

MINUTES OF THE MEETING  
LABOR & EMPLOYMENT RELATIONS COMMITTEE  
MONTANA STATE SENATE

February 1, 1983

The meeting of the Labor Committee was called to order by Chairman Gary C. Aklestad on February 1, 1983, at 1:00 p.m. in Room 404, State Capitol.

ROLL CALL: All members of the Committee were present.

CONSIDERATION OF SENATE BILL NO. 210:

Chairman Aklestad introduced Senator Harold Dover, sponsor of Senate Bill No. 210, to the Committee, and Senator Dover explained the bill to the Committee. Senator Dover's printed testimony is attached. (Exhibit No. 1)

Senate Bill No. 210 is an act authorizing the Unemployment Insurance Division to use a portion of contributions from employers for certain administrative purposes.

PROPOSENTS OF SENATE BILL NO. 210:

Dave Hunter, representing the Department of Labor, stated they are in support of Senate Bill No. 210.

Mr. Hunter distributed a Job Service Administrative Funding Proposal to the Committee. This proposal is attached. (Exhibit No. 2)

Mr. Hunter stated that there has been some suggestion that private agencies could take over the job of Job Service. However, he stated that the Job Service placed 30,000 in 1982; whereas, the private agencies placed only 700 in 1982.

Mr. Hunter told the Committee there would be an increased cost if they do not have a Job Service Office for the administration of such programs as Food Stamps, Welfare, etc.

Job Service also helps keep the unemployment insurance honest, and integrity in the system is critical.

James Hughes, representing Mountain Bell, stated they are in support of Senate Bill No. 210. They find Job Service to be a very valuable service in the state. It doesn't put undue strain on other segments of the state.

Eugene Fenderson, representing the Laborers' Local 254, stated they are in support of Senate Bill 210. Mr. Fenderson's printed testimony is attached. (Exhibit No. 3)

James Murry, representing Montana State AFL-CIO, stated they support Senate Bill 210. Mr. Murry's printed testimony is attached. (Exhibit No. 4)

Glen Drake, representing Montana Public Employees Association, stated they support Senate Bill 210.

George Allen, representing Montana Retail Association, stated they are in support of Senate Bill 210.

Howard Rosenleaf from Anaconda, Montana, representing the Montana State Council of Carpenters Local 88, Anaconda, Montana, stated they are in support of Senate Bill 210. Mr. Rosenleaf's printed testimony is attached. (Exhibit No. 5)

Jerry Overmier, representing First Bank in Helena, stated they support Senate Bill 210. Mr. Overmier's printed testimony is attached. (Exhibit No. 6)

Pat McKittrick, representing Teamsters Joint Council No. 2, urged a cautionary approach to the bill. The bill should only be a stop gap, not the beginning of many similar bills in the future.

Carl Knutson, representing the Brotherhood of Maintenance of Way Employees, stated they are in support of Senate Bill 210.

James T. Mular from Butte, representing the Brotherhood of Railway Clerks, stated they support Senate Bill 210. He stated that the Job Service units in Montana are already too far apart for the rural areas.

Celinda Lake, representing Women's Lobbyist Fund, stated they are in support of Senate Bill 210. C. Lake's printed testimony is attached. (Exhibit No. 7)

Senator John Mohar, representing Senate District No. 11, Libby, Montana, stated they are in support of Senate Bill No. 210.

Harold Kansier, representing the Department of Labor, stated they support Senate Bill 210. Mr. Kansier distributed a Summary of Claims Reported by Local Offices - U.I. This summary is attached. (Exhibit No. 8)

Eileen Robbins, representing the Montana Nurses Association, stated they support Senate Bill 210.

Morris Gullickson, representing United Transportation Union, stated they support Senate Bill 210.

OPPONENTS OF SENATE BILL NO. 210:

Senator Thomas Keating, representing Senate District No. 32, Billings, Montana, stated that many of the people in his district are not in favor of the bill.

Chad Smith, representing Unemployment Compensation Advisors, Inc., stated that Senate Bill 210 should be amended to correct the first sentence in the bill because of ambiguity. The .1% provided is an additional tax on non-experience rated employers even though the title of the bill speaks only of a portion of contributions from employers. The .1% is not "of total wages paid by employers" but is a tax equal to .1% of total wages paid. The language seems to say that the .1% comes from the employee wages.

QUESTIONS FROM THE COMMITTEE ON SENATE BILL NO. 210:

Senator Goodover: Has it ever been considered to have a users' fee for the Job Service? Why make it a burden on the employer?

Dave Hunter: There is a specific federal statute that will not allow them to charge a fee for the federal Job Service.

Senator Blaylock: What about Mr. Smith's objection?

Dave Hunter: They had felt it was clear as written.

Senator Keating: What is a specific rating?

Dave Hunter: There are two systems in dealing with employees. Mr. Hunter proceeded to explain the systems to the Committee.

There was discussion on trust fund monies.

Chairman Aklestad called the hearing closed on Senate Bill No. 210.

CONSIDERATION OF SENATE BILL NO. 213:

Chairman Aklestad introduced Senator Harold Dover, sponsor of Senate Bill No. 213, to the Committee, and Senator Dover explained the bill to the Committee. Senator Dover's printed testimony is attached. (Exhibit No. 9)

Senate Bill No. 213 is an act to round unemployment compensation amounts to the nearest lower full dollar amount; and to remove the requirement that the Department of Labor and Industry publish an annual Unemployment Compensation Benefit Schedule.

PROPONENTS OF SENATE BILL NO. 213:

Dave Hunter, representing the Department of Labor, stated that the choice is a financial one. If we enact this bill, the savings are significant.

Jim Hughes, representing Mountain Bell, stated they support Senate Bill 213. It is important to keep in mind that all four of the bills go together, and Senate Bill 213 is part of the total package.

George Allen, representing Montana Retail Association, stated they support Senate Bill No. 213.

OPPONENTS OF SENATE BILL NO. 213:

James Murry, representing Montana AFL-CIO, stated they oppose Senate Bill 213. Mr. Murry's printed testimony is attached. (Exhibit No. 10)

Pat McKittrick, representing Teamsters Joint Council No. 2, stated they oppose Senate Bill No. 213.

Eugene Fenderson, representing the Laborers' Union Local 254, stated they oppose Senate Bill No. 213.

QUESTIONS FROM THE COMMITTEE ON SENATE BILL NO. 213:

Senator Blaylock: If the amount would be \$25.24 or \$25.95, they would only receive \$25.

Dave Hunter: That is correct.

Senator Blaylock: If we don't do this, the Department of Labor in Montana, will have to pick it up themselves.

Dave Hunter: That is correct. We would pay the entire amount.

Senator Lynch: Has this been approved yet?

Harold Kansier: It was passed in 1981.

Senator Dover made closing comments in support of Senate Bill 213.

Chairman Aklestad called the hearing closed on Senate Bill 213.

CONSIDERATION OF SENATE BILL NO. 215:

Chairman Aklestad introduced Senator Harold Dover, sponsor of Senate Bill No. 215 to the Committee, and Senator Dover explained the bill to the Committee. Senator Dover's printed testimony is attached. (Exhibit No. 11)

Senate Bill No. 215 is an act to provide a 1-week waiting period between unemployment compensation benefit years when the claimant is in a compensable status at the end of his old benefit year and at the beginning of his new benefit year.

PROPOSERS OF SENATE BILL NO. 215:

Dave Hunter, representing the Department of Labor, stated they are in support of Senate Bill No. 215. The cost is significant. If there is no extended benefits, there is no savings.

James Hughes, representing Mountain Bell, stated they are in support of Senate Bill No. 215.

OPPOSERS OF SENATE BILL NO. 215:

Jim Murry, representing Montana AFL-CIO, stated they oppose Senate Bill 215. Mr. Murry's printed testimony is attached. (Exhibit No. 12)

Pat McKittrick, representing Teamsters Joint Council No. 2, stated they oppose Senate Bill 215.

Eugene Fenderson, representing the Laborers' Local 254, stated they oppose Senate Bill 215.

Bill Kokoruda, representing Carpenters' Local 153, stated they oppose Senate Bill 215.

Eileen Robbins, representing the Montana Nurses' Association, stated they oppose Senate Bill 215. E. Robbins' printed testimony is attached. (Exhibit No. 13)

QUESTIONS FROM THE COMMITTEE ON SENATE BILL NO. 215:

Senator Blaylock: How much is the average unemployed person drawing per week?

Dave Hunter: \$120 per week.

Senator Gage: This unemployment time is 26 weeks.

Dave Hunter: That is correct.

Senator Dover made closing comments in support of Senate Bill 215. He reminded the Committee that times are difficult for the employer as well as the employee, and they have a difficult time paying for some of these benefits; therefore, the costs should be curbed.

Chairman Aklestad called the hearing closed on Senate Bill No. 215.

CONSIDERATION OF SENATE BILL NO. 273:

Chairman Aklestad introduced Senator Harold Dover, sponsor of Senate Bill No. 273, to the Committee, and Senator Dover explained the bill to the Committee. Senator Dover's printed testimony is attached. (Exhibit No. 14)

Senate Bill No. 273 is an act to provide for a change in the minimum qualifying wages for unemployment insurance benefits.

