

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

March 28, 1986

The first meeting of the Labor and Employment Relations Committee was called to order by Chairman J. D. Lynch at 5:40 pm in Room 331 of the State Capitol.

ROLL CALL: All members of the committee were present.

CONSIDERATION OF HB 12: The chairman noted that the printed bill with amendments incorporated was not yet available from the Legislative Council. Exhibit 1 containing the amendments and the fiscal note were distributed and contained a nearly complete version of HB 12.

Representative Jack Moore was recognized to carry the bill for sponsor Representative Cal Winslow. He said the House had changed the body of the bill. He said that currently about 2,177 persons were general assistance participants in Montana. He said the bill provides a program for these people who can work to be referred to the job service for the creation of an employment plan to remove them from welfare. He said that other states have had good success with the program. He cited further statistics about those on assistance who could participate in this program. He said they lacked job seeking skills and that few were job ready. This bill would enable SRS to determine which persons should be referred to the program. Job Service would then work up an employment plan and any remedial program necessary, and give the participant skills in how to seek a job. He suggested that once these people were in the work habit they would try to improve themselves.

Representative Moore continued saying that HB 2 contained the funding authority to allow SRS to contract with the Department of Labor for the service in 12 counties.

PROPONENTS

Representative Ben Cohen said that he was a member of the House committee that heard the bill. He said that former Representative Ann Mary Dussualt, now a Missoula County Commissioner, had concerns with the bill and what it would do with the Workfare program operating successfully in Missoula County. He said the conflicts had been worked out and that caused the extensive amendments in the bill. He said the bill passed the House unanimously on a voice vote. He said there was no need to amend the Constitution, the need was to get people working.

Representative Cal Winslow, chief sponsor of HB 12, arrived and was recognized. He said the amendments represented the third rewrite of the bill and that what was intended was accomplished in a more clear and more concise manner. He said the bill included the components of existing programs that could be used.

He said the bill is a mixture of what we already have and what has been successful in other states. He noted the success of other states' programs. He then discussed the details of the program intended in this bill. He said that the program required a 40-hour a week commitment including 8 hours of job search with the remainder spent in treatment, counselling or whatever was determined necessary. He said that while HB 12 is not a panacea, it is a workable program.

Mr. Dave Lewis, Director of the Department of Social and Rehabilitation Services, said his agency would have the responsibility for contracting to get the program accomplished. He called HB 12 a good first step. He said that AFL-CIO, the Job Service, and other states had already experienced success with moving people from welfare.

Mr. Jim Smith, Human Resource and Development Council Association, said he had been working on the issue for some time. He said that he had appeared before other committees on this issue. He said the effort was to draw a relationship between income maintenance and job service. He said that HB 12 is a move forward to address serious problems of welfare dependencies. He said the key element is the message the recipient gets in the first five minutes of exposure to the program operator. He said that it must not be seen as punitive, demanding, demeaning or it cannot work. He noted that could not be legislated. He concluded saying that this bill is a move forward and that the committee should pass the bill.

Mr. Gene Huntington, Director of the Department of Labor, said that this represents one area of cooperation between the Department of Labor and Social and Rehabilitation Services. He said the bill provides the needed flexibility.

#### OPPONENTS

Mr. Don Judge representing the AFL-CIO appeared as an opponent of the bill. He applauded the efforts of Representative Winslow to address the issue. His opposition came from experience as an operator of an existing program. He noted that of those now unemployed in Montana only 29 percent were receiving assistance of any kind. He said that he did not argue with the concept of the bill. He said that this program could not be compared to Workfare and that the state of Utah should not be used as a model when it has the worst worker and people protection laws in the country. He then addressed specific flaws in the bill. He said the bill contains no funding for skills training or remedial education. He discussed the operation of the AFL-CIO work training program and said they have the highest placement at the highest salaries at the lowest cost of any job placement program in the country. He said this program could not function unless it provided funding for the essential elements of the program before savings were recognized.

Mr. Judge continued noting that protection for current employees is missing from the bill. He suggested that under the language of the bill private for profit agencies would be able to use low-cost help to augment their profits. He said the bill was also unclear about what wages would be paid. He said the prevailing wage could be above or below a county wage which was set as the acceptable wage in the bill. He said there was no assurance in the bill that worker would get Worker's Compensation protection.

Mr. Judge concluded saying that there was no quarrel about the purpose of the bill. He said that the spectre of a constitutional amendment should not force the Legislature into passing poor legislation. He suggested that the bill be taken back to interim committee instead of hurrying the passage of a flawed bill. "We want good job training programs. They do work," he said. He went on to say that they are expensive and that they cannot be done in the way this bill suggests.

Ms. Nadine Jensen, American Federation of State, County and Municipal Employees, said she had no problem with the concept but that they opposed the bill because there was no protection for present employees.

Mr. Chet Kinsey, Vice Chairman of the Low Income Coalition, endorsed the AFL-CIO statement. He said they welcome SRS efforts for better programs, but that they cannot endorse this bill. He suggested it be worked on and presented to the next session.

The Chairman called for questions from the committee.

