

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

January 15, 1985

The second meeting of the Labor and Employment Relations Committee was called to order by Chairman J. D. Lynch at 1:00 p.m. in Room 413/415 of the State Capitol.

ROLL CALL: All members were present.

CONSIDERATION OF HOUSE BILL 15:

Chairman Lynch called on Representative Mel Williams, sponsor of House Bill 15. House Bill 15 is an act to deny unemployment insurance benefits to nonprofessional school employees between academic terms and all school employees during vacations and holidays; to provide retroactive payment of certain benefits; and to bring the Montana Unemployment Insurance Law into conformity with federal law.

PROPONENTS OF HOUSE BILL 15:

Dave Wanzenried, Commissioner of the Montana Department of Labor and Industry, rose in support of House Bill 15 and handed out information. (Exhibit No. 1)

Forrest Boles, President, Montana Chamber of Commerce, rose in support of House Bill 15.

Chip Erdmann, representing the Montana School Board Association, submitted written testimony in support of House Bill 15. (Exhibit No. 2)

OPPONENTS OF HOUSE BILL 15:

Don Judge, representing Montana State AFL-CIO, submitted written testimony in opposition to House Bill 15. (Exhibit No. 3)

Terry Minow, representing Montana Federation of Teachers, submitted testimony in opposition to House Bill 15. (Exhibit No. 4)

QUESTIONS FROM THE COMMITTEE:

There were no questions asked.

Dave Wanzenried proposed amendments to House Bill 15. (Exhibit No. 5)

January 15, 1985

Representative Williams closed on House Bill 15.

The hearing was closed on House Bill 15.

CONSIDERATION OF SENATE BILL 70:

Chairman Lynch called on Senator Gary Aklestad, sponsor of Senate Bill 70. Senate Bill 70 is an act exempting payment of prevailing wage rates on some local government projects.

PROPOSERS OF SENATE BILL 70:

F.H. Boles, representing the Montana Chamber of Commerce, submitted testimony in support of Senate Bill 70. (Exhibit No. 6)

Riley Johnson, representing Montana Homebuilders Association, Professional Insurance Agents and National Federation of Independent Business, submitted testimony in support of Senate Bill 70. (Exhibit No. 7)

OPPOSERS OF SENATE BILL 70:

Jim Schwind submitted testimony in opposition to Senate Bill 70. (Exhibit No. 8)

Don Judge, representing Montana State AFL-CIO, submitted testimony in opposition to Senate Bill 70. (Exhibit No. 9)

Gene Fenderson, representing Laborers Local #254, rose in opposition to Senate Bill 70.

Larry Persånger, representing Montana State Building and Trades Council, rose in opposition to Senate Bill 70.

Bill Morton, representing Montana Painters District Council #59, rose in opposition to Senate Bill 70. (Exhibit No. 10)

Alan R. Solum, President of FCMT&LC, submitted testimony in opposition to Senate Bill 70. (Exhibit 11)

QUESTIONS FROM THE COMMITTEE:

No questions were asked.

Senator Aklestad closed on Senate Bill 70.

The hearing was closed on Senate Bill 70.

January 15, 1985

EXECUTIVE ACTION ON SENATE BILL 29:

Senator Haffey made a motion that Senate Bill 29 Do Not Pass. On a voice vote the committee voted unanimously that Senate Bill 29 Do Not Pass.

EXECUTIVE ACTION ON HOUSE BILL 15:

Senator Towe made a motion that House Bill 15 Be Concurred In. Senator Blaylock moved that the committee vote on the amendments offered by Commissioner Wanzienried. (Exhibit No. 5)

On a roll call vote, the vote was tied so the motion failed. See attached roll call vote sheet. On a roll call vote the committee voted 6-2 in favor of the motion made by Senator Towe that House Bill 15 Be Concurred In. See attached roll call vote sheet.

Senator Towe will carry the bill.

ADJOURNMENT:

The committee, having no further business, adjourned at 2:45 p.m.

  
J.D. Lynch, Committee Chairman

# STANDING COMMITTEE REPORT

January 15

19 85

MR. PRESIDENT

We, your committee on Labor and Employment

having had under consideration House Bill No. 15

third reading copy ( blue )  
color

## DENYING CERTAIN UNEMPLOYMENT BENEFITS TO SCHOOL EMPLOYERS

Respectfully report as follows: That House Bill No. 15

BE CONCURRED IN

~~XXXX~~

~~XXXX~~

Chairman.

# STANDING COMMITTEE REPORT

January 15

19. 85

MR. PRESIDENT

We, your committee on **Labor and Employment**

having had under consideration **Senate Bill**

No. 29

**first** reading copy ( **white** )  
color

**EXEMPT EMPLOYMENT IN AGRICULTURE FROM COVERAGE UNDER WORKERS' COMPENSATION**

Respectfully report as follows: That **House Bill**

No. 29

~~EXEMPT~~

DO NOT PASS

Chairman.

Labor and Employment COMMITTEE

48th LEGISLATIVE SESSION -- 1985

Date 1/15/85

NATE  
AT  
#

NAME	PRESENT	ABSENT	EXCUSED
1 Senator Aklestad	X		
46 Senator Blaylock	X		
9 Senator Haffey	X		
20 Senator Keating	X		
49 Senator Manning	X		
33 Senator Thayer	X		
Sentor Towe	X		
5 Chairman Lynch	X		

Each day attach to minutes.

ROLL CALL VOTE

SENATE COMMITTEE      LABOR AND EMPLOYMENT RELATIONS

DATE January 15 1985 BILL NO. HB 15 TIME \_\_\_\_\_

NAME	YES	NO
SENATOR AKLESTAD		X
SENATOR BLAYLOCK	X	
SENATOR HAFHEY	X	
SENATOR KEATING		X
SENATOR MANNING	X	
SENATOR THAYER		X
SENATOR TOWE		X
CHAIRMAN LYNCH	X	

Beth Daily  
SECRETARY

J.D. LYNCH

Motion: Amendments to House Bill 15

ROLL CALL VOTE

SENATE COMMITTEE LABOR AND EMPLOYMENT RELATIONS

DATE January 15 1985 BILL NO. HB 15 TIME

NAME	YES	NO
SENATOR AKLESTAD	X	
SENATOR BLAYLOCK	X	
SENATOR HAFHEY	X	
SENATOR KEATING	X	
SENATOR MANNING		X
SENATOR THAYER	X	
SENATOR TOWE	X	
CHAIRMAN LYNCH		X

Rich Dancy  
SECRETARY

J.D. LYNCH

Motion: Be Concurred In.



DATE January 15, 1985

COMMITTEE ON Labor + Employment

# VISITORS' REGISTER

NAME	REPRESENTING	BILL #	Check One	
			Support	Oppose
Jim Schurnd	Self	SB70	?	
Don Judge	MT State AFL-CIO	SB70		X
"	" " " "	HB15		X
Michael Hunt	MT St. Firemans Assoc	SB70		X
Eugen Fendler	Laborer 254	SB70		V
Joe Rogers	Teachers Joint Council	SB70		X
Harry Derouger	Montana State Building & Construction Trades Council	SB70		X
Bill Minton	Montana Painters Dist. Council #59	SB70		X
Edgar Kobben	Montana Nurses Assoc	SB70		X
F.H. Boles	MONTANA CHAMBER	HB15 SB70	X X	<del>X</del>
Randy E. Crawford	International Brotherhood of Teamsters & Loggers	SB70		X
Tom Rangel		SB70	-	-
Frank	Self	SB70	-	-
Terry Minow	AFT	HB15		X
DAVE GOSS	BLES CHAMBER of Commerce	HB15 SB70		
Chas Ekman	MT School Bd Assoc	HB15	X	
Reley Johnson	Mont. Homebuilders, NFIB	SB70	X	
Lodd Hudak	Montana Association of Counties			
Geoff Zinn	Missoula Chamber	SB70		
Lauri Craig	MT State University System	HB15 SB70		
Richard Croucher	Dept of Labor	HB15	X	

(Please leave prepared statement with Secretary)

U.S. Department of Labor

Employment and Training Administration  
601 D Street, N.W.  
Washington, D.C. 20213



MEMORANDUM FOR: LUIS SEPULVEDA  
Regional Administrator, Denver

FROM: BERT LEWIS  
Administrator for  
Regional Management

SUBJECT: Montana-1985 Legislative Proposals

Thank you for sending us the 1985 legislative proposals submitted by the Montana State agency. We appreciate the opportunity to review them before they are introduced. Our comments on these proposals were discussed on December 19 and 21, 1984 in telephone conversations between Martha Lopez of the Unemployment Insurance Service, Peg Hartman, UI Division Chief of the Montana State agency, and other State agency staff. Following is a summary of our comments and discussions with State agency staff.

PROCEDURES FOR COLLECTING UNPAID CONTRIBUTIONS

This proposal would amend existing collection procedures by providing that unpaid contributions have the effect of a judgment, arising at the time the contributions are due. No Federal issues would be raised by this proposal.

REQUIREMENT THAT EMPLOYMENT TO PURGE DISQUALIFICATIONS BE COVERED EMPLOYMENT

This proposal would amend several sections of Montana's law to require that employment to purge disqualifications be "covered" employment as defined by Section 39-51-203 of the State's law. As presently worded, this proposal would require claimants to work in covered employment in Montana to satisfy a disqualification. We believe that this proposal could raise an issue under Section 3304(a)(9)(A) of the Federal Unemployment Tax Act (FUTA).

Section 3304(a)(9)(A) states that compensation may not be denied or reduced because an individual resides or files a claim in another State. This Federal law requirement gives a claimant the right to have all of his earnings, regardless of where they are earned, considered in determining his eligibility for benefits. In addition, a claimant who works in more than one State may not be treated less favorably than a claimant who works only in one State.

Requiring that a disqualification be satisfied only by earnings in covered employment in Montana would prevent a claimant from using earnings outside the State to requalify for benefits. He would not be treated the same as someone who had worked only in Montana. Therefore, we recommended to the State agency that this proposal be revised to read that each of the disqualifications listed may be satisfied by "insured employment in this or any other State." Ms. Hartman stated that it was not the State agency's intention to exclude earnings covered by other States and that the proposal would be revised.

#### MODIFICATION OF SUITABLE WORK CRITERIA AFTER 13 WEEKS OF UNEMPLOYMENT

In reviewing the above proposal on disqualifications, it was noted that the State law contains a provision modifying the definition of "suitable work" after a claimant has been unemployed for 13 weeks. The law states that after 13 weeks, work will be considered suitable if it pays 75% of the prevailing wage. This provision appears to conflict with Section 39-51-2304(3)(b) of the State law which provides that, notwithstanding any other provisions of the law, no work may be considered suitable if the wages, hours, or other working conditions are substantially less favorable than those prevailing for similar work in the locality. This section of State law reflects the requirements for suitable work in Section 3304(a)(5)(B), FUTA.

As we indicated to the State agency, the 13-week provision could result in claimants being denied benefits under conditions prohibited by Federal and State law. In addition, a job paying 75% of the prevailing wage could in many cases pay less than the minimum wage. We are also unclear how the agency handles weeks of partial or nonconsecutive unemployment.

The intent of the provision is to require claimants to broaden their work search the longer they remain unemployed. We agree with this objective, but believe that other provisions in Section 39-51-2304(2) of the State's law already require the agency to consider length of unemployment in determining whether work is "suitable." This section also permits the agency to consider other important factors and individual circumstances, rather than setting an arbitrary standard for suitable work.

Based on these considerations, we recommended that Section 39-51-2304(4) be deleted from the State's law. Ms. Hartman stated that the agency would consider our recommendation. If legislation is not introduced to delete this provision, we

request that you ask the State agency to provide us with written assurances that the requirement in Section 39-51-2304(3)(b) will always override that in Section 39-51-2304(4).

#### INTEREST ON FRAUDULENT OVERPAYMENTS

This proposal would require that fraudulently obtained benefits be repaid with interest of 18% per year. It is entirely within the State's authority to require such a penalty. We are concerned, however, that the State agency may implement this provision by offsetting a claimant's future benefits to satisfy the penalty as well as the overpayment.

As we explained to the State agency, recouping overpaid benefits by offset is allowed by Federal law because the benefits were erroneously paid from the State's unemployment fund. However, offsetting benefits to pay penalties or fines has been consistently interpreted as violating Section 3304(a)(4), FUTA, and Sections 303(a)(1) and (5) of the Social Security Act (SSA).

Section 3304(a)(4), FUTA, and Section 303(a)(5), SSA, allow monies to be withdrawn from a State's unemployment fund only to pay benefits. Section 303(a)(1), SSA, requires States to employ methods of administration which will ensure full payment of benefits to claimants when due. Offsetting future benefits to pay interest or penalties on an overpayment would constitute an improper reduction in the amount of unemployment compensation payable to a claimant. Therefore, it would not be consistent with these Federal law provisions.

Ms. Hartman stated that the agency would take appropriate action to ensure that claimants are not required to pay interest on overpayments by offset of future benefits.

#### MODIFICATION OF BASE PERIOD IN CASES OF DISABILITY

This proposal would modify the definition of "base period" for individuals who are temporarily disabled. It would not raise a Federal issue.

#### UNEMPLOYMENT TRUST FUND SOLVENCY

This proposal would make a variety of changes in State law to improve unemployment trust fund solvency. Major items include increasing the taxable wage base and increasing contribution rates to a maximum of 6.4%. We have comments on only one of these provisions, the establishment of a surtax to repay Federal advances to the State's unemployment fund.

The proposal states that the surtax "will be paid in the same manner as regular contributions." We recommended that the agency also include language similar to that in Section 39-51-408 of the State's law, specifying that the surtax is separate from regular contributions and into which fund or account it will be deposited.

We also recommended amending Section 39-51-408(c) to provide that interest on Federal advances not be deposited in the unemployment insurance account, if this is the same account from which benefits are paid. Section 3304(a)(17), FUTA, states that interest may not be paid either directly or indirectly from a State's unemployment fund. For further information on how interest must be paid, we suggested the State agency review Unemployment Insurance Program Letter No. 29-84, dated August 22, 1984.

#### ASSESSMENT OF .1% FOR ADMINISTRATION

This proposal is designed to meet the requirements in the stipulation entered into in the 1983 Montana conformity/substantial compliance case, No. 83-CCP-1, signed by the Montana State agency and the Department of Labor on September 28, 1983. Under the terms of the stipulation, it was agreed that the State agency would interpret Section 39-51-404(4) of the State law to "impose a separate assessment upon employers and a corresponding reduction in their 'contributions' to the State unemployment fund, rather than to divert employer 'contributions' from the State unemployment fund." In addition, the State agency agreed to seek conforming amendments to its law no later than June 30, 1985.

The proposal submitted by the agency would amend Section 39-51-404(4) of the State law to read, "an assessment equal to .1% of all taxable wages as defined by 39-51-1108 and .05% of total wages paid by employers not covered by experience rating shall be charged to all employers and may be used by the department for administrative purposes. All such assessments must be deposited in the unemployment insurance account provided for in 39-51-406 and used as appropriated by the legislature."

Our review of this proposal indicates that the assessment is separate from and would be paid in addition to all other contributions. Ms. Hartman confirmed that the proposed assessment would be in addition to an employer's regular contribution under experience rating. For example, an employer who is subject to a contribution rate of 6.4% under experience rating would pay a total of 6.5%. This proposal, if enacted by June 30, 1985, will satisfy the requirements of the stipulation in case No. 83-CCP-1.

Ms Hartman also asked about a related idea which the agency did not submit in writing, but which could be added to this proposal. She said the agency would like to amend the definition of "contributions" in Section 39-51-201(9) of the State law. This section currently defines "contributions" as "money payments to the state unemployment fund required by this chapter." The agency would like to add a sentence which reads, "This definition does not apply to Section 39-51-404(4)." We concurred and suggested that the agency also exclude from the definition of "contributions" the State law sections establishing the surtax to repay Federal advances and the assessment to pay interest on Federal advances.

#### BETWEEN/WITHIN TERMS DENIAL

This proposal is designed to meet the requirements in the Under Secretary of Labor's decision in Case No. 84-CCP-3, signed on October 29, 1984. This decision states that Montana law does not contain the provisions required by clauses (ii), (iii) and (iv), FUTA, as amended by Section 521 of Public Law 98-21. The decision further states that a certified copy of satisfactory conforming legislation must be received by January 18, 1985, in order for the Under Secretary to make the 1984 certifications of Montana law under Sections 3303(b)(1) and 3304(c), FUTA.

The proposal submitted by the State agency contains several provisions which would not conform to Federal requirements. For example, it requires the retroactive payment of benefits to both professional and nonprofessional employees of educational institutions, whereas Federal law allows retroactive payments only for nonprofessional employees. The agency had earlier submitted a proposal which closely followed the language in Federal law. As indicated in our memorandum to you dated August 21, 1984, this earlier proposal was considered satisfactory with one minor exception.

Because of the short time available to resolve this issue, we recommended that the State agency substitute its earlier approved proposal for the later one. Ms. Hartman agreed that the agency would use the earlier proposal.

#### MISCELLANEOUS CHANGES

This proposal makes a variety of changes in State law mostly of an administrative nature. We question only Section 11 of the proposal which would repeal Section 39-51-304 of the State law. This section includes the requirement that the agency will hire in accordance with merit system principles adopted by the merit system council. This requirement parallels that in Section 303(a)(1), SSA.

Ms. Hartman stated that this section was being repealed because the merit system council had been abolished. The functions of the council are now being handled by the Department of Personnel Administration. Because merit system hiring is required by Federal law, we recommended that Section 39-51-304 of the State law be amended rather than repealed. Ms. Hartman stated that the proposal would be revised accordingly.

#### CONCLUSION

Please thank Ms. Hartman and the other State agency staff for their cooperation in reviewing these proposals. In addition, please review this memorandum with the agency to ensure that our understanding of the actions the agency will take is correct. We also ask that you keep us informed of the status of these proposals once the legislature convenes in January, 1985. Thank you for your help.

NAME Chip Erdmann BILL NO. HB 15  
ADDRESS Holman DATE 1/15/85  
WHOM DO YOU REPRESENT MT School Bds Assoc  
SUPPORT X OPPOSE \_\_\_\_\_ AMEND \_\_\_\_\_

PLEASE LEAVE PREPARED STATEMENT WITH SECRETARY.

Comments:

Support this bill

- 1) May school district employees realize they are hired for a 9 month school year.
- 2) May of these employees request & receive unemployment pay to summer.  
which increases the unemployment rate of school districts - school <sup>(1st year)</sup> districts will save \$1.7 million per year
- 3) This essentially is not what the unemployment insurance was designed for - it was designed for those who are unable to find employment - not those who are removed of job every September
- 4) If the Committee amends to require written assurance also included should be a requirement to

Told at one time  
if we save written  
contracts in the  
spring - these employees  
would not be eligible  
for summer  
unemployment -  
but this was  
not to be.





Box 1176, Helena, Montana

JAMES W. MURRY  
EXECUTIVE SECRETARY

ZIP CODE 59624  
406/442-1708

TESTIMONY OF DON JUDGE ON HOUSE BILL 15, BEFORE THE SENATE LABOR AND EMPLOYMENT RELATIONS COMMITTEE, JANUARY 15, 1985

Mr. Chairman, members of the Committee, my name is Don Judge and I'm appearing here on behalf of the Montana State AFL-CIO to testify on House Bill 15.

Unemployment compensation insurance was created to provide a buffer for main street merchants during an economic slowdown by helping to sustain consumer buying power. It was created to help workers temporarily unemployed by providing partial wage replacement until a job could be found. Over the years, this program has proven an important economic tool, balancing the economy during the lows of recessions and depressions. During the first nine months of 1984, unemployment insurance benefits put close to \$46 million back into the suffering Montana economy.

In the name of fiscal responsibility, proposals are sometimes made to limit coverage of this economic safeguard. One such measure, House Bill 15, seeks to deny unemployment insurance benefits to employees such as the cooks, custodians, bus drivers, teachers' aides and clerical workers in our school districts and educational institutions. These workers are traditionally underpaid and hold jobs with little opportunity for internal advancement. And yet they serve as an integral part of the education of our youth; without them, our systems couldn't function.

Many of these workers serve as the sole support of a household. When the school term ends, they must seek other employment in order to maintain payment for the basic necessities. The fact is, few employers are willing to hire workers who may be available only for a few months each summer. Unemployment benefits provide a necessary buffer zone for those employees who are actively searching for work, but who are not successful in finding a job.

These proposed changes in the law would remove that safety valve. Nonprofessional workers employed by the school districts would now have to seriously weigh the possibility of being able to find work over the summer months, or of surviving without income if unsuccessful in that search for employment, some workers will not take that chance and will seek work permanently outside of the education system.

Montana schools are the losers if this happens. We lose the valuable expertise and experience that comes with years spent on the job by seasoned employees.

Accepting the fact that the federal government is requiring this legislation, and having related to you the negative impacts of the bill, I would now like to address some specifics within the bill.

As proposed on page 2, lines 21 through 25, affected workers would be required

register for unemployment insurance benefits each week during the summer months, in anticipation of the possibility that they would not be reemployed at the beginning of the next school term and thus, might be eligible to retroactively collect benefits. This requirement is burdensome and unfair.

On page 2, lines 7 and 16, and on page 3, line 7, the term "reasonable assurance" is used to define the indication that an employee will be rehired. If the committee finds it acceptable to the federal government, we would suggest language to provide that the assurance is in written form from the employer.

Mr. Chairman, members of the committee, we don't like this bill, or the position the federal government has put Montana in to adopt this law. However, we recognize the position you are in and would encourage you to make these provisions as least burdensome as possible.

Thank you.

NAME: Terry Lynn Minow DATE: 1-15-85

ADDRESS: Box 1246, Helena, MT 59624

PHONE: 442-2123

REPRESENTING WHOM? Montana Fed of Teachers

APPEARING ON WHICH PROPOSAL: HB 15

DO YOU: SUPPORT?        AMEND?        OPPOSE? X

COMMENT: Oppose HB 15

Unfair bill

It hurts those at the lowest end  
of the salary schedule

Feel its a case of Federal inter-  
ference with State's rights

Realize it will pass  
Thank you for allowing the MFT  
to express our frustration with  
this measure

PLEASE LEAVE ANY PREPARED STATEMENTS WITH THE COMMITTEE SECRETARY.

Proposed amendments to HB 15, third reading copy

1. Page 2, line 7.

Following: "assurance"

Insert: "in writing from the employer"

2. Page 2, line 16.

Following: "assurance"

Insert: "in writing from the employer"

3. Page 3.

Following: line 19

Insert: "NEW SECTION. Section 2. Termination of provision upon disapproval. If the United States secretary of labor shall fail to approve any word, phrase, clause, or provision of this act that word, phrase, clause, or provision shall immediately terminate and have no force and effect. The remainder of this act does not terminate and has full force and effect.

Renumber: subsequent section

WITNESS STATEMENT

NAME F. H. BOLES BILL No. SB-70  
ADDRESS Box 1730 Helena MT DATE Jan 15, 1985  
WHOM DO YOU REPRESENT MONTANA CHAMBER  
SUPPORT L OPPOSE \_\_\_\_\_ AMEND \_\_\_\_\_

PLEASE LEAVE PREPARED STATEMENT WITH SECRETARY.

Comments:

Montana's U.C. Trust fund is in deficit and employees are facing tax increases mandated by the federal government as well as tax increases that are likely to be passed by the state legislature.

Some concessions on the benefit side must also be made to insure a healthy U.C. system for qualified deserving unemployed persons. S.B. 70 asks very little. Just that an employee accept a job even at a slightly lower wage sooner than under current law.

~~It is a small effort to~~

It is little to ask of labor in this time of financial crunch in our U.C. system.

I encourage your support of SB-70

(This sheet to be used by those testifying on a bill.) 1/15/85NAME: J. Riley Johnson DATE: 1-15-85ADDRESS: 9 North Last Chance Gulch, HelenaPHONE: 442-6424REPRESENTING WHOM? Mont. Homebuilders Ass'n, Nat. Fed. of Independent Business, and Professional Insurance Agents of MontanaAPPEARING ON WHICH PROPOSAL: \$B 70DO YOU: SUPPORT? X AMEND? \_\_\_\_\_ OPPOSE? \_\_\_\_\_

COMMENT: The Montana Homebuilders Ass'n, the National Federation of Independent Business, and Professional Insurance Agents of Montana feels the savings, while not significant when compared to today's economies, does address a significant issue - that is to tighten the outflow of monies and the policies in our unemployment fund.

PLEASE LEAVE ANY PREPARED STATEMENTS WITH THE COMMITTEE SECRETARY.

NAME: Jim Schwab DATE: 1-15-85

ADDRESS: 1918 W. ...

PHONE: -3548

REPRESENTING WHOM? \_\_\_\_\_

APPEARING ON WHICH PROPOSAL: SB 70

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

COMMENT: 2 types of people 1 people who  
want to work and people who don't.  
I just isn't as easy to go out  
and get a job any more. It all depends  
how you feel about supporting people  
people with money pay rent to private  
charity will be taxed more children  
will be hurt. Have you made progress  
if you make people homeless, I don't  
like the blackmail situation either but  
we have little choice

PLEASE LEAVE ANY PREPARED STATEMENTS WITH THE COMMITTEE SECRETARY.



