

VISITORS' REGISTER

HOUSE Human Services Sub COMMITTEE

BILL JOB Service DIVISION Date Jan 10, 1983

SPONSOR \_\_\_\_\_

NAME	RESIDENCE	REPRESENTING	SUP- PORT	OP- POSE
Ron Weiss	Helena	OBPP		
<del>George Harris</del>	Helena	OBPP		
GARY CURTIS	Helena	Dept of LABOR		
Rod Stager	Helena	- - -		
Theresa Smith	Helena	Dept of Labor		
DENNIS ZEILER	HELENA	- - -		
Sue Mann	"	"		
Calvin Lake	Helena	Women's Lobbyist Fund (support Job Service)		
Bene Shirley	"	leg State Bureau		
Gerry Dublin	Terry MT	Dist #52		
Dean Switzer	Richey Mont	Dist 54		
John Moran	Troy	DIST 11		
Don Judge	Helena	MT STATE AFL-CIO		
David Depew	"	MPEX		

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

PLEASE LEAVE PREPARED STATEMENT WITH SECRETARY.

MINUTES OF THE MEETING OF THE JOINT APPROPRIATIONS SUBCOMMITTEE  
ON HUMAN SERVICES  
January 10, 1983

Begin Tape 3 Side 2

The meeting was called to order by Chairman John Shontz at 8:15 a.m. All subcommittee members were present except for Senator Regan.

Also present were: Norman Rostocki and Larry Finch from the Fiscal Analyst's office; David Hunter, Commissioner for Labor and Industry.

Norman Rostocki explained that the LFA analysis sheet he presented represents first President Reagan's Proposal for funding of Job Service and second, under the assumption that current level budget funding is kept. Exhibit 2

Norman Rostocki, Fiscal Analyst first explained the LFA analysis sheets being presented to the committee. They originally adopted the original executive request and later adopted President Reagan's reduced funding for the job services programs. We are looking at which level of funding they will receive, President Reagan's proposal or the current level of funding the budget is now receiving. The department is seeking to make up the difference between President Reagan's proposal and the current level of funding with a bill which would increase the unemployment tax by .2 of 1%.

Aklestad asked if this bill would make up the difference and Commissioner Hunter replied that the \$4,000,000 raised would be based on state fiscal year 1983 figures and that would be enough in the biennium.

#### JOB SERVICE DIVISION

Commissioner Hunter said there are two policy choices we face for funding of Job Service and Job Training Programs. First are we going to have a job service and continue to have a job service particularly in rural areas and that this is a legislative choice to be made and second, how we will deliver and who will deliver the job training activities under the new Job Training Partnership Act which has been enacted by congress.

Hunter explained the organization of the Job Service. It is organized under the Prime Sponsor System which is the employment and job training divisions under the Department of Labor and Industry. In Montana the Governor was the Prime Sponsor for the entire program and we had employment and training which was basically a planning, evaluation and fiscal monitoring agent contract with other agencies both inside and outside of state government for services.

Job service does primarily field operations, job placement, processes unemployment insurance claims, enforces the unemployment system, job referrals, job counseling, and delivers some job training programs to teach people skills such as writing resumes, etc.

Exhibit 1 Chart 1 showed the cutbacks made by the Job Service committee which cut down from 103 people to 40 people today in an attempt to keep the job service offices open. They have taken significant cutbacks to try and keep offices open (mostly senior management people). Job Service administration costs are funded by federal tax which is levied on employers at a rate of .7 of a % of the first \$6000 wage earnings of each employee which is levied by Congress. In addition, the state levies a tax which is deposited into the unemployment trust fund and this is used only for benefits. He explained the budget figures show that they have cut down about as much as can be cut at this point without starting to close down offices.

Chart 2 demonstrated the President's proposal to change the formula for allocation of monies from one based on performance to one based on population which would cut our funds exactly in half from what they are now receiving. Chart 3 explained the U.I. Contingency position which handles claims and workload processed.

Tape 3 Side 2 to 383

The budget sheet he presented showed the present forty job service staff and the fifty-six unemployment staff and how they are allocated to the job service offices presently open. If the current efforts to fund the program are kept the top seven offices are the ones they felt would stay open. They are: Billings, Bozeman, Butte, Great Falls, Helena, Kalispell and Missoula His chart on the Job Service Workload showed the workload currently being handled by the fifty-six staff people for initial claims, placement transactions and individual placements. The Job Service Budget comparison shows current level to the requested level of funding. Chart #5 explained the annual funding under CETA for years 1975 to 1985, the total dollars funded and the total subgrants.

Hunter explained that it was important for a plan to be provided for control and enforcement of the unemployment system. They provide a service for employees which saves the employers money and provides legal protection for the employers also. This program assists those people who most need the help namely the VA, handicapped people and unemployment assistance claimants, etc.

The current staff of 155 FTE would be needed to maintain the 24 local offices they have today and maintain present enforcement policies. They would ask the committee restore to the executive request the funding levels that would be consistent with today's staffing levels of 140 staff members in Job Service and 15 in centralized services or 155 FTE

Tape 3 Side 2 489

Aklestad and Winslow questioned where this \$4,000,000 would be coming from if the 2. of a percent bill were to pass. They were told that it

would come from increased taxes on employer and the department estimates that \$2.1 million would be reverted to the fund in 1984 and a half million in 1985.

Sen. Story wanted to know the effect on the employers. This bill would put them at the 3.1% rate sooner.

Sen. Story also wanted to know if the offices would be located where the claims loads were in urban areas.

Mr. Hunter explained that the .2% bill would not necessarily increase the tax load but that the trust fund is definitely in trouble unless the legislature is prepared to take some action.

Aklestad inquired if there was a criteria for job placement whereby a person would be encouraged to seek employment in other fields other than the field he had currently been employed in. Hunter responded that a job seeker can not be forced to accept employment in areas other than their request. Winslow encouraged a tightening up of job service advertising of state agencies and state jobs better than what is currently being done and Hunter replied that this situation was improving but slowly. Hunter said if the .2 bill does not pass, the division would then have to borrow funds from the federal account to maintain benefit payments.

Chairman Shontz asked if essentially what the Division is asking for is authorization to spend dollars from an existing account and not for additional revenue specifically to fund Job Service. He asked if the legislature were to allow this fund to go into a negative balance if the department would then have to borrow dollars to fund itself from the Federal Government and Hunter stated this would indeed be so.  
End of Tape 3 Side 2

Hunter emphasized there were two proposals concerning job training. 1) A bill for displaced homemakers centers and 2) a bill with the "Build Montana" theme which is for the \$500,000 money to be used to aid displaced workers such as in Anaconda, Butte and Great Falls and that this would provide training programs for these people.

Aklestad asked if existing job service funds would meet existing programs. It would go to the department to match the existing program Hunter explained. When asked by Shontz where they would use the job training dollars he was told a major portion would be targeted to recent layoffs in the Butte, Anaconda and Great Falls areas but if other layoffs were to occur these would also be added.  
Tape 4 Side One

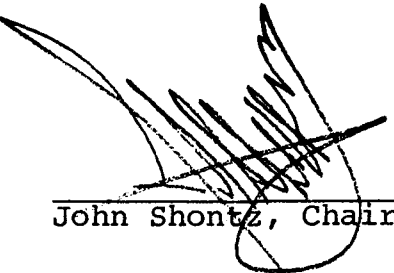
Public comments were then heard from Don Judge of the Montana AFL-CIO stating he was here to support additional state funding for the Job Service if necessary. He stated that this would be a disaster for unemployed workers, for whole communities and for the taxpayers of the state if it were not funded. See exhibit 3

Celinda Lake of the Women's Lobbyist Fund testified they were also in favor of supporting additional state funding as needed to maintain the Job Service offices in Montana, feeling this would create a hardship on all Montanans coming at this time of economic downturn when employment services are needed more than ever. See exhibit 4

David Goss, from the Billings Chamber of Commerce, felt there was an apparent conflict in what the Department is proposing in order to raise the additional revenue. He felt the .2% would cost the employers an additional \$16 per employee per employee per year and if this fact is what is being proposed the Chamber opposes it since it would force employers who do not use the state job placement service to subsize it for those who do. The Chamber feels that the proper and best method of funding the job placement services of the State is by requiring those who use the service to pay for it. See exhibit 6


F.H. Boles from the Montana Chamber of Commerce supports keeping the job service offices open across the state. He felt the .2% increase to support local offices should come from the general fund so as to not distort the current recess ratio system for maintaining the fund. See exhibit 5

There being no executive action taken, the meeting adjourned at 9:30 a.m. Tape 4 Side 1 ending at 494



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John Shontz, Chairman



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Carol Duval, Secretary

JOB SERVICE DIVISION  
 FTE's BY GRADE  
 CENTRAL OFFICE

GRADE	JANUARY 1981	JANUARY 1983
19	2	1
18	1	0
17	5	3
16	10	3
15	6	3
14	23	10
13	16	4
12	9	2
11	2	1
10	3	5
9	3	1
8	4	4
7	4	0
6	8	2
5	6	1
4	<u>1</u>	<u>0</u>
	103	40