Senator Blaylock asked Candy Brown of the AFL-CIO to discuss their program. Ms. Brown said that it was the same type of program. She said they have a 70 percent success rate in placing workers at \$7 to \$8 per hour with full benefits with a per placement cost of about \$785. She said the program is model for the nation. She said the basic ingredient for success is the self determination of the client. She noted that the chief difference of this program is that in the AFL-CIO program the client has the control. She also said that program has constant follow-up after a person is placed and that was a fundamental element missing in HB 12.

In response to another question from Senator Blaylock, Ms. Brown said that the AFL-CIO program has a complement of supportive services for the client in the areas of dental, medical, visual help. She said one cannot get or hold a job if one cannot see to read. HB 12 does not have these components.

Senator Towe clarified some details in the bill regarding what would be included in the program. Representative Winslow clarified for Senator Towe how the hours of the client would be used.

In response to a question from Senator Keating, Ms. Brown said that clients in the AFL-CIO program received no subsistence while in the program.

In response to another question from Senator Keating, SRS Director Dave Lewis said that no additional FTEs were contemplated in his department. He said that these would be contracted to other designated agencies.

In response to a question from Senator Keating, Representative Winslow said that 12 counties were involved. He also noted that he did not sign the fiscal note on the bill and that no new money would be involved in the program.

Representative Winslow closed saying that the issues raised by Mr. Judge needed a response. He said that many of his comments were already addressed by other law. He said the AFL-CIO had a good program but that they could not take all those who needed help. He said that HB 12 offered an incentive to get work instead of just get a check. He said that the dollar figures could not be applied to that kind of mental health. He said as the program would not begin until July 1 there was time to implement the program properly. He said that the problem could not be ignored and the intent of HB 12 was to put the incentive on becoming employed.

MOTION: Senator Keating moved that HB 12 do pass.

Chairman Lynch noted that some committee members were absent and he then recessed the committee at 6:42 pm.

Chairman Lynch called the committee to order at 8:35 pm. Senators Aklestad, Lynch, Towe, Blaylock, Keating and Haffey were present. Senator Thayer was excused. The Chairman indicated he had a vote from Senator Thayer on HB 12 which would be honored without objection. There was none. Senator Manning was absent.

Chairman Lynch then entertained the motion of Senator Keating that HB 12 do pass.

Senator Towe discussed the workability of the bill with Ms. Karen Renne, Legislative Council staff. Chairman Lynch spoke against a do pass motion and said that he preferred to see the bill put into the subcommittee that was already looking at these issues. He also suggested the possibility of working with the interim committee.

Senator Keating spoke in favor of his motion saying that the bill was written and developed by those with experience. He said no technical problems with the bill would cause anyone undue hardship.

Senator Towe clarified the section of the bill that would disqualify people from receiving benefits unless they participated in the program. He then inquired about the funding of the bill. He asked Mr. Lewis if he was satisfied that the program could be funded. Mr. Lewis responded that if 30 percent of the recipients were removed from the rolls the program would breakeven. He said that the fiscal note is based on that 30 percent.

Senator Haffey clarified that the concept is being presented to the interim subcommittees and interim committees. He said that the concept is welcome and that is where it would be properly dealt with.

Senator Christiaens was recognized and clarified that this program was not the same as the Job Training Partnership Act, though some of the same elements were involved. He said this was not funded adequately for supportive services. He concluded saying that while the bill had merit on its face, it did need more work.

Senator Keating repeated that this was an excellent way to spend general assistance dollars.

Senator Haffey said that to adopt the bill would be hasty. He said if the bill resulted in anyone not being able to get the general assistance benefits he could not support the bill. He said these people want work and need a thoughtful approach.

Senator Towe asked if the provisions of the bill could be implemented by rule or if further legislation would be necessary. Mr. Lewis acknowledged that the 40-hour participation rule was unique here.

Senator Blaylock said that to displace other workers was not acceptable. Representative Winslow said he was willing to leave other agencies out but that Commissioner Dussault had wanted it in.

In response to a question from Senator Towe, Mr. Don Judge said that the bill had only been before the Legislature for two days. He said that no amendment would be able to deal with all the problems of the bill.

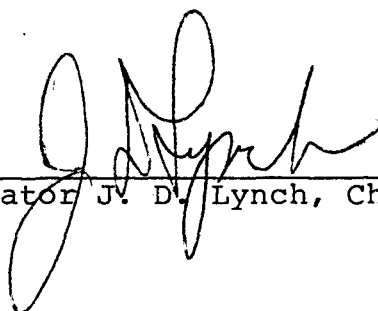
MOTION: Senator Towe moved that HB 12 be amended as follows:

1. Page 3, line 2  
Following: "or"  
Strike: "other designated"  
Insert: "a private non-profit"

Question was then called on Senator Keating's motion that HB 12 as amended be concurred in. Senators Aklestad, Keating, Thayer and Towe voted yes; Senators Blaylock, Haffey and Lynch voted no. The motion carried.

Labor and Employment Relations Committee  
March 28, 1986  
page six

Chairman Lynch adjourned the meeting at 8:55 pm.



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Senator J. D. Lynch, Chairman

ROLL CALL

LABOR AND EMPLOYMENT RELATIONS

COMMITTEE

48th LEGISLATIVE SESSION -- 1985

Date 3-28-86

SENATE  
SEAT  
#

NAME	PRESENT	ABSENT	EXCUSED
Lynch, J. D., Chairman	✓		
Manning, Dick, Vice-Chairