was that a higher ratio was needed because it provides more attachment to the labor market. In other words, a higher ratio meant that an individual had worked quite steadily as opposed to someone who worked off and on, or only part time. The assumption was that those who did not work steadily were probably just working to earn a little extra money, and did not really need the duration of benefits provided for by the previous law. While we did not agree with that in 1979, at least in times of prosperity, shortening the weeks for which an unemployed worker could receive benefits was not so damaging as it is now.

Right now, unemployment is at depression levels in Montana, with over 37,000 unemployed. The Commissioner of the Department of Labor and Industry has predicted that figure will go as high as 50,000 in the next few months. Many of the people now working part time or occasionally are doing so only because they cannot find anything better. Our unemployed workers depend on unemployment insurance compensation to support themselves and their families. And, main street merchants depend on those unemployed workers who purchase their goods and services. Extending the duration of benefits helps the unemployed worker, main street merchants and the local economy. This bill does not affect the maximum duration of 26 weeks which remains the same.

Testimony of Donald R. Judge
House Bill 454
February 3, 1983

This bill assists unemployed workers on regular benefits, but it also gives them a much needed boost in receiving extended benefits and federal supplemental compensation. Since extended benefits are calculated at half the amount of weeks received under regular benefits, and federal supplemental compensation at 65 percent of those weeks, it is clear that an increase in the duration of regular benefits will also increase the duration of these other benefits.

Extending the duration of weeks is also especially important because many more people are now exhausting their benefits. In Fiscal Year 1980, 11,439 exhausted their benefits, or 27.6 percent of those receiving benefits. In Fiscal Year 1982, 15,815 or 38.1 percent of the total exhausted their benefits. And, you can be sure that number will increase greatly during Fiscal Year 1983, because there are just no jobs available. That is a direct result of the economic policies of the Reagan Administration which are devastating our nation and our state.

Extending the duration of weeks will not mean that people will quit looking for work. Unemployed workers are desperately seeking jobs. For example, the Billings Gazette reported on January 30, 1983, that the Laurel Cenex Refinery had four permanent entry-level positions open. When the deadline for applications closed, more than 1,400 had applied for these jobs.

We ask that you help Montana's unemployed workers and the state's economy by voting for House Bill 454.

Thank you.

VISITOR'S REGISTER
LABOR AND
HOUSE EMPLOYMENT RELATIONS **COMMITTEE**

BILL HB 454

DATE 2/3/83

SPONSOR DRISCOLL

IF YOU CARE TO WRITE COMMENTS, ASK SECRETARY FOR LONGER FORM.

WHEN TESTIFYING PLEASE LEAVE PREPARED STATEMENT WITH SECRETARY.

SUGGESTED AMENDMENTS TO HB 300

1. Page 1, line 19.

Following: "thereafter"

Insert: "(a) at least \$3.05 an hour after June 30, 1983;
(b)"

2. Page 1, line 19.

Strike: "July"

Insert: "January"

3. Page 1, line 20.

Strike: "1983"

Insert: "1984"

PROPOSED SCHEDULE OF CONTRIBUTION RATES
FOR \$35,700 TAX BASE
January 19, 1983

	Sched. I	Sched. II	Sched. III	Sched. IV	Sched. V	Sched. VI	Sched. VII	Sched. VIII	Sched. IX	Sched. X
Minimum Ratio of Fund to Total Wages	(.0150)	(.0145)	(.0140)	(.0130)	(.0120)	(.0110)	(.0095)	(.0075)	(.005)	(.....)
Average Tax Rate	0.7	0.8	0.9	1.0	1.1	1.2	1.3	1.4	1.5	1.6

CONTRIBUTION RATES FOR ELIGIBLE EMPLOYERS

Rate Class	1	2	3	4	5	6	7
	0.02	0.05	0.1	0.2	0.3	0.4	0.5
	0.08	0.15	0.3	0.4	0.5	0.6	0.7
	0.2	0.4	0.5	0.6	0.7	0.8	0.9
	0.5	0.6	0.7	0.8	0.9	1.0	1.1
	0.7	0.8	0.9	1.0	1.1	1.2	1.3
	0.9	1.0	1.1	1.2	1.3	1.4	1.5
	1.1	1.2	1.3	1.4	1.5	1.6	1.7

CONTRIBUTION RATES FOR UNRATED EMPLOYERS:

1.3	1.4	1.5	1.6	1.7	1.8	1.9	2.0	2.1	2.2
-----	-----	-----	-----	-----	-----	-----	-----	-----	-----

CONTRIBUTION RATES FOR DEFICIT EMPLOYERS

Rate Class	1	2	3	4	5	6
	1.4	1.5	1.6	1.7	1.8	1.9
	1.6	1.7	1.8	1.9	2.0	2.1
	1.8	1.9	2.0	2.1	2.2	2.3
	2.0	2.1	2.2	2.3	2.4	2.5
	2.2	2.3	2.4	2.5	2.6	2.7
	2.4	2.5	2.6	2.7	2.8	2.9

10

STANDING COMMITTEE REPORT

February 16, 1983

MR. SPEAKER,

We, your committee on LABOR AND EMPLOYMENT RELATIONS

having had under consideration HOUSE Bill No. 451

First white
reading copy (white)
color

A BILL FOR AN ACT ENTITLED: "AN ACT TO REQUIRE CONTRACTORS ON STATE CONSTRUCTION, RENOVATION, OR DEMOLITION PROJECTS TO PARTICIPATE IN APPROVED APPRENTICESHIP PROGRAMS."

HOUSE 451

Respectfully report as follows: That be amended as follows: Bill No.

1. Title, line 5.

Following: "STATE"

Insert: "-FUNDED"

2. Page 1, line 11.

Following: "18-2-101"

Insert: "do not"

3. Page 1, line 14.

Strike: "a state building that is"

Insert: "projects funded in whole or in part by state funds that are individually"

4. Page 1, line 15.

Strike: "\$2,000"

Insert: "\$5,000"

~~XXXXXX~~

AMENDS

DO PASS

.....J. MELVIN WILLIAMS.....

Chairman.

STATE PUB. CO.
Helena, Mont.

STANDING COMMITTEE REPORT

February 8, 1983

MR. SPEAKER:

We, your committee on LABOR AND EMPLOYMENT RELATIONS

having had under consideration HOUSE 454 Bill No.

First reading copy (white)
color

**A BILL FOR AN ACT ENTITLED: "AN ACT TO CHANGE THE DURATION OF
BENEFITS SCHEDULE FOR UNEMPLOYMENT INSURANCE TO THE 1977
LEVEL; AMENDING SECTION 39-51-2204, MCA."**

Respectfully report as follows: That HOUSE 454 Bill No.

~~-DO-PASS~~

STATE PUB. CO.
Helena, Mont.

NEL WILLIAMS Chairman.

COMMITTEE SECRETARY

STANDING COMMITTEE REPORT

February 8, 1983

SPEAKER:

MR.

LABOR AND EMPLOYMENT RELATIONS

We, your committee on

HOUSE 455

having had under consideration

First reading copy (white)

color

A BILL FOR AN ACT ENTITLED: "AN ACT TO INCREASE THE AGE LIMIT FOR PURPOSES OF THE CHILD SERVICES EXCLUSION FROM THE DEFINITION OF EMPLOYMENT IN THE UNEMPLOYMENT COMPENSATION LAW; AMENDING SECTION 39-51-204, MCA."

HOUSE 455

Respectfully report as follows: That..... Bill No.

-DO-PASS-

NEL WILLIAMS

Chairman.

STATE PUB. CO.
Helena, Mont.

COMMITTEE SECRETARY