Prepared for Appropriations Subcommittee, 1983 Legislature  
 1/5/83

JOB SERVICE DIVISION

FTE LEVELS

	<u>Authorized SFY 82</u>	<u>Authorized SYF 83</u>	<u>Orig. Request SFYs' 84/85</u>	<u>Revised SFY 84</u>	<u>Revised SFY 85</u>	<u>Revised SFY 86</u>
Job Service Base*	167.01	148.07	140	99	51.75	40
Unemployment Insurance	54.92	50.07	56	56	56	56
U.I. Contingency	49.29	49.51	37	37	37	37
WIN	29.28	29.19	28	7	-	-
TJ TC & FS	10.89	18.43	8	2	-	-
CETA & CEP	134.72	100.76	80	85	85	85
JOB CORP	9.88	8.47	7	7	7	7
PSE	37.91	-	-	-	-	-
Misc. Prog.	2.85	-	-	-	-	-
<b>Total</b>	<u>496.75</u>	<u>404.50</u>	<u>356</u>	<u>293</u>	<u>236.75</u>	<u>225</u>

\* These figures are based on the state fiscal year (July 1 thru June 30). Based on the federal fiscal year (October 1 thru September 30) the projections would be:

	<u>FFY 83</u>	<u>FFY 84</u>	<u>FFY 85</u>
	140	90	40

11/1/82

# MONTANA UNEMPLOYMENT INSURANCE PAYMENTS

80,000-

70,000-

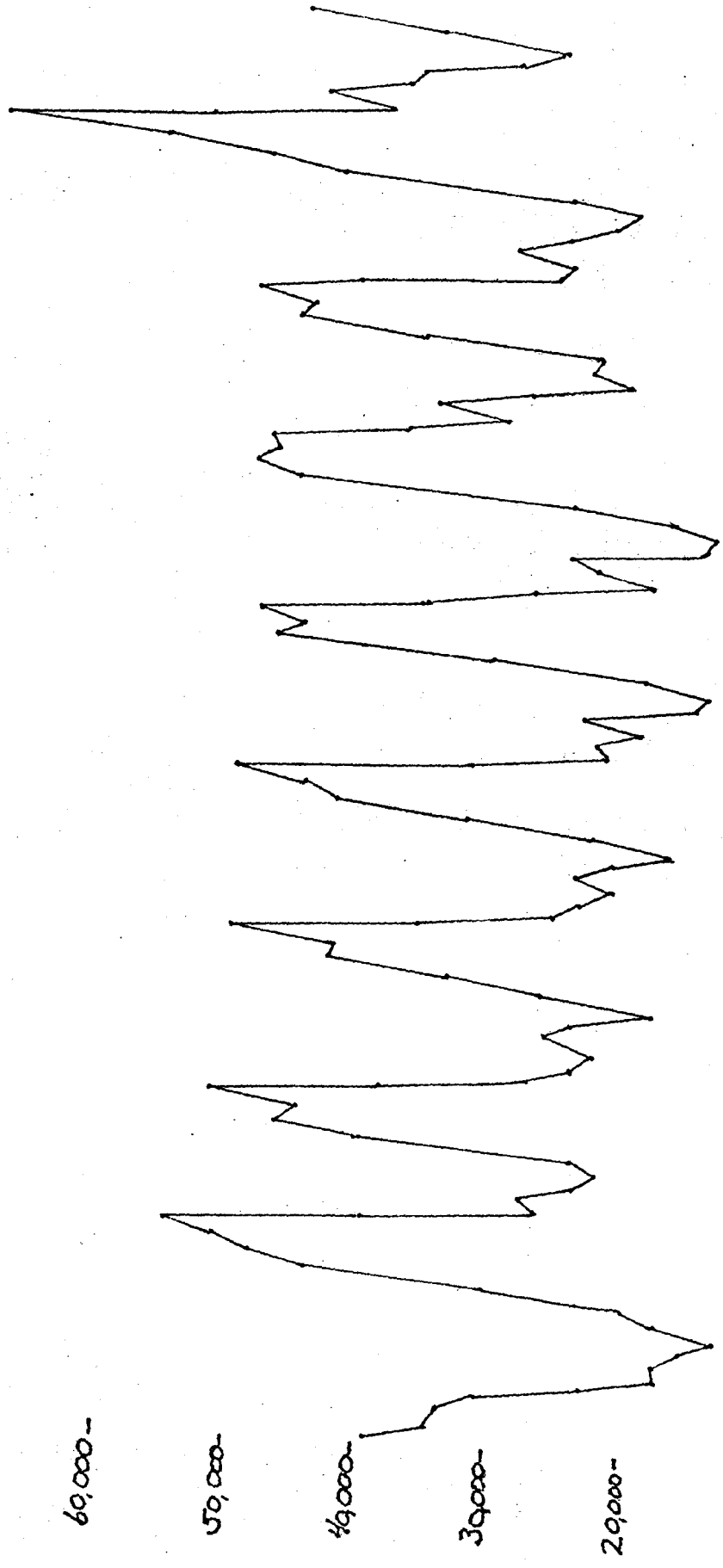
60,000-

50,000-

40,000-

30,000-

20,000-



19,000- 1974 | 1975 | 1976 | 1977 | 1978 | 1979 | 1980 | 1981 | 1982 |



"(b) The Secretary shall from time to time certify to the Secretary of the Treasury for payment to each State which—

"(1) except in the case of Guam, has an unemployment compensation law approved by the Secretary under the Federal Unemployment Tax Act and is found to be in compliance with section 303 of the Social Security Act, as amended,

26 USC 3311.  
42 USC 503.

"(2) is found to have coordinated the public employment services with the provision of unemployment insurance claimant services, and

"(3) is found to be in compliance with this Act, such amounts as the Secretary determines to be necessary for allotment in accordance with section 6.

"(c)(1) Beginning with fiscal year 1985 and thereafter appropriations for any fiscal year for programs and activities assisted or conducted under this Act shall be available for obligation only on the basis of a program year. The program year shall begin on July 1 in the fiscal year for which the appropriation is made.

Appropriation  
availability.

"(2) Funds obligated for any program year may be expended by the State during that program year and the two succeeding program years and no amount shall be deobligated on account of a rate of expenditure which is consistent with the program plan.

"(3)(A) Appropriations for fiscal year 1984 shall be available both to fund activities for the period between October 1, 1983, and July 1, 1984, and for the program year beginning July 1, 1984.

Appropriation  
availability.

"(B) There are authorized to be appropriated such additional sums as may be necessary to carry out the provisions of this paragraph for the transition to program year funding."

Appropriation  
authorization.

(c) Such Act is amended by adding at the end of section 5 the following new sections:

"Sec. 6. (a) From the amounts appropriated pursuant to section 5 for each fiscal year, the Secretary shall first allot to Guam and the Virgin Islands an amount which, in relation to the total amount available for the fiscal year, is equal to the allotment percentage which each received of amounts available under this Act in fiscal year 1983.

Allotments.  
29 USC 49e.

"(b)(1) Subject to paragraphs (2), (3), and (4) of this subsection, the Secretary shall allot the remainder of the sums appropriated and certified pursuant to section 5 of this Act for each fiscal year among the States as follows:

"(A) two-thirds of such sums shall be allotted on the basis of the relative number of individuals in the civilian labor force in each State as compared to the total number of such individuals in all States; and

"(B) one-third of such sums shall be allotted on the basis of the relative number of unemployed individuals in each State as compared to the total number of such individuals in all States.

For purposes of this paragraph, the number of individuals in the civilian labor force and the number of unemployed individuals shall be based on data for the most recent calendar year available, as determined by the Secretary of Labor.

"(2) No State's allotment under this section for any fiscal year shall be less than 90 percent of its allotment percentage for the fiscal year preceding the fiscal year for which the determination is made. For the purpose of this section, the Secretary shall determine the allotment percentage for each State (including Guam and the Virgin Islands) for fiscal year 1984 which is the percentage that the State received under this Act for fiscal year 1983 of the total

Budget Figures

	<u>FFY 81</u>	<u>FFY 82</u>	<u>FFY 83</u>	<u>FFY 84</u>	<u>FFY 85(Oct. 1, 1984)</u>
Job Service Staff	182	155	140	90	40
Unemployment Staff (in local offices)	55	55	56	56	56
	<u>237</u>	<u>210</u>	<u>196</u>	<u>146</u>	<u>96</u>

CURRENT STAFFING(FFY 83)