PROPOSERS OF SENATE BILL NO. 273:

Dave Hunter, representing the Department of Labor, stated they support Senate Bill 273. Mr. Hunter used some charts to explain average weekly wage and benefit amounts and the average number of unemployed. Copies of these charts are attached.  
(Exhibit No. 15)

Mr. Hunter stated that by 1985 the average weekly wage would probably be \$351. The bill has significant cost savings.

George Allen, representing Montana Retail Association, stated they are in support of Senate Bill 273.

Jim Hughes, representing Mountain Bell, stated they support Senate Bill 273.

OPPOSERS OF SENATE BILL NO. 273:

Jim Murry, representing Montana AFL-CIO, stated they oppose Senate Bill 273. Mr. Murry's printed testimony is attached.  
(Exhibit No. 16)

Stacy Flaherty, representing Women's Lobbyist Fund, stated they oppose Senate Bill 273. S. Flaherty's printed testimony is attached. (Exhibit No. 17)

Pat McKittrick, representing Teamsters Joint Council No. 2, stated they oppose Senate Bill 273.

Eugene Fenderson, representing Laborers' Local 254, stated they oppose Senate Bill 273.

Howard Rosenleaf, representing Carpenters Local 88, Anaconda, Montana, stated they oppose Senate Bill 273. Mr. Rosenleaf's printed testimony is attached. (Exhibit No. 18)

QUESTIONS FROM THE COMMITTEE ON SENATE BILL NO. 273:

Senator Lynch: If a person makes the state minimum wage would he be eligible?

Dave Hunter: That works out to just about the minimum wage. In 1985 they would very likely be eligible.

Senator Lynch: Are we talking about a lot of people who are excluded from receiving minimum wage?

Dave Hunter: The claimants are almost exclusively in the retail section and are predominantly women. They are usually not the primary wage earner in the family.

Senator Lynch: What type of people are we talking about, Mr. Murry?

James Murry: Those people who are not legitimately attached to the work force. As the depression deepens, there will be more people in that category.

Senator Goodover: To Mr. Murry--do you represent all of those people we are talking about?

James Murry: There are a number of them who are not represented.

Senator Keating: How do you arrive at the average weekly wage?

Dave Hunter: That is the number of people working.

Senator Dover made closing remarks in support of Senate Bill 273.

Vice-Chairman Keating called the hearing closed on Senate Bill 273.

ACTION ON SENATE BILL NO. 198:

Copies of a proposed amendment by Senator Tveit, sponsor of Senate Bill 198, were distributed to the Committee. This amendment is attached. (Exhibit No. 19)

Senator Goodover moved that the Committee adopt the proposed amendment to Senate Bill No. 198. The Committee voted unanimously by voice vote to adopt the amendment to Senate Bill No. 198.

Senator Blaylock moved that Senate Bill No. 198 Do Not Pass. Senator Goodover made a substitute motion that Senate Bill No. 198 Do Pass. A Roll Call Vote was taken on Senator Goodover's motion and the motion failed by a 5-3 vote. This Roll Call Vote is attached.

Senator Blaylock then moved that Senate Bill No. 198 Do Not Pass As Amended. The Committee voted by voice vote that SENATE BILL NO. 198 DO NOT PASS AS AMENDED. The vote was 5-3. Those voting "no" were Senators Galt, Goodover, and Aklestad.

Senator Keating distributed copies of a proposed amendment to Senate Bill No. 154 for the Committee to study for consideration at a later date. This proposed amendment to Senate Bill No. 154 by Senator Keating is attached. (Exhibit No. 20)

ADJOURN: There being no further business before the Committee, the meeting was adjourned at 2:58 p.m.

  
\_\_\_\_\_  
Senator Gary C. Aklestad, Chairman

ROLL CALL

LABOR

COMMITTEE

48th LEGISLATIVE SESSION -- 1983

Date 2/1/83

[illegible]



# STANDING COMMITTEE REPORT

February 1, 1921

MR. **PRESIDENT:**

We, your committee on **LABOR & EMPLOYMENT RELATIONS**

having had under consideration **SENATE** Bill No. **198**

Respectfully report as follows: That **SENATE** Bill No. **198**

**Introduced bill be amended as follows:**

1. Page 1, line 6.

Following: "TO"

Insert: "AUTOMATICALLY"

2. Page 1, line 10.

Following: "under"

Insert: "expired"

3. Page 1, line 11.

Following: "agreements"

Strike: "not allowed. Upon"

Insert: "Following"

4. Page 1, line 14.

Following: "agreement"

Strike: "must continue to receive the exact"

Insert: "may be paid the same"

~~XXXXXX~~

Continued

February 1, 19 83  
Senate Bill No. 198

5. Page 1, line 15.

Following: "received"

Strike: "during the previous year"

Insert: "prior to the expiration"

And, as so amended  
DO NOT PASS

SENATE COMMITTEE LABOR

Date 2/1/83 Senate Bill No. 198 Time 2:55

NAME	YES	NO
TOM KEATING, VICE-CHAIRMAN		✓
JACK GALT	✓	
PAT GOODOVER	✓	
DELWYN GAGE		✓
CHET BLAYLOCK		✓
JOHN LYNCH		✓
DICK MANNING		✓
GARY AKLESTAD, CHAIRMAN	✓	

Margie Nichols  
Secretary

Larry Callahan  
Chairman

Motion: Senator Goodover made a substitute motion  
that Senate Bill No. 198 Do Pass as amended.

Motion failed by a 5-3 vote.

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

DATE

Feb. 1, 1983

## COMMITTEE ON Labor &amp; Employment Relations

## VISITORS' REGISTER

NAME	REPRESENTING	BILL #	Check One	
			Support	Oppose
Joe Rosman	Teamsters	213		x
Joe Rosman	" "	215		x
Joe Rosman	" "	273		r
R.S. Joengsmeth	Teamsters	213		✓
		215		✓
		273		✓
Sh. Dean	M B E A	210	✓	
Joe M. F. 2	Council Teamster Nor	213, 215, 273		-
Eugene Fend	Salvador Deal 254	213, 215, 273		✓
		210	✓	
Abb. Minckley	Montana School Board Assn			
Howard Hoffman	Mont State Council of Rep	210	✓	
Bill Johnson	Asphalt Fuel 153	210	✓	
Kerry Beltrac	MTN NEWS	210		
Jim Omy	Board of Labor Agents	210	✓	
Harold H. Kansier	Dept of Labor	210	✓	
Paul E. Allen	Montana Relief Comm.	210	✓	
Celinda Lake	Women's Lobbyist Fund	210	✓	
GARY CURTIS	Dept of LABOR	210	✓	
Nancy Flaherty	Women's Lobbyist Fund	273		✓
John M. Moran	S D #11	210	✓	
Sabra	B M W E	210	✓	
M. Sullivan	UNITED TRANSPORTATION UNION	210	✓	
Coilee Robbins	MONTANA MUSEUM ASSOC	215		✓
Jim H. Dean	Mountain Bell	210	✓	
Jim Miller	BRO RURAL CLUBS	210	✓	

(Please leave prepared statement with Secretary)

NAME James Murry BILL NO. SB 210  
ADDRESS Helena DATE 2-1-83  
WHOM DO YOU REPRESENT Mont. AFH-C10  
SUPPORT X OPPOSE \_\_\_\_\_ AMEND \_\_\_\_\_

PLEASE LEAVE PREPARED STATEMENT WITH SECRETARY.

Comments:

NAME Ellen Drake BILL NO. SB 210

ADDRESS Helena DATE \_\_\_\_\_

WHOM DO YOU REPRESENT Montana Public Employees' Ass'n

SUPPORT ✓ OPPOSE \_\_\_\_\_ AMEND \_\_\_\_\_

PLEASE LEAVE PREPARED STATEMENT WITH SECRETARY.

Comments:

SB 210  
SB 213  
SB 215  
SB 273

NAME George E Allan BILL NO. SB 273

ADDRESS Helena Montana DATE \_\_\_\_\_

WHOM DO YOU REPRESENT Montana Retail Assn.

SUPPORT ☒ OPPOSE \_\_\_\_\_ AMEND \_\_\_\_\_

PLEASE LEAVE PREPARED STATEMENT WITH SECRETARY.

Comments:

NAME: Howard Rosenleaf DATE: 2/1/83

ADDRESS: 1817 W. Park Anaconda Mont

PHONE: 563-6856

REPRESENTING WHOM? Mont State Council of Gov

APPEARING ON WHICH PROPOSAL: Senate Bill

DO YOU: SUPPORT? X AMEND? \_\_\_\_\_ OPPOSE? \_\_\_\_\_

COMMENTS: \_\_\_\_\_

PLEASE LEAVE ANY PREPARED STATEMENTS WITH THE COMMITTEE SECRETARY.



NAME: JERRY OVERMIER

DATE: Feb. 1 '83

ADDRESS: 6752 Applegate

PHONE: 458-5803

REPRESENTING WHOM? management - Board of Labor Appeals

APPEARING ON WHICH PROPOSAL: Bill 210

DO YOU: SUPPORT? X AMEND? \_\_\_\_\_ OPPOSE? \_\_\_\_\_

COMMENTS: \_\_\_\_\_

PLEASE LEAVE ANY PREPARED STATEMENTS WITH THE COMMITTEE SECRETARY.

WITNESS STATEMENT

Name Cecil Knutson Committee On \_\_\_\_\_  
Address 220 So. Pearson Date Feb 1-1983  
Representing Bro. Mtr of Wg E-P Support ✓  
Bill No. SB 210 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.

NAME: JAMES T MULAR DATE: 1/1/83  
ADDRESS: 440 Roosevelt DR R-1 Butte mt 59701  
PHONE: 494-2316  
REPRESENTING WHOM? BRAC

APPEARING ON WHICH PROPOSAL: BB 210

DO YOU: SUPPORT? X AMEND? \_\_\_\_\_ OPPOSE? \_\_\_\_\_

COMMENTS: MANY OF OUR MEMBERS ARE LOCATED  
IN RURAL mt. Especially our RAIL  
PERSONEL. Although They Receive RR  
Unemployment Benefits, They must seek  
outside employment as a condition for  
Receiving RR unemployment benefits.  
~~Through~~ The Job Service Units  
IN MONT ARE Already To far apart  
AT LEAST for our RURAL AREA MEMBERS

NAME Celinda Lake BILL NO. SB210  
ADDRESS Box 1099 Helena, MT DATE 2/1  
WHOM DO YOU REPRESENT Women's Lobbyist Fund  
SUPPORT X OPPOSE \_\_\_\_\_ AMEND \_\_\_\_\_

PLEASE LEAVE PREPARED STATEMENT WITH SECRETARY.

Comments:

*Printed testimony passed out*

NAME Daniel V Kansier BILL NO. 210-213-215-273  
ADDRESS Helen DATE \_\_\_\_\_  
WHOM DO YOU REPRESENT Mt Dept of Labor  
SUPPORT ☒ OPPOSE \_\_\_\_\_ AMEND \_\_\_\_\_

PLEASE LEAVE PREPARED STATEMENT WITH SECRETARY.

Comments:

WITNESS STATEMENT

Name MORRIS GULLICKSON Committee On 12604  
Boat  
Address 323 SO 6TH Date 1 FEB 83  
Representing UNITED TRANSPORTATION UNION Support ✓  
Bill No. SB 210 Oppose \_\_\_\_\_  
Amend \_\_\_\_\_

AFTER TESTIFYING, PLEASE LEAVE PREPARED STATEMENT WITH SECRETARY.

Comments:

1. IN THIS DAY OF HIGH UNEMPLOYMENT THIS CREATES  
A HARDSHIP ON THE UNEMPLOYED TO DRIVE AT THEIR  
2. OWN EXPENSE MANY MILES TO SIGN UP ETC.  
AND LOOK FOR OTHER EMPLOYMENT.  
BEING FROM OTHER AREAS INCREASES THE CHANCE OF NOT  
3. OF CHECKING ON A APPLICANT AND THE CHANCE OF FRAUD.  
4.

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

NAME: CHAD SMITH

DATE: 2-1-83

ADDRESS: Box 604

PHONE: 442-2980

REPRESENTING WHOM? Unemp Comp Advisors, Inc.

APPEARING ON WHICH PROPOSAL: SB 210, 213, 215 + 273

DO YOU: SUPPORT? all 4 bills AMEND? \_\_\_\_\_ OPPOSE? \_\_\_\_\_

COMMENTS: SB 210 should be amended to correct the first sentence because of ambiguity. The .1% provided is an additional tax on non-experience rated employers even though the title of the bill speaks only of a portion of contributions from employers.

The .1% is not "of total wages paid by employer" but is a tax equal to .1% of total wages paid. The language seems to say that the .1% comes from the employee wages.

PLEASE LEAVE ANY PREPARED STATEMENTS WITH THE COMMITTEE SECRETARY.

NAME James Murry BILL NO. SB 213  
ADDRESS Helena DATE 2-1-83  
WHOM DO YOU REPRESENT Mont. AFL-CIO  
SUPPORT \_\_\_\_\_ OPPOSE X AMEND \_\_\_\_\_

PLEASE LEAVE PREPARED STATEMENT WITH SECRETARY.

Comments:



NAME James W. Murry BILL NO. SB 215

ADDRESS Helena DATE 2-1-83

WHOM DO YOU REPRESENT Mont. AFL-CIO

SUPPORT \_\_\_\_\_ OPPOSE X AMEND \_\_\_\_\_

PLEASE LEAVE PREPARED STATEMENT WITH SECRETARY.

Comments:

NAME James Murry BILL NO. SB 273  
ADDRESS Helena DATE 2-1-83  
WHOM DO YOU REPRESENT Mont. AFL-CIO  
SUPPORT \_\_\_\_\_ OPPOSE X AMEND \_\_\_\_\_

PLEASE LEAVE PREPARED STATEMENT WITH SECRETARY.

Comments:

NAME Stacy Flaherty BILL NO. <sup>SB</sup> 273  
ADDRESS P.O. Box 1099, Helena 59624 DATE \_\_\_\_\_  
WHOM DO YOU REPRESENT Women's Lobbyist Fund  
SUPPORT \_\_\_\_\_ OPPOSE ☒ AMEND \_\_\_\_\_

PLEASE LEAVE PREPARED STATEMENT WITH SECRETARY.

Comments:

SENATOR HAROLD L. DOVER

SENATE BILL 210

By request of the Department of Labor and Industry

AN ACT AUTHORIZING THE UNEMPLOYMENT INSURANCE DIVISION  
TO USE A PORTION OF CONTRIBUTIONS FROM EMPLOYERS FOR  
CERTAIN ADMINISTRATIVE PURPOSES; AND PROVIDING AN  
EFFECTIVE DATE.

I am carrying Senate Bill 210 because it is very necessary if 17 Job Service stations like ours in Lewistown are to stay open with the present cuts being proposed by the administration and acted upon by Congress. Rural communities become very dependent on this service because they don't have private employment agencies. The incomes of the people are often lower and don't attract private agencies.

SB 210 would continue the service of these agencies by utilizing a small portion (.2%) of the unemployment insurance tax for administrative costs as well as benefits. The bill would dedicate .2% of the state unemployment tax for administrative purposes. Any monies not used would revert to a trust fund to be used solely for benefits kept in Montana.

The Appropriations Committee in the House has already put the spending authority in, that federal monies will be used first. This .2% dedicated money would be used to keep Job Service stations going when federal monies are not available. When our benefit monies are down, unemployment is at its highest - low income people hurt the worst and the ~~most~~ ~~affected~~ areas (rural areas) are the first to have their Job Service stations cut.

There is a trade-off between benefits paid and job placement made by a local office.

Example: Lewistown is 100 miles to Great Falls - 120 miles to Billings - Result - reduced placement of individuals drawing unemployment insurance benefits, - thus more payout in unemployment - which can result in employers paying more into unemployment. If Job Service could get each one of the 42,000 claimants on the job one week earlier, they they would get back themselves; it would save the state \$4 Million in benefits paid out.

If the Job Service is taken out of a community it will have a direct economical impact in that community, and when these people do drive to Billings or Great Falls - they'll spend more of their money there.

There will be an increased cost to the employers to find an employee. He will have to seek out who wants a job, their experience and abilities.

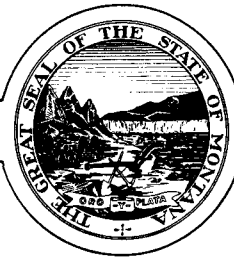
Unemployment insurance will be much more open to fraud because of being done by mail and less face to face contact. There is less knowledge of the claimants ability to work - or efforts to get work - thus allowing more freeloading that would normally be disqualified to draw benefits.

	(Some persons more than 1 job)		(W/overhead)	Cost Per Individual Placement	Cost Per Placement Transaction
	Individual Placements (1)	Placement Transactions (1)	Total ES Grants Expenditures (3)		
FFY '78	34,055	53,517	\$3,864,300	\$113.47	\$72.21
'79	36,553	58,397	\$4,108,000	\$112.38	\$70.35
'80	31,689	47,873	\$4,191,600	\$132.27	\$87.56
'81	30,557	49,253	\$4,918,800	\$160.97	\$99.87
'82	28,845	41,372	\$4,547,900	\$157.67	\$88.53

Source-Date

- (1) Report 22B and Job Service Program Budget and Planning Documents
- (2) Report 95 for September of each FFY
- (3) Report 61 for September of each FFY

DEPARTMENT OF LABOR AND INDUSTRY  
COMMISSIONER'S OFFICE



TED SCHWINDEN, GOVERNOR

STATE CAPITOL

STATE OF MONTANA

(406) 449-3661

January 5, 1983

HELENA, MONTANA 59620

Job Service Administrative Funding Proposal

Job Service funding will be cut significantly if the Reagan Administration budgets are adopted. Montana would be forced to close 17 of 24 offices. The 1983 Montana Legislature needs to decide if Montana wants to find state funding to continue to provide services or whether we are prepared to walk away from service in all but seven communities in the state.

The Department's proposal is to continue service by utilizing the unemployment insurance tax for administrative costs as well as benefits. The proposal would dedicate 0.2 percent of the state unemployment insurance tax for administrative purposes as appropriated by the Legislature. (In 1982 the average tax is 2.7 percent on the first \$8,000 of taxable wages.) Any money not appropriated for administrative purposes would be reverted to the Trust Fund to be used solely for benefits. These funds would be held and invested in Montana rather than being deposited with the Treasury.

Based on 1982 figures of a taxable wage base of \$8,000 this proposal would generate four million dollars in revenue, a tax increase of \$16 per year per employee. As the taxable wage base increases, the total tax paid by each employer would increase, however, the rate of 0.2 percent would remain constant. If federal funding meets or exceeds the level appropriated by the Legislature, then none of the monies would be used for administrative purposes and the total amount would revert to the Trust Fund for payment of benefits. The net increase in taxes to employers will be the difference between the amount appropriated by the Legislature and the dollars provided to the State of Montana by the federal government.

Why Retain Job Service

There is a trade-off between benefits paid and job placements made by a local office. If the State of Montana is forced to close Job Service offices, the reduced placements of individuals who are drawing unemployment insurance benefits will increase the average number of weeks that unemployment claimants draw benefits. If the Job Service offices did nothing more than to get each one of the 42,000 claimants in this state a job one week earlier than they would have gotten by themselves more than \$4 million in benefits will be saved. Benefits paid have a direct tax impact on employers.

The choice the Legislature has to make is a trade-off; how much should be spent for benefits versus how much should be spent for administration. At current level staffing use of trust fund monies for administration will reduce the net overall expenditure because of the savings in benefit dollars.

If unemployment insurance claimants have to drive to the seven largest cities to file their initial claim, those individuals are going to spend more of their money for groceries, gasoline, etc. in those communities rather than the communities in which they reside. That will have a direct economic impact on main street businesses in the 17 communities where offices would be closed.

The closing of Job Service offices will eliminate the ability to provide a job placement service for employers. There will be an increased cost to employers who will have to deal directly with job applicants, and to do their own screening and testing because that service will not be available from the local office.

Unemployment insurance will become a "mail order operation," much more open to fraud. As the number of offices and staff dwindles, the ability to determine whether a claimant is in fact able, available and seeking work will decline proportionately. In fact, in rural areas there will be almost no enforcement ability, allowing freeloaders that would be otherwise disqualified to draw benefits.



# Budget Figures

	<u>FFY 81</u>	<u>FFY 82</u>	<u>FFY 83</u>	<u>FFY 84</u>	<u>FFY 85</u> (Oct. 1, 1984)
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>

<u>Office</u>	<u>CURRENT STAFFING(FFY 83)</u>				<u>FFY 81</u>
	<u>Job Service</u>	<u>Unemployment Insurance</u>	<u>Other Programs</u>	<u>Total</u>	<u>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
Sub Totals	<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
Sub Totals	<u>39.89</u>	<u>17.55</u>	<u>16.25</u>	<u>73.69</u>	<u>90.02</u>
Central Office	<u>15.3</u>	<u>1</u>	<u>23.66</u>	<u>39.96</u>	<u>103.01</u>
TOTALS	140	56	116.09	312.09	467.97

\* Building owned by State.

Placement Activity

	<u>Individual Placements</u>	<u>Placement Transactions</u>	<u>Total ES Grants Expenditures</u>	<u>Cost Per Individual Placement</u>	<u>Cost Per Placement Transaction</u>
FFY 78	34,055	53,517	\$3,864,300	\$113.47	\$72.21
79	36,553	58,397	\$4,108,000	\$112.38	\$70.35
80	31,689	47,873	\$4,191,600	\$132.27	\$87.56
81	30,557	49,253	\$4,918,800	\$160.97	\$99.87
82	28,845	51,372	\$4,547,900	\$157.67	\$88.53

Cost Summary For Proposed Legislation

		<u>Affect On Trust Fund</u>		
<u>Bill</u>	<u>Description</u>	<u>Cost/Savings</u>	<u>FY 84</u>	<u>FY 85</u>
SB 210	.2% Administrative Funding	Cost	(1,469,962)	(3,071,042)
SB 213	Round Down Payments	Savings	287,606	195,400
SB 215	Waiting Weeks Between Years	Savings	448,500	450,000
SB 273	Minimum Qualifying Wage	Savings	710,045	1,122,418
		NET	<u>( 23,811)</u>	<u>(1,303,224)</u>

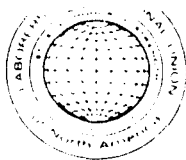


Exhibit 3  
Submitted by Eugene Fenderson  
February 1, 1983

# *Laborers' International Union of North America, AFL-CIO*

## *Local No. 254*

Testimony of Eugene Fenderson on Senate Bill 210,  
Hearings before the Senate Labor and Employment  
Relations Committee, February 1, 1983

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P. O. BOX 702  
110 N. WARREN  
HELENA, MT 59624  
(406) 442-1441

I am Eugene Fenderson, business manager for Laborers Local 254, Helena. I am here to testify in favor of Senate Bill 210. Senate Bill 210 allocates funding from employer contributions to retain our current number of Job Service offices. Those 24 offices could be slashed to seven without legislative funding, because of federal cutbacks.

Keeping those Job Service offices open is crucial for the unemployed workers in our state. There are over 37,000 jobless now, with projections that this number could go over 50,000 in the next few months. And, there is no end in sight. United States Treasury Secretary Donald Regan predicts that the jobless rate nationally will average 10.7 percent this year and remain at over 10 percent for several months into 1984. It is clear that even Reagan Administration officials realize that the terrible problems of high unemployment will not disappear in the near future.

A statewide network of Job Service offices is absolutely necessary to assist unemployed workers and to allow them to file unemployment insurance claims without undue hardship. Closing 17 offices will make finding work almost impossible for workers in smaller Montana communities and force them to travel long distances to file a claim.

Please help unemployed Montana workers get back to work by voting in favor of Senate Bill 210.

Thank you.



Box 1176, Helena, Montana

JAMES W. MURRY  
EXECUTIVE SECRETARY

ZIP CODE 59624  
406/442-1708

TESTIMONY OF JIM MURRY ON SENATE BILL 210, BEFORE THE SENATE LABOR AND EMPLOYMENT  
RELATIONS COMMITTEE, FEBRUARY 1, 1983

I am Jim Murry, executive secretary of the Montana State AFL-CIO. I am here to speak in strong support of Senate Bill 210. This bill provides for funding to keep Montana's Job Service offices open, by allocating a small portion of existing unemployment insurance taxes.

Because of Reagan Administration cutbacks in funding, Montana could lose 17 of its 24 Job Service offices, without the passage of this bill. This shortsighted attempt to save money by closing Job Service offices when unemployment is at its highest level since the depression is a nonsensical approach to our nation's problems. With over 37,000 Montanans unemployed, jobless workers desperately need the help of Job Service offices in obtaining employment. No matter how hard they tried, the staff in seven offices could not begin to operate as effectively and efficiently as 24 offices do. Without adequate Job Service assistance in finding employment, jobless workers will suffer even more financial burdens. And, those workers who might have been ~~able~~ <sup>unable</sup> to find a job, with Job Service help, will continue to draw unemployment insurance benefits, thus further reducing the unemployment insurance trust fund.

If only seven offices remained open, many workers would have to drive long distances to file for unemployment insurance benefits at a time when they can least afford to do so. Workers in places like Shelby or Cut Bank might have to drive as far as Great Falls to file their claims. And, they would have little or no opportunity to obtain help in getting a job.

In addition, it is entirely possible that unemployed workers might decide to shop in the larger community, since they had traveled so far already. That means an additional financial drain on the main street merchants in

TESTIMONY OF JIM MURRY  
SENATE BILL 210  
FEBRUARY 1, 1983

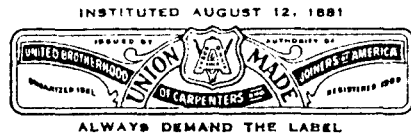
the smaller communities.

Montana Job Service offices are performing an essential public service. Recently, the Montana Job Service Agency received an official commendation from the U.S. Department of Labor for its high national ranking in finding jobs for job applicants in Fiscal Year 1982. Montana ranked second in the nation in job placement transactions, and sixth in the nation in individuals placed in jobs per staff member. In Montana, there were 419 job placements per staff member, compared with the national average of 240. This is an outstanding record, and it can only be continued through adequate funding for Job Service offices.

Recognizing the importance of keeping Job Service offices open in our state, the Montana State AFL-CIO went on record at its 1982 annual convention with a resolution supporting the legislative funding necessary to maintain adequate service for Montana's unemployed.

The Montana State AFL-CIO urges your support for Senate Bill 210.

# United Brotherhood of Carpenters and Joiners of America



[Original letterhead had union "Bug"]

Exhibit 5  
Submitted by Howard  
Rosenleaf  
February 1, 1983

ANACONDA, MONT., February 1, 1983

SENATE BILL 210  
SENATE COMMITTEE ON LABOR AND EMPLOYMENT RELATIONS  
FEBRUARY 1, 1983

I am Howard Rosenleaf, business manager for Carpenters Local 88, Anaconda. Our union supports Senate Bill 210, which will allow state funding to keep Job Service Offices open throughout Montana. Without that funding, federal cutbacks will shut down 17 of the state's 24 Job Service Offices.

Job Service Offices provide a vital function for the state's unemployed workers, by processing unemployment insurance claims and providing assistance in finding another job. It doesn't make sense to shut down offices when they are more needed now than ever. Our unemployment is at the highest level since the days of the Great Depression. That increase in unemployment means jobless workers need more help, not less. Job Service helps workers find jobs more quickly than they could on their own, and that means they are drawing unemployment insurance for a shorter period of time. That helps the worker and it helps the unemployment insurance trust fund, too.

If only seven Job Service Offices were operating, they would be in the major population centers of the state. That would cause real problems for the unemployed in smaller towns. They would have to drive a long ways just to file a claim, and their chances for job placement assistance would be just about zero.

Please help Montana's unemployed by voting for Senate Bill 210 to keep our Job Service Offices open. Thank you.

TESTIMONY

SENATE BILL 210

Mr. Chairman, my name is Jerry Overmier.

I am the Assistant Vice President and Personnel Officer for the First Bank in Helena and we use Job Service for all our hiring. We have also used their training programs regularly. I hold the office of State Vice Chairperson of the employer group, J.S.I.P., and I have traveled to the rural communities and talked with the employers.

I am here to testify today, however, primarily as the management member of the Board of Labor Appeals. As you probably know, the Board of Labor Appeals hears appeals of Unemployment Insurance claims from both workers and employers.

I support this bill and the Department's efforts to keep rural Job Service offices open because:

- 1) There would be more appeals if the local offices were not there to help ensure fairness to employers and claimants.
- 2) The Trust Fund would be even less solvent because more weeks of benefits would be collected if the offices were not there to help with job placement. The Law states that to be eligible for unemployment benefits the claimant must be able, available and seeking work.
- 3) The system would be less honest if we did not have these people to work with the claimants and employers and reassure them that the system is fair.
- 4) The Federal FUTA tax from employers pays 97% of the Administrative costs to run Job Service and if the offices were closed, it could mean taxation without representation.

# WOMEN'S LOBBYIST FUND

February 1, 1983

TESTIMONY OF CELINDA C. LAKE, WOMEN'S LOBBYIST FUND, ON FEBRUARY 1, 1983,  
IN SUPPORT OF SB 210 TO PROVIDE FOR A PORTION OF THE EMPLOYER CONTRIBUTIONS TO BE  
USED FOR ADMINISTRATIVE PURPOSES WHICH WOULD PROVIDE ADDITIONAL FUNDING FOR JOB  
SERVICES

We support SB 210 which would authorize the unemployment insurance division to use a portion of contributions from employers for certain administrative purposes which could be used to fund 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.

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. Finally, Job Service Offices have often been de facto active proponents of affirmative action in hiring through their own interviewing and placement procedures.

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 pass SB 210 which would make an important contribution toward keeping our Job Service Offices open despite federal cuts in support.



6301

MONTANA U.I. MANAGEMENT REPORT

RUN DATE 01/25/83

SUMMARY OF CLAIMS REPORTED BY LOCAL OFFICES - U. I.  
REPORT PERIOD 1/17/83 - 1/22/83

LOCAL OFFICE	U. I. INITIAL			U. I. CONTINUED		U. C. F. E.		U. C. X.		TOTAL CLAIMS		CHANGE FROM LAST WEEK		THIS WEEK YEAR AGO	
	NEW	INTRASTATE	ADVL	INTER	INTRA	IB-2	NEW	TRANS	CONT	THIS WEEK	LAST WEEK	LAST WEEK	LAST WEEK	THIS WEEK	YEAR AGO
KALISPELL	109	10	34	29	1175	270	15	1	91	1752	1737	-45	-45	2315	767
LIBBY	57	7	17	12	370	148	11	1	59	697	708	-11	-11	455	339
POLSON	22	5	3	6	277	83	0	0	17	417	458	-41	-41	210	421
CUT BANK	33	0	7	1	182	17	4	1	28	273	301	-28	-28	154	766
SHELBY	8	2	7	0	155	7	1	0	0	183	172	+11	+11	105	444
THOMPSON FALLS	14	3	2	3	275	54	1	0	37	391	411	-20	-20	2392	10560
MISSOULA	183	47	37	48	1701	320	21	0	105	2473	2319	+154	+154	1338	1211
HAMILTON	16	13	11	13	397	151	3	2	43	653	726	-73	-73	585	236
GREAT FALLS	118	15	41	18	1395	201	3	0	17	1837	1942	-105	-105	973	399
HAVRE	62	15	8	1	399	20	2	1	5	514	454	+60	+60	1416	869
LEWISTOWN	37	18	5	10	337	40	2	0	6	458	427	+31	+31	432	146
GLASGOW	13	8	8	3	266	22	0	0	5	325	319	+6	+6	157	7762
WOLF POINT	21	2	7	3	186	31	0	0	6	261	289	-28	-28	10323	10560
SUB TOTAL	693	145	187	147	7115	1364	62	6	419	10234*	10323	-89	-89	1338	1211
HELENA	147	16	28	16	1076	145	4	0	25	1471	1466	+5	+5	585	236
BUTTE	127	18	19	10	801	100	3	0	9	1096	1194	-98	-98	973	399
ANACONDA	47	7	13	9	427	53	0	0	0	563	565	-2	-2	1416	869
OILLON	16	9	1	0	134	30	1	1	8	260	255	+5	+5	432	146
BOZEMAN	78	19	28	12	875	153	12	0	46	1230	1368	-138	-138	10323	10560
LIVINGSTON	13	5	4	8	262	80	8	0	63	445	472	-27	-27	1338	1211
BILLINGS E.	180	35	47	36	1595	219	4	0	16	2145	2234	-89	-89	973	399
BILLINGS W.	69	15	50	10	831	105	0	0	10	1094	1080	+14	+14	1416	869
MILES CITY	30	4	11	10	515	88	2	0	8	675	692	-17	-17	432	146
GLENDIVE	30	6	18	8	377	23	0	0	0	464	440	+24	+24	157	7762
SIDNEY	38	2	23	9	384	79	0	0	2	538	484	+54	+54	10323	10560
SUB TOTAL	781	136	242	128	7337	1075	34	1	187	9381*	10250	-269	-269	1338	1211

GRAND TOTAL	1474	281	429	275	14452	2439	96	7	606	20215**	20573	-358	-358	18322	18322
LAST WEEK TOTAL	1801	294	505	276	14372	2423	155	19	588	20573	20573	XXXXX	XXXXX	XXXXX	XXXXX
THIS WEEK 10L				210		932	0	0	0	XXXXX	XXXXX	XXXXX	XXXXX	XXXXX	XXXXX
LAST WEEK 18L				220		1131	0	0	0	XXXXX	XXXXX	XXXXX	XXXXX	XXXXX	XXXXX

B301

MONTANA U.I. MANAGEMENT REPORT

RUN DATE 01/25/83

SUMMARY OF CLAIMS REPORTED BY LOCAL OFFICES - F.S.C.  
REPORT PERIOD 1/17/83 - 1/22/83

LOCAL OFFICE	U.I. INITIAL		U.I. CONTINUED		U.C.F.E.		U.C.X.		TOTAL CLAIMS THIS WEEK	TOTAL CLAIMS LAST WEEK	CHANGE FROM LAST WEEK	THIS WEEK YEAR AGO
	NEW TRANS	INTRASTATE ADD'L	INTER IB-1	INTRA CONT	INTER IB-2	NEW TRANS CONT	NEW TRANS CONT					
KALISPELL	44	0	9	390	77	0	0	0	544	385	+159	0
LIGBY	14	0	2	158	24	0	0	0	209	109	+100	0
POLSON	8	0	3	110	16	0	0	0	137	67	+70	0
CUT BANK	6	0	0	104	6	1	0	0	125	72	+53	0
SHELBY	4	0	4	31	1	0	0	0	40	31	+9	0
THOMPSON FALLS	10	0	2	116	18	0	0	0	154	100	+54	0
MISSOULA	55	0	15	449	68	0	0	0	597	429	+168	0
HAMILTON	15	0	3	146	42	0	0	0	215	154	+61	0
GREAT FALLS	42	0	3	442	44	0	0	3	547	369	+178	0
HAVRE	6	0	2	141	8	0	0	0	159	115	+44	0
LEWISTOWN	10	0	4	58	14	0	0	0	88	58	+30	0
GLASGOW	6	0	0	83	11	0	0	0	102	65	+37	0
WOLF POINT	5	0	1	51	1	0	0	0	66	49	+17	0
SUB TOTAL	225	0	38	2279	330	1	0	0	2983*	2003	+980	0
HELENA	23	0	4	314	49	0	0	0	400	312	+88	0
BUTTE	28	0	0	581	0	0	0	0	619	275	+344	0
ANACONDA	10	0	2	228	16	0	0	0	263	140	+123	0
OILTON	5	0	0	35	3	0	0	0	45	44	+1	0
BOZEMAN	12	0	1	111	19	0	0	0	151	149	+2	0
LIVINGSTON	9	0	0	81	12	0	0	0	105	75	+30	0
BILLINGS E.	69	0	3	343	24	0	0	1	448	533	-85	0
BILLINGS W.	19	0	7	167	20	0	0	0	215	176	+39	0
MILES CITY	12	0	0	69	16	0	0	0	103	83	+20	0
GLENDALE	11	0	1	45	0	0	0	0	59	47	+12	0
SIDNEY	1	0	0	45	5	0	0	0	51	44	+7	0
SUB TOTAL	199	0	18	2019	164	0	0	0	2459*	1878	+581	0
GRAND TOTAL	424	0	56	4298	494	1	0	0	5442**	3881	+1561	0
LAST WEEK TOTAL	388	2	69	2852	415	1	0	0	XXXX	XXXX	XXXX	XXXX
THIS WEEK IOL	32			235	235	0	0	0	XXXX	XXXX	XXXX	XXXX
LAST WEEK IOL	26			231	231	0	0	0	XXXX	XXXX	XXXX	XXXX

SENATOR HAROLD L. DOVER

SENATE BILL 213

By request of the Department of Labor and Industry.

AN ACT TO ROUND UNEMPLOYMENT COMPENSATION AMOUNTS TO THE NEAREST LOWER FULL DOLLAR AMOUNT; AND TO REMOVE THE REQUIREMENT THAT THE DEPARTMENT OF LABOR AND INDUSTRY PUBLISH AN ANNUAL UNEMPLOYMENT COMPENSATION BENEFIT SCHEDULE; AMENDING SECTIONS 39-51-2201 AND 39-51-2202, MCA.

The federal unemployment statutes have been changed so that the federal government will no longer pay for the federal half of extended benefits on incremental dollar amounts - that is if states don't round benefit amounts down to the next lowest dollar then the state must pay all the amount above that next lower dollar.

Anything rounded off to the lowest dollar the federal government will pay 50%, and state 50%. Anything above that amount the state pays 100% - which is figured to total about \$500,000 this coming biennium.

The federal government doesn't require this change - just if we don't comply it takes more state dollars to provide these benefits and there is less state dollars to cover our normal obligations.



Box 1176, Helena, Montana

JAMES W. MURRY  
EXECUTIVE SECRETARY

ZIP CODE 59624  
406/442-1708

FACT SHEET ON SENATE BILL 213 -- SENATE LABOR AND EMPLOYMENT RELATIONS COMMITTEE  
FEBRUARY 1, 1983

PENALIZING THE UNEMPLOYED

Over 37,000 people in Montana, through no fault of their own, are currently unemployed. Senate Bill 213 is one more attempt to penalize these workers for this situation they have not chosen to be in.

WHAT SENATE BILL 213 DOES

Currently unemployment insurance amounts are rounded to the nearest full dollar, so mathematically, half are rounded up and half down. This bill changes that so that maximum and minimum amounts and actual unemployment payment amounts are all rounded to the nearest lower full dollar amount.

The reason for this bill is that Ray Donovan, Secretary of Labor has mandated that the states must round down these amounts or lose a small amount of Federal unemployment insurance reimbursement. It is not yet known exactly how much would be lost or how it will be done. Congress has not approved this administration change.

WHY WE OPPOSE SENATE BILL 213

Individual loss to workers that would result from this bill because of the rounding down of benefits could be up to \$25.74, for a worker receiving 26 weeks of benefits. It is possible that even more could be lost because maximum and minimum amounts would also be rounded down all of the time instead of half of the time as is done now. The amounts may seem small, but \$25.74 can mean alot to an unemployed head of a family.

FACT SHEET ON SENATE BILL 213 -- -2-  
FEBRUARY 1, 1983

-- SENATE LABOR AND EMPLOYMENT  
RELATIONS COMMITTEE

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NO OPPOSITION TO BENEFIT SCHEDULE DELETION

The removal of the language requiring that the department annually publish a benefit schedule is simply a housekeeping measure, since benefits are no longer figured on a schedule.

SENATOR HAROLD L. DOVER

SENATE BILL 215

By request of the Department of Labor and Industry.

AN ACT TO PROVIDE A 1-WEEK WAITING PERIOD BETWEEN UNEMPLOYMENT COMPENSATION BENEFIT YEARS WHEN THE CLAIMANT IS IN A COMPENSABLE STATUS AT THE END OF HIS OLD BENEFIT YEAR AND AT THE BEGINNING OF HIS NEW BENEFIT YEAR; AMENDING SECTION 39-51-2104, MCA; AND PROVIDING AN IMMEDIATE EFFECTIVE DATE.

Senate Bill 215 brings Montana's law into compliance with federal statutes. It requires that a claimant serve a "waiting week" between benefit years. A waiting week does not disqualify a person for any benefits - it merely requires them to wait one extra week to receive them; a week in which they may find a job and not be in need of benefits.

Without SB 215 the federal government will not pay their share of the first week of extended benefits - that cost Montana \$562,000 in 1982. Because we are on extended benefits right now, it is costing Montana \$30,000 a week for every week we stay on extended benefits. This bill will save the unemployment trust fund almost \$900,000 over the biennium. That is \$900,000 of the employers taxes and with little or no cost to claimants. The claimant is still entitled to the same number of weeks of benefits - he just has to wait one week to start receiving them.

This bill will make the employers contributions to the fund go further. It makes the unemployment fund more viable - less to borrow - less interest!



Box 1176, Helena, Montana

JAMES W. MURRY  
EXECUTIVE SECRETARY

ZIP CODE 59624  
406/442-1708

TESTIMONY OF JIM MURRY ON SENATE BILL 215, BEFORE THE SENATE COMMITTEE ON LABOR AND EMPLOYMENT RELATIONS, FEBRUARY 1, 1983

I am Jim Murry, executive secretary of the Montana State AFL-CIO. I am here to testify against Senate Bill 215, which is just one more attempt to unfairly penalize Montana's unemployed workers. This bill provides for a one week waiting period between benefit years, when an unemployment insurance claimant is receiving benefits.

Making an unemployed worker go a week without unemployment insurance benefits will save the state money, but at the expense of added financial hardship to a worker who is unemployed through no fault of his or her own. High unemployment is the direct result of deliberate Reagan Administration policies. Those policies were designed to cool down inflation, but it is the workers who have paid the price, along with the elderly, the needy, the sick and the handicapped. As front-line inflation fighters, workers have already paid too high a price. This bill adds an additional burden to the jobless worker.

And the reason that the bill has been introduced is because of Administration regulations which provide that if a state does not have a waiting week between benefit years, then the state must pick up the entire cost of the first week of extended benefits, rather than 50%, for all initial claimants. That would cost the state approximately half a million dollars a year. We would prefer that the state picked up that additional cost, rather than penalizing unemployed workers by making them struggle through the week waiting period.

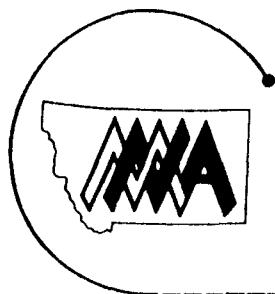
Approximately 2,400 jobless workers would have to wait out that week without an unemployment insurance check. Are those workers and their families supposed to go without eating during that period? Do you think Montana Power will not bill them

for heat or electricity for seven days? I doubt it very much, don't you? It is tough enough to try to exist on an unemployment insurance check, without further punishing the unemployed.

Please vote against Senate Bill 215.

Thank you.





# Montana Nurses' Association

2001 ELEVENTH AVENUE

(406) 442-6710

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P.O. BOX 5718 • HELENA, MONTANA 59604

## TESTIMONY SB 215

The Montana Nurses' Association opposes SB 215. This bill would further hurt economically those who are already hurting the most: the unemployed workers of America. At a time when unemployment is universal, unemployment payments must not be cut off to the unemployed, even for one week.

It is unreasonable to think that the savings to the U.S. government by not paying the one week will substantially help the economy; whereas a loss of one week's unemployment would severely affect a worker and family trying to live on the unemployment payments.

If an unemployed worker is out of work and eligible for unemployment, he or she is entitled to payment for all weeks unemployed.

Respectfully submitted,  
Eileen C. Robbins  
February 1, 1983

SENATOR HAROLD L. DOVER

SENATE BILL 273

By request of the Department of Labor and Industry.

AN ACT TO PROVIDE FOR A CHANGE IN THE MINIMUM QUALIFYING WAGES FOR UNEMPLOYMENT INSURANCE BENEFITS, AMENDING SECTION 39-51-2105, MCA, AND PROVIDING AN EFFECTIVE DATE.

Senate Bill 273 corrects what is starting to become a problem in the employment insurance system. We index the taxable wage base, we index benefit amounts - maximum, minimum and an individuals amount - but we don't index the minimum qualifying wage. As inflation raises wages we are allowing people who are less and less attached to the labor market to qualify for benefits. Their members are growing rapidly from 277 in 1979 to 1,055 in 1982; and projected to 3,500 in 1985 under the current statute.

SB 273 indexes the minimum qualifying wage to minimum benefit amount - both would set in statute at 15% of the average weekly wage. That would raise the minimum qualifying wage from \$1,000 in 1982 to about \$1,700 in July 1, 1983 - That's \$1,700 over 52 weeks, not much money. Certainly no one is supporting a family on that amount, or making house payments on the \$39.00 a week minimum benefit amount. Passage of this bill does help keep the trust fund solvent so we can pay benefits to workers who have been laid off and need the \$120 per week that the average claimant earns.

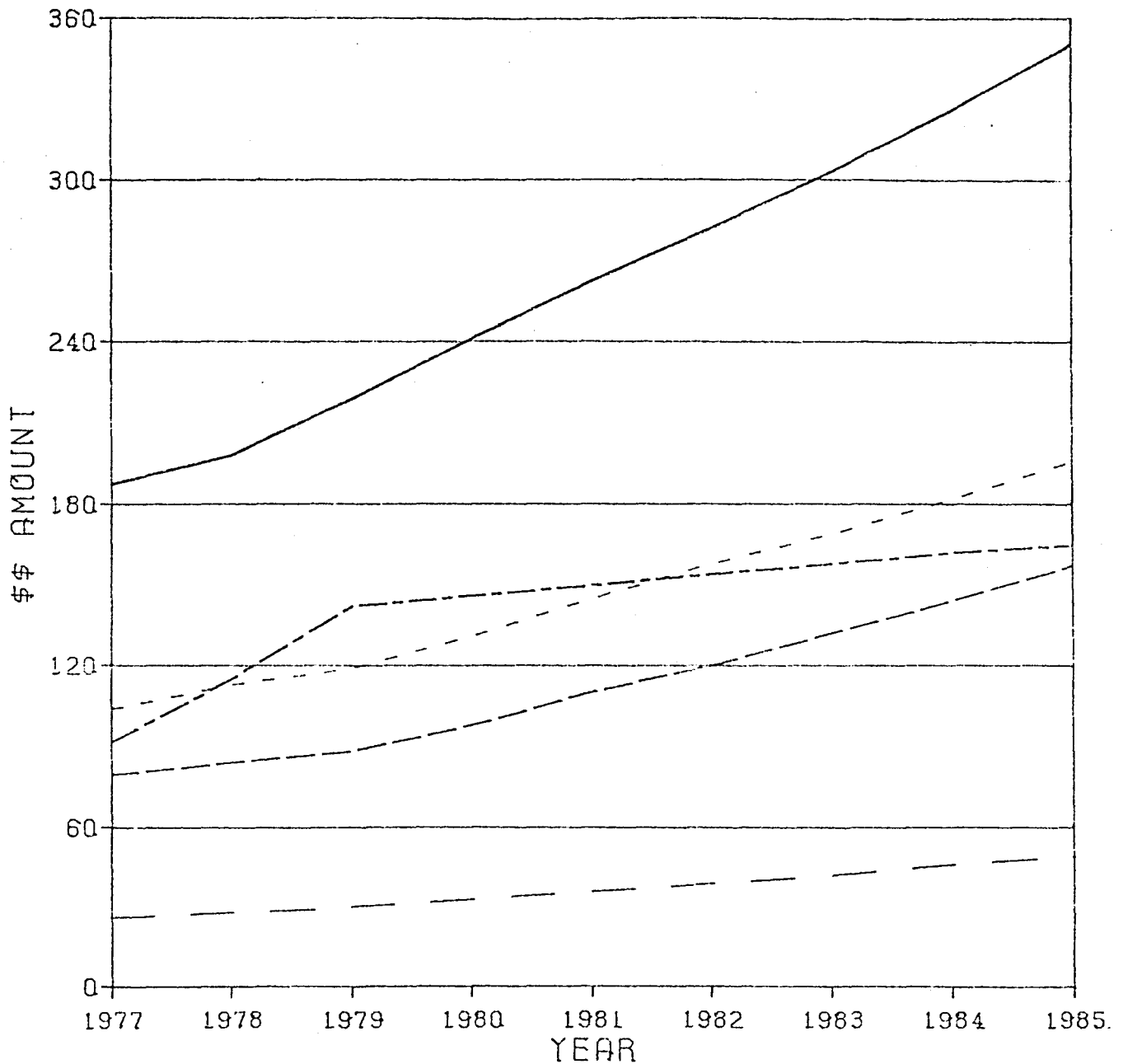
Maybe the most important argument for SB 273 is that it preserves an important element of the unemployment system -

no worker gets more in unemployment than they got in wages.

Workers benefits are set at 50% of their wages in a 52 week base period - they can't get more than the maximum 60% of the weekly wage (currently \$158) or less than 15% of the average weekly wage (currently \$39). By 1985 the minimum benefit amount will reach or exceed \$50 per week. If we don't enact SB 273 a worker could go to work for 20 weeks, earn \$50 per week and when he filed for unemployment under the current law, draw more than \$50 per week in benefits. That is an unhealthy situation - a worker should always have an incentive to go back to work. We can maintain that incentive by indexing the qualifying wages.

The savings is significant - \$1.8 Million dollars over the biennium.

MAX., MIN. & AVG. WKLY. UI BENEFIT AMOUNTS  
TAXABLE WAGE BASE & AVERAGE WEEKLY WAGE  
1977 THROUGH 1985

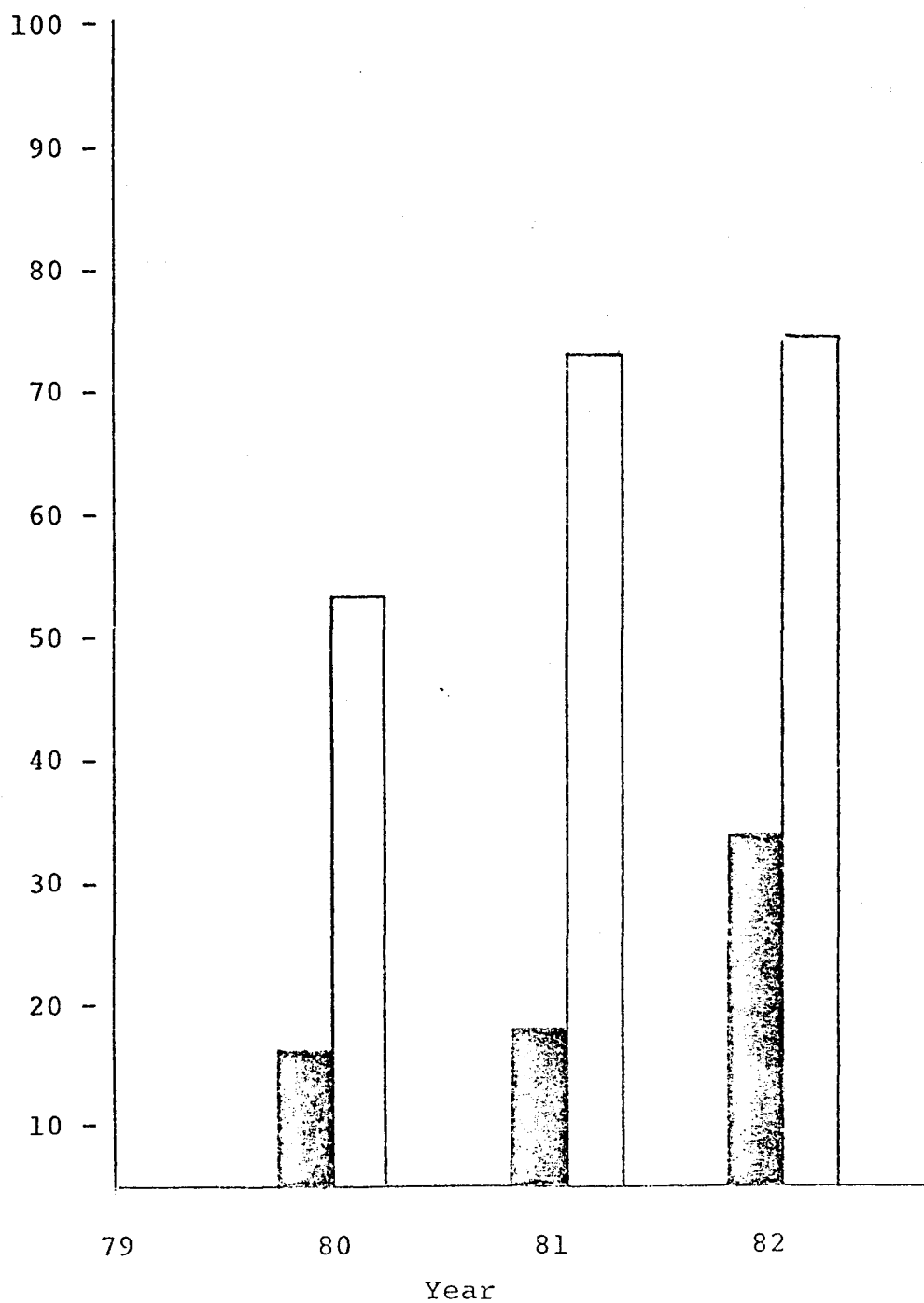


- AVERAGE WEEKLY WAGE
- - - AVERAGE WEEKLY BENEFIT AMOUNT
- - - MAXIMUM WEEKLY BENEFIT AMOUNT
- - - MINIMUM WEEKLY BENEFIT AMOUNT
- - - ANNUAL TAXABLE WAGE BASE (DIVIDED BY 52 WKS)

AVERAGE WEEKLY WAGE, MAXIMUM WEEK UI BENEFIT AMOUNT,  
AVERAGE WEEKLY BENEFIT AMOUNT & ANNUAL TAXABLE WAGE BASE IN MONTANA

	<u>CY 82</u>	<u>CY 83</u>		<u>CY 84</u>		<u>CY 85</u>	
		<u>Existing</u>	<u>Proposed</u>	<u>Existing</u>	<u>Proposed</u>	<u>Existing</u>	<u>Proposed</u>
		<u>Law</u>		<u>Law</u>		<u>Law</u>	
Average Weekly Wage	\$282.32		\$303.49		\$326.25		\$350.72
Average Weekly Benefit Amount	\$120.00		\$132.00	\$144.00	\$136.00	\$157.00	\$141.00
Maximum Weekly Benefit Amount	\$158.00	\$169.00	\$162.00	\$182.00	\$167.00	\$196.00	\$179.00
Annual Taxable Wage Base	\$8000	\$8200	\$10,200	\$8400	\$11,000	\$8600	\$11,800

Percent  
Change



Average Number Unemployed  
(Percentage Increase From Previous Year)



Claimants Eligible For Minimum With Earnings  
Less Than Minimum  
(Percentage Increase From Previous Year)

<u>YEAR</u>	<u>NO. CLAIMANTS ELIGIBLE FOR MINIMUM WITH EARNINGS LESS THAN MINIMUM</u>	<u>PERCENT INCREASE</u>	<u>AVERAGE NO. UNEMPLOYED</u>	<u>PERCENT INCREASE</u>
1982	1055	74%	35,000*	35%
1981	607	73%	26,000	18%
1980	350*	54%	22,000	16%
1979	227	-	19,000	

\*Estimate

POTENTIAL FINANCIAL IMPACT:

<u>YEAR</u>	<u>NUMBER OF** CLAIMANTS</u>	X	<u>AVERAGE MINIMUM BENEFIT PER WEEK</u>	X	<u>AVERAGE NO. OF WEEKS</u>	=	<u>TOTAL AMOUNT</u>
1982	1055		\$37.50		13		\$514,313
1983	1580		\$40.50		13		831,870
1984	2370		\$44.00		13		1,355,640
1985	3555		\$47.50		13		2,195,213

\*\*Assumes yearly increase of 50% after 1982.



Box 1176, Helena, Montana

JAMES W. MURRY  
EXECUTIVE SECRETARY

ZIP CODE 59624  
406/442-1708

TESTIMONY OF JIM MURRY ON SENATE BILL 273 BEFORE THE SENATE COMMITTEE ON  
LABOR AND EMPLOYMENT RELATIONS -- FEBRUARY 1, 1983

I am Jim Murry, Executive Secretary of the Montana State AFL-CIO. We are opposed to Senate Bill 273, which will make some the lowest paid workers in this state ineligible for unemployment insurance benefits.

Under current law, in order to be eligible for unemployment insurance benefits, an individual must have worked 20 weeks during the base period and have wages which total at least \$1,000 for a \$50 per week average. To determine the amount of the weekly unemployment insurance check, the total number of weeks in the base period is divided into the total reported wages, to obtain the average weekly wage. That average, times 50% is the amount the individual will receive.

If that calculation produces an amount less than \$39, that individual will still receive the \$39 current weekly minimum benefit. Allowing those workers to receive the minimum gives them at least some financial help during times of unemployment.

This bill would make ineligible for the minimum benefit, anyone whose base period earnings did not qualify them for that minimum amount. They would have to earn \$78 <sup>74.00</sup> per week now and even more in the future. That would ~~know~~ 1,247 unemployed workers off unemployment insurance benefits.

This bill is another unjust attempt to save money for the unemployment insurance trust fund at the expense of workers. No one would disagree that the unemployment insurance trust fund must be made solvent. But methods which chisel away at the benefits workers should receive is totally unfair. And the workers which this bill



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would affect are the ones who have the least. They have not earned enough to have any savings or property to fall back on when they are out of a job.

As the law is now, those workers have at least a little money to help tide them over. Without it, most will have to rely on some type of public assistance, which means the taxpayer, rather than employer contributions, will pay the bill.

In fiscal year 1984, a worker would have to earn an average of \$92 per week to qualify for the minimum of \$46 per week in unemployment insurance benefits. In fiscal year 1985, a worker would have to earn \$98 per week to receive the minimum benefit of \$49. In fiscal year 1984, 1,871 are projected as being ineligible under this bill, and 2,807 in fiscal year 1985.

This bill places an increasing large burden on the people who can least afford it. In the long run, the only viable way to make the trust fund solvent is to change the economic course of the country, and get our people back to work again. In the short run, borrowing from the federal government, and increasing employer contributions is the only fair way to accomplish this goal.

Please help Montana's unemployed workers by voting against Senate Bill 273.

Thank you.

# WOMEN'S LOBBYIST FUND

Box 1009  
Helena, MT 59624  
409 2917

Exhibit 17  
Submitted by Stacy Flaherty  
February 1, 1983

TESTIMONY BY STACY A. FLAHERTY, WOMEN'S LOBBYIST FUND, BEFORE  
THE SENATE LABOR AND REMPLOYMENT RELATIONS COMMITTEE, FEBRUARY 1, 1983,  
OPPOSING SENATE BILL 273.

The Women's Lobbyist Fund, a broad coalition of women's groups in Montana, opposes changing the minimum qualifying wage for unemployment insurance benefits as proposed in SB 273. This proposed change would nearly double the present qualifying wage of \$1000 to \$1700-- a dramatic change.

In poor economic times this type of legislation drastically hurts women, who constitute the majority of those earning the minimum qualifying wage. The Women's Lobbyist Fund beleives it is unfair to place the burden of balancing programs on those who can least afford it. We urge a do not pass for SB273.

# United Brotherhood of Carpenters and Joiners of America



(Union Bug Removed for Duplicating)

ANACONDA, MONT., February 1, 1983

TESTIMONY OF HOWARD ROSENLEAF, ON SENATE BILL 273, BEFORE THE SENATE COMMITTEE  
ON LABOR AND EMPLOYMENT RELATIONS, FEBRUARY 1, 1983

I am Howard Rosenleaf, business manager for Carpenters Local 88, in Anaconda. The entire state and nation are suffering from terrible unemployment, but it is even worse for people in our area. Deer Lodge County has 13.4% unemployment, and it looks like it is going to get worse before it gets better.

Our union members are against Senate Bill 273, which would make many low paid people ineligible even for the small minimum unemployment insurance benefit they now can qualify for. During times of prosperity, union workers earn far more than what is needed for minimum unemployment insurance benefits. But during these times of economic recession, many workers, union or not, pick up what little work they can. They have exhausted their unemployment insurance benefits which they received after first losing a job. Now, they might be able to pick up enough work during 20 weeks to average \$50 per week and again qualify for at least some unemployment insurance compensation.

But if this bill is passed, they would lose out again. It is just not right that people who want to work, and are able to work, can't find a regular, full-time, good paying job. It makes it even worse when they are not able to qualify for even the minimum benefit.

The Montana State Legislature cannot bring about economic good times. That will require drastic changes at the national level. But our legislature can at least prevent the lowest paid workers in the state from being excluded from unemployment insurance benefits.

We ask that you reject Senate Bill 273. Thank you.

Amendment proposed to Senate Bill No. 198 offered by Senator  
Tveit

1. Page 1, line 6.  
Following: "TO"  
Insert: "AUTOMATICALLY"
2. Page 1, line 10.  
Following: "under"  
Insert: "expired"
3. Page 1, line 11.  
Following: "agreements"  
Strike: "not allowed. Upon"  
Insert: "Following"
4. Page 1, line 14.  
Following: "agreement"  
Strike: "must continue to receive the exact"  
Insert: "may be paid the same"
5. Page 1, line 15.  
Following: "received"  
Strike: "during the previous year"  
Insert: "prior to the expiration"

A BILL FOR AN ACT ENTITLED: "AN ACT AMENDING THE GRANDFATHER CLAUSE CONTAINED IN TITLE 39, CHAPTER 31, MCA, COLLECTIVE BARGAINING FOR PUBLIC EMPLOYEES, BY PROVIDING THAT COLLECTIVE BARGAINING UNITS RECOGNIZED BY THE GRANDFATHER CLAUSE MAY CONTAIN SUPERVISORY EMPLOYEES, MANAGEMENT OFFICIALS, OR OTHER EMPLOYEES EXCLUDED FROM TITLE 39, CHAPTER 31, MCA, ONLY AS LONG AS THOSE EMPLOYEES CONTINUE TO OCCUPY THE POSITIONS THEY OCCUPIED ON JULY 1, 1973; AUTHORIZING THE BOARD OF PERSONNEL APPEALS TO MAKE UNIT CALRIFICATION OF BAR-GAINING UNITS RECOGNIZED BY THE GRANDFATHER CLAUSE; AMENDING SECTION 39-31-109, MCA."

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

Section 1. Section 39-31-109, MCA, is amended to read:

"39-31-109. Existing collective bargaining agreements not affected. Nothing

(1) Except as provided in subsection (3), nothing in this chapter shall be construed to remove recognition of established collective bargaining agreements already recognized or in existence prior to the-effective-date-of-this-act July 1, 1973.

(2) Except as provided in subsection (3), collective bargaining units recognized or in existence prior to July 1, 1973, shall may contain only public employees.

(3) If on July 1, 1973, a collective bargaining unit contained a position, which is currently occupied by an employee who is not a public employee as defined in 39-31-103, then that employee may, after October 1, 1983, either elect to remain in the bargaining unit in that same or equivalent position, or may elect to be excluded from the bargaining unit. In all cases, future replacements made for such positions must be in accordance to subsection (2.). Bargaining units, which have private pension plans, are excluded from the above provision.

(4) The board may grant a petition from a public employer or a bargaining representative for a clarification of a bargaining unit recognized or in existence prior to July 1, 1973. The petition and the unit clarification by the board are subject to procedures established by the boards."

-End\_