

HOUSE LABOR AND EMPLOYMENT RELATIONS COMMITTEE MINUTES  
April 19, 1983

The House Labor and Employment Relations Committee convened at 10 a.m., April 19, 1983, in Room 224K of the State Capitol, with Chairman J. Melvin Williams presiding and all members present except Reps. Ellerd, Hannah, Harper, Jones, Seifert, Smith and Thoft. Chairman Williams opened the meeting to a hearing on SJR 26.

SENATE JOINT RESOLUTION 26

SENATOR PAT GOODOVER, District 22, chief sponsor, said this request for a study is the result of the hearing on HB 174. HB 174 is the bill that would have changed the unemployment insurance base. He said we do have a problem with the unemployment benefit fund. He mentioned the money being used from this fund to buy property in Bozeman. He said there are other unknowns and we should have a good study to find out what the real problems are. He said he doesn't object to borrowing from the federal government as they are fairly free at loaning at low interest rates to emerging countries that are much poorer risks than we are, but we should determine what we can do to have sufficient funds and so not need to borrow. He said there are people with much expertise in this field who would volunteer their assistance to this study. He said other information should also be gained from other states that are handling this without our problems.

DAVID HUNTER, Commissioner, Department of Labor, spoke for the bill, although he said he didn't concur with all that the sponsor said. He said the position of this administration is to be financially responsible and not need to borrow money from the federal government. Mr. Hunter said there would be a significant problem by the 1985 session. He said they had presented a bill, HB 174, to correct the problem but the bill didn't pass. He said it is important that we take a look at the tax laws and so work toward solvency. Mr. Hunter said he was a little surprised at the sponsor's stand on borrowing. He said there is a lot of emphasis on business climate in this state and one of the most significant measures is the balance the state has in its trust fund. He said our business climate will be significantly reduced because the legislature has failed to act. Mr. Hunter said they expect to pay out 75 to 80 million dollars in 1983 and collect 58 million dollars; and in 1984 they could pay out 80 million in benefits and expect a maximum of 58 to 60 million dollars. He said we are seeing an increase in employment but also an increasing unemployment. He estimated a debt of 35 to 50 million dollars in 1985. He said with this study we may be able to work out a more reasonable plan in 1985.

ROBERT M. HELDING, Attorney and Executive Assistant, Montana Wood Products Association, spoke in support. He said he has had the privilege of being a member of the Unemployment Advisory Council. He said if the bill passes he would encourage that the services of the advisory council be looked into as they have considerable expertise in this area. He said one thing he would like to know is why when we are in the upper percentiles and our wage base is above average we are running a deficit. He said he would volunteer his services to help with the study.

JIM HUGHES, Mountain Bell, said they concur with several things said by Mr. Holding. He said they encourage the use of the people and resources connected with the Unemployment Advisory Council. He said Montana is on the higher level of cost to the employer. He said obviously some of the corrections aren't working to correct the right problems for the right reasons. He said hopefully a study could produce a better plan than offered this session. He said they support the resolution.

DAVE GOSS, Billings Chamber of Commerce, spoke in support. He said the whole program should be looked at as one part affects the other.

There were no opponents.

SENATOR GOODOVER closed. He said he was happy to see Mr. Hunter testifying as a proponent. He said what happens in the next two years is a lot of conjecture. He said he was a little more optimistic than Mr. Hunter. He felt there would be an economic upturn with more people going back to work. He urged the acceptance of the resolution.

There were no questions from the committee.

Chairman Williams closed the hearing on this bill and opened the meeting to an executive session.

#### EXECUTIVE SESSION

SENATE JOINT RESOLUTION 26 Rep. Dozier moved that the bill be TABLED. Rep. Miller asked why the hurry to table. Rep. Dozier said they have sent enough bills over to the Senate to handle this problem and they just killed them on second reading.

Rep. Miller said he feels this should be studied for the many reasons mentioned, not the least of which is that we are going further into debt. He felt it should not be tabled but looked into.

Rep. Addy said unemployment and unemployment insurance is one of the biggest issues we have before us today. He expressed a fear that it might be underfunded and so the results might be biased. He said he would like to have the issue studied but wouldn't like to have the results negated by the system.

Chairman Williams said he resists the motion. He said we do have a serious situation and we do need to take a good look at this even though we have lost some bills in the Senate. He said the study if prioritized and chosen would not be underfunded. He said the Legislative Council does a good job on this. He said the main reason something needs to be done is the economic factor. He said he doesn't feel this is going to turn around real fast and it is a serious situation.

Rep. Addy said if the study were approved he would like to see the meetings held in the areas where there are a lot of unemployed people and not in Helena.

Rep. Driscoll said he supports the motion. He said there is only two things that can be done to help the situation and that is to cut benefits or increase the wage base.

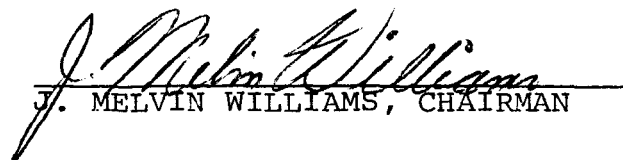
Rep. Dozier said a study would be a waste of time.

Rep. Driscoll said it has been studied since 1977. We need to take the next step, but this happens every session.

The question was called and a roll call vote was taken. The motion carried with 6 voting yes; 4 no (Williams, Addy, Brown, Miller); and 7 absent (Ellerd, Hannah, Harper, Jones, Pavlovich, Seifert, Thoft).

Meeting adjourned at 10:30 a.m.

Respectfully submitted,

  
J. MELVIN WILLIAMS, CHAIRMAN

Emelia A. Satre, Sec.