<u>Office</u>	<u>Job Service</u>	<u>Unemployment Insurance</u>	<u>Other Programs</u>	<u>Total</u>	<u>FFY 81 Staff Total</u>
* Billings	25.84	7.8	15.88	49.52	69.01
Bozeman	8.72	2.8	2.08	13.6	15.97
* Butte	7.98	3.8	10	21.78	30.38
* Great Falls	12.97	5.8	13.4	32.17	45.47
* Helena	11.13	3.3	10.5	24.93	34.74
* Kalispell	7.99	5.75	9.85	23.59	32.46
* Missoula	10.18	8.2	14.47	32.85	46.73
<u>Sub Totals</u>	<u>84.81</u>	<u>37.45</u>	<u>76.18</u>	<u>198.44</u>	<u>274.76</u>
Anaconda	2.97	2.1	2.24	7.31	5.62
Cut Bank	1.62	1.00	1.06	3.68	6.65
Dillon	1.97	.5	.38	2.85	3.26
Glasgow	2.4	.6	.8	3.8	4.82
* Glendive	4.08	.4	.4	4.88	4.56
Hamilton	2.00	2.00	1.33	5.33	8.38
* Havre	3.76	1.3	1.52	6.58	7.56
Lewistown	3.10	.75	.91	4.76	5.26
Libby	1.42	2.90	1.68	6.	8.17
Livingston	2.88	1.1	.66	4.64	5.23
* Miles City	4.04	1.2	1.36	6.6	8.30
Polson	2.48	1.2	1.41	5.09	6.5
* Shelby	1.67	.5	.67	2.84	4.96
Sidney	4.07	.4	.39	4.86	4.75
Thompson Falls	.89	1.1	.64	2.63	3.04
Wolf Point	.54	.5	.8	1.84	3.14
<u>Sub Totals</u>	<u>39.89</u>	<u>17.55</u>	<u>16.25</u>	<u>73.69</u>	<u>90.02</u>
Central Office	15.3	1	23.66	39.96	103.01
<u>TOTALS</u>	<u>140</u>	<u>56</u>	<u>116.09</u>	<u>312.09</u>	<u>467.97</u>

\* Building owned by State.

JOB SERVICE DIVISION

WORKLOAD

	<u>1981</u>	<u>1982</u>	<u>1983</u>	<u>1984</u>	<u>1985</u>
INITIAL CLAIMS	79,304	88,295	90,300	91,000	89,000
PLACEMENT TRANSACTIONS	54,776	53,275	49,560	49,560 28,000*	49,560 11,700*
INDIVIDUAL PLACEMENTS	33,084	29,795	27,720	27,720 15,600*	27,720 6,500*
JOB SERVICE FTE's		167	148	140 99*	140 52*

\* Based on reduced FTE numbers

Prepared for Appropriations Subcommittee, 1983 Legislature  
1/5/83

Budget Comparison - - - Current Level to Requested

Description	FY 84			FY 85		
	Current Level Budget	Requested Budget	Difference	Current Level Budget	Requested Budget	Difference
FTE'S	356.00	293.00	63.00	356.00	236.75	119.25
Salaries	6,648,296	5,521,959	1,126,337	6,623,350	4,439,431	2,183,919
Other Compensation	10,285	10,285	-	10,285	10,285	-
Employee Benefits	941,399	781,909	159,490	949,788	636,614	313,174
Health Insurance	341,760	281,280	60,480	341,760	227,280	114,480
Contracted Services	621,449	512,055	109,394	658,554	438,249	220,305
Supplies & Materials	128,380	105,655	22,725	136,829	90,991	45,838
Communications	340,073	291,149	48,924	396,338	301,951	94,387
Travel	156,963	142,836	14,127	163,194	135,454	27,740
Rent	244,142	200,907	43,235	258,789	172,076	86,713
Utilities	126,123	103,799	22,324	154,044	102,441	51,603
Repair & Maintenance	91,557	75,704	15,853	97,051	64,744	32,307
Other Expenses	27,735	22,812	4,923	29,398	19,540	9,858
Grants	4,410,000	4,095,000	315,000	4,631,000	4,300,000	331,000
Transfers	74,215	74,215	-	78,647	78,647	-
TOTALS	\$14,162,377	\$12,219,565	\$1,942,812	\$14,529,027	\$11,017,703	\$3,511,324

JOB SERVICE DIVISION  
ANNUAL FUNDING UNDER CETA

<u>YEARS</u>	<u>TOTAL DOLLARS</u>	<u>TOTAL SUBGRANTS</u>
1975	\$22,042,951	16
1976	25,336,260	23
1977	35,022,952	21
1978	31,307,693	34
1979	33,167,389	63
1980	24,066,118	54
1981	20,487,673	43
1982	10,811,239	53
1983	10,234,278	34
1984	10,500,000	40
1985	11,500,000	40