Box 1176, Helena, Montana

JAMES W. MURRY  
EXECUTIVE SECRETARY

ZIP CODE 59624  
406/442-1708

TESTIMONY OF DON JUDGE ON SENATE BILL 70, BEFORE THE SENATE LABOR AND EMPLOYMENT RELATIONS COMMITTEE, JANUARY 15, 1985

Mr. Chairman, members of the committee, for the record, my name is Don Judge and I appear today on behalf of the Montana State AFL-CIO.

The Montana State AFL-CIO opposes Senate Bill 70 for some obvious reasons. We oppose this bill because it is intended to require unemployed workers to accept work below their customary prevailing rate of pay or face the loss of unemployment compensation benefits. Workers, who are temporarily unemployed, should not be forced to make this choice.

An unemployed skilled craftsmen should be allowed, as the law currently does, to search for comparable employment, hopefully within their established trade. To force someone to accept substandard employment, or face the loss of benefits, breaks down the morale of the unemployed worker and upsets their established standard of living.

The Montana State AFL-CIO also opposes Senate Bill 70 for a not-so-obvious reason. The bill, and the current law it intends to amend, are both in violation of federal regulations. In fact, it is our suggestion that you not only kill Senate Bill 70, but that you also submit and adopt a repealer to the section it intends to amend.

The U.S. Department of Labor has determined that the restrictions applied in Section 39-41-2304(4) not only conflict with those contained in Section 39-51-2304(3)(b), but are also in violation of Section 3304(a)(5)(B), FUTA. Those provisions state that employees cannot be forced to accept work which is determined to be not suitable or face losing unemployment benefits.

For these reasons, we urge you to kill Senate Bill 70 and propose that you adopt a measure to repeal Section 39-51-2304(4), so that our laws will be in compliance with federal regulations.

Thank you.



NAME Bill Watson BILL NO. S.B. 70

ADDRESS Box 4666 67 Falls DATE 1-15-85

WHOM DO YOU REPRESENT MONTANA PRINTERS Dist Council #59

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

PLEASE LEAVE PREPARED STATEMENT WITH SECRETARY.

Comments:

We believe this bill is unfair to our people as it would require our people when out of work to take a job at sub-standard wages. Wages that in some cases will not support a customary standard of living that our people are accustomed to.

We are a skilled craft and have worked hard ~~to~~ as all working people do to meet these needs. We have a three year apprentice program and worked hard to become skilled craftsmen receiving a fair wage and standard of living.

We feel that to be forced to accept a job at a lesser wage, causing our people to lower their standard of living is degrading. We are opposed to S.B. 70



## Flathead County Montana

### Trades & Labor Council

January 14, 1985

Honorable J.D. Lynch, Chairman  
Senate Labor & Employment Relations Committee

Dear Sir:

I am writing in opposition to SB70.

I believe the key factor to be considered in evaluating any piece of legislation pertaining to unemployment benefits, is whether its net effect will be stabilizing or destabilizing. For it is the function of the program to lend income stability to workers during periods in which they are unemployed.

It must be remembered, however, that the individuals receiving these payments are not the only ones who benefit from them. Local Merchants and lending institutions experience a more stable economic situation as their result.

Should SB70 be enacted, and its goal realized, we will shorten the period of time individuals have available in which to search for suitable employment. Thus, skilled workers will be forced to accept jobs which they consider to be inferior, or counter to their personal goals (due to the time and money they have expended obtaining training, or by virtue of their work experience. It is unlikely that these individuals will consider such employment as anything but temporary, and it is doubtful that they will bring much of a positive attitude into their new workplace. It is likely that as soon as other employment becomes available they will quit and move on, leaving the present employer with a vacancy to refill, and a new employee to train.


Meanwhile, another individual who may find this same job very appealing has been kept from it because of the "system" enforced upon the first worker.

The net effect of this legislation will be destabilizing, both to the employer, and to the employees. The employer is hurt due to disruption of his workforce and increased training costs. The employees are hurt by being handicapped in their search for meaningful employment.

The impact of SB70 upon Building & Construction Tradesmen would be similarly punitive and counter productive.

I urge your opposition to this bill.

Sincerely,

  
Alan R. Solum, President  
FCMT&LC