Prepared for Appropriations Subcommittee, 1983 Legislature  
1/5/83

Budget Comparison - - Current Level to Requested

Description	FY 84			FY 85		
	Current Level Budget	Requested Budget	Difference	Current Level Budget	Requested Budget	Difference
FTE'S	356.00	293.00	63.00	356.00	236.75	119:25
Salaries	6,648,296	5,521,959	1,126,337	6,623,350	4,439,431	2,183,919
Other Compensation	10,285	10,285	-	10,285	10,285	-
Employee Benefits	941,399	781,909	159,490	949,788	636,614	313,174
Health Insurance	341,760	281,280	60,480	341,760	227,280	114,480
Contracted Services	621,449	512,055	109,394	658,554	438,249	220,305
Supplies & Materials	128,380	105,655	22,725	136,829	90,991	45,838
Communications	340,073	291,149	48,924	396,338	301,951	94,387
Travel	156,963	142,836	14,127	163,194	135,454	27,740
Rent	244,142	200,907	43,235	258,789	172,076	86,713
Utilities	126,123	103,799	22,324	154,044	102,441	51,603
Repair & Maintenance	91,557	75,704	15,853	97,051	64,744	32,307
Other Expenses	27,735	22,812	4,923	29,398	19,540	9,858
Grants	4,410,000	4,095,000	315,000	4,631,000	4,300,000	331,000
Transfers	74,215	74,215	-	78,647	78,647	-
<b>TOTALS</b>	<b>\$14,162,377</b>	<b>\$12,219,565</b>	<b>\$1,942,812</b>	<b>\$14,529,027</b>	<b>\$11,017,703</b>	<b>\$3,511,324</b>

January 10, 1983

315,000  
 1,627,812  
 1,942,812

1/3/83

LABOR

*Senate* BILL NO. 69  
*Justice*

1 (2) A penalty of \$25 or 2% of the contributions due  
 2 whichever is greater shall be assessed whenever the  
 3 department applies for a subpoena to obtain wage information  
 4 or makes a summary of jeopardy assessment pursuant to  
 5 39-51-1302.  
 6 ~~(27)(3)~~ Interest and penalties collected pursuant to  
 7 this section shall be paid into the unemployment insurance  
 8 trust fund.  
 9 ~~(37)(4)~~ When failure to pay contributions on time was  
 10 not caused by willful intent of the employer, the department  
 11 may abate the penalty and interest."  
 12 NEW SECTION. Section 2. Effective date. This act is  
 13 effective July 1, 1983.

-End-

1 INTRODUCED BY Justice  
 2 BY REQUEST OF THE DEPARTMENT OF LABOR AND INDUSTRY  
 3 A BILL FOR AN ACT ENTITLED: "AN ACT TO INCREASE THE PENALTY  
 4 AND INTEREST FOR LATE PAYMENTS OF UNEMPLOYMENT  
 5 CONTRIBUTIONS; AND TO PROVIDE A PENALTY FOR FAILURE TO FILE  
 6 A REPORT OR RETURN; AMENDING SECTION 39-51-1301, MCA; AND  
 7 PROVIDING AN EFFECTIVE DATE."  
 8 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:  
 9 Section 1. Section 39-51-1301, MCA, is amended to  
 10 read:  
 11 "39-51-1301. Penalty and interest on past-due  
 12 contributions. (1) Contributions unpaid on the date on which  
 13 they are due and payable, as provided by subsections (1) and  
 14 (2) of 39-51-1103 and 39-51-1125, that are paid within 20  
 15 days after the due date shall be subject to a penalty  
 16 assessment of 10 or 10% of the contribution due, whichever  
 17 is greater, and if the contributions are not paid within 20  
 18 days after the due date, the employer shall be subject to a  
 19 penalty assessment of 15 or 15% of the contributions due,  
 20 whichever is greater. All past-due contributions shall bear  
 21 interest at the rate of 18 per month a year to be  
 22 assessed at the rate of .02% a day.

SB-61

## ISSUES FOR EXECUTIVE ACTION

### Commissioner's Office

A. FTE Difference - The LFA analysis provides for 3.00 FTE over the biennium; the executive budget provides for 4.00 FTE.

Considerations: Actual fiscal 1982 FTE was 3.39 with .34 FTE added through budget amendment. Consistent with current level policy the budget amended .34 FTE has been removed from the base.

The position in question was hired by the Employment Security Division and assigned the functions of the former Merit System Bureau. The department has argued that the position cannot remain in Employment Security without being in conflict with the Code of Federal Regulations and has requested the position be transferred to the Commissioner's office at full time.

B. Travel Difference - The LFA analysis provides for \$3422 in fiscal 1984 and \$3749 in fiscal 1985 for travel; the executive budget has recommended \$2,025 and \$2,452 in these years.

Considerations: The department has requested additional travel funds based on anticipated travel associated with the Commissioner's attendance at various conventions around the state and three annual conferences. Travel expense in fiscal 1980 was \$1,375, in fiscal 1981 was \$226, and in fiscal 1982 was \$2,440.



## Labor Standards

A. FTE Difference - The LFA analysis provides for 13.75 FTE over the biennium; the executive budget calls for 14.75 FTE.

Considerations: Actual fiscal 1982 FTE was 14.75. The LFA analysis removes 1.00 FTE, a compliance officer position, that according to the fiscal year end position control report had not been filled the entire year. This position is not shown as filled on fiscal 1983 position control reports. Removing the position would reduce total compliance officer positions from five to four.

B. Travel Difference - The LFA analysis provides for \$30,242 in fiscal 1984 and \$31,276 in fiscal 1985 for travel; the executive budget recommends \$44,132 and \$45,002 in these years.

Considerations: Actual fiscal 1982 travel expense was \$22,947. LFA maintains travel at current level.

The department has stated that travel needs to be increased because a position filled by an employee living in Billings in fiscal 1982 is now filled by an employee living in Helena, consequently travel needs to be increased for the Helena-based employee to cover the Billings area. Total travel in fiscal 1982 was \$22,148; in fiscal 1981 travel was \$20,260.

C. Eliminate Apprenticeship Bureau - Page 722 of the LFA Budget

Analysis presents the Governor's Council on Management's recommendation to eliminate the apprenticeship bureau. That recommendation projects annual savings of \$57,000 in state and \$55,000 in federal funds.

Considerations: General fund expenditures for the apprenticeship bureau were \$28,369 in fiscal 1980, \$50,520 in fiscal 1981, and \$75,491 in fiscal 1982. Eliminating the bureau would reduce the program by 3.25 FTE (chief and three training officer positions).

The department has argued that as the economy recovers the number of apprentices needing training will rise, that Montana will lose a reciprocity situation with neighboring states wherein apprenticeship training time is transferred when apprentices move to other states, and that a certified apprenticeship training program reduces wages on Federally funded construction projects in that apprenticeship, rather than journeyman wages can be paid to apprentices on the job.

## Personnel Appeals

A. FTE Difference - The LFA analysis provides for 9.00 FTE over the biennium; the executive budget recommends 9.50 FTE.

Considerations: Fiscal year end position control reports show 9.00 FTE in fiscal 1982. With the transfer of the centralized services program in the Department of Labor and Industry (Agency 6601) to the Centralized Services Program in Employment Security (Agency 6602), one receptionist position was not transferred but retained and split 50/50 between Labor Standards and Personnel Appeals.

3. Contract Services - The Governor's Commission on Personnel and Labor Relations has recommended that \$5,000 be appropriated for indexing decisions of personnel appeals and \$5,000 be appropriated for mediation training. These requests are not included in LFA current level.



Box 1176, Helena, Montana

JAMES W. MURRY  
EXECUTIVE SECRETARY

ZIP CODE 59624  
406/442-1708

Testimony of Don Judge, Montana State AFL-CIO  
Joint Subcommittee on Human Services  
~~Friday~~, January ~~7~~<sup>10</sup>, 1983

I am Don Judge, representing the Montana State AFL-CIO, and I am here to support additional state funding for the Job Service, if needed.

President Reagan's budget plans appear to chop the funding for the Job Service so severely that 17 of Montana's 24 Job Service offices may have to close down operations altogether. This would be a disaster for unemployed workers, for whole communities and for the taxpayers of this state.

The Montana State AFL-CIO's annual convention in 1982 passed a resolution in support of the Job Service offices. That resolution encourages the 1983 legislature to provide adequate funding to maintain the statewide system.

If the smaller Job Service offices are closed, workers who lose their jobs will be forced to drive to one of ~~six~~<sup>seven</sup> larger cities to file for unemployment insurance. In parts of Montana that could be a substantial drive, costing a good deal of money for a person who is now jobless. After the initial visit, the unemployment insurance checks could be mailed out, but there would then be no way for the Job Service either to help in a job search or to check on the recipients.

The 17 local Job Services presently assist in job searches for the unemployed. Every job found reduces the unemployment benefits which must be paid, along with other types of government assistance. In its place is a person who is once again paying taxes.

During times of great need, services to the unemployed, including unemployment insurance and job search assistance, should be increased rather than decreased.

We support the funding of Job Service offices on an emergency basis, with the stipulation that if the Congress makes money available, as it should, then the additional revenue slated for the Job Service offices will be palced in the Unemployment Insurance Trust Fund to help maintain its solvency.

TESTIMONY OF CELINDA C. LAKE, WOMEN'S LOBBYIST FUND, ON JANUARY 7, 1983,  
ON FUNDING FOR JOB SERVICE OFFICES, PRESENTED BEFORE HUMAN SERVICES  
APPROPRIATION SUBCOMMITTEE

We support additional state funding as needed to maintain the Job Service Offices in Montana. The cuts in federal funding for Job Service offices could close as many as 17 offices in Montana, which could include all of the offices located in rural Montana. This would be a tremendous hardship on all Montanans coming at a time of economic down turn when employment services are needed more than ever. It has some particularly adverse effects on women in Montana.

To begin with, individuals would have to travel long distances -- as much as 200 miles -- to apply for unemployment and to use the the Job Service placement. A particularly high proportion of the women who use Job Service Offices are single parents and/or working at the lowest paying jobs. The cost of such repeated travel would be prohibitive for these women. Family responsibilities in general for women would make it difficult for them to travel to and from these offices -- for example, as much as an eight hour drive in eastern Montana.

The Job Service Offices, especially in the rural areas, are a community resource. They have made a special effort to become well-integrated into the community and often serve as an additional referral service to tell people about other community services such as mental health services, financial aid, and educational resources. Since the bulk of heads of single parent households, displaced homemakers, and "first-hired, first-fired" are women, they have particularly needed this kind of help. Also, in rural communities there are not a great many alternative places to go for this information.

Often times women have shorter work histories than men or obtain an initial job after having been out of the paid labor force for a significant period of time. That means they often need more information about how to obtain and apply for jobs. Job Service Offices have provided that assistance. They have also acted as a resource to get people into training programs -- again a service important to women who may have been out of the job market for a time and who often start at the lowest paying jobs.

Because Montana's women have needed the services offered by Job Service Offices in ever increasing numbers and because they often have particularly high need for the unique array of services offered by these offices, we would urge this committee to refund the Job Service Offices as dictated by the federal cuts in appropriations.

WITNESS STATEMENT

NAME F. H. BUCK BOLES BILL No. Job Service Application  
 ADDRESS Box 1730 Helena DATE \_\_\_\_\_  
 WHOM DO YOU REPRESENT MONTANA CHAMBER  
 SUPPORT \_\_\_\_\_ OPPOSE \_\_\_\_\_ AMEND \_\_\_\_\_

PLEASE LEAVE PREPARED STATEMENT WITH SECRETARY.

## Comments:

THE Montana Chamber supports keeping the job service office open across the state.

Proposed increases in the tax rate and in the taxable base represent a great

25% increase in both. This is a big load for employers to bear.

The 2% increase to support local office should come from the general fund so as to not distort the current revenue ratio system for maintaining the fund. Also the reason of the job service office and the wide spread benefit go beyond the employer. The whole community benefits.

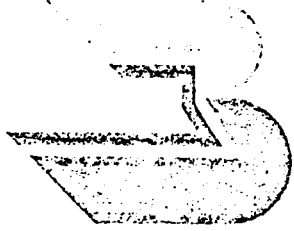
WITNESS STATEMENT

NAME 1 David R. Goss BILL No. Job Service  
ADDRESS Box 2579 Billings, MT 59103 DATE 1/10/83  
WHOM DO YOU REPRESENT Blly bus Chamber of Commerce  
SUPPORT \_\_\_\_\_ OPPOSE \_\_\_\_\_ AMEND \_\_\_\_\_

PLEASE LEAVE PREPARED STATEMENT WITH SECRETARY.

Comments:

*Prepared Statement*



December 22, 1982

Governor Ted Schwinden  
Capitol Station  
Helena, MT 59620

Dear Ted,

Recently officials of the Department of Labor and Industry met with the Chamber's Legislative Affairs Committee to discuss the funding problems being faced by the Job Service offices in Montana. These officials stated, and were supported by letters from the Labor Commissioner Dave Hunter, that without some source of additional funding it would be necessary to close 17 of the 24 Job Service offices.

However, there is an apparent conflict in what the Department is proposing in order to raise this additional revenue. The Commissioner of Labor has been quoted as saying that it would be generated by increasing the unemployment insurance tax by .2% which would cost employers an additional \$16 per employee per year. If this is in fact what is being proposed, the Chamber opposes it since it would force employers who do not use the state job placement service to subsidize it for those who do.

However, representatives of the Department, in their meeting with the Chamber's Legislative Affairs Committee, stated that while a tax increase may occur in the future, the current proposal would earmark .2% of the existing unemployment insurance tax for support of the job placement activities. This would mean that less money from the state tax would go for benefit payments and therefore, the debt owed to the federal government would be increased. There were also some statements made to the effect that the federal government will never demand full repayment of this debt. The Chamber believes that such statements are poor public policy and, in fact, unrealistic since the federal government has recently increased the federal unemployment tax in some states to recover such debts. Therefore, the Chamber believes the use of existing funds to pay for the job placement service would only delay, not solve, the problem.

The Chamber believes that the proper and best method of funding the job placement services of the State is by requiring those who use the service



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Governor Ted Schwinden

to pay for it. This job placement activity is clearly a recognizable service by a provider to a user and therefore, user fees should be established to cover the cost.

Thank you for allowing us to convey our thoughts to you on this matter.

Sincerely,

A handwritten signature in cursive script that reads "Bob Waller". The signature is written in dark ink and has a long, sweeping horizontal line extending to the right.

Bob Waller, President  
Board of Directors  
Billings Area Chamber of Commerce

BW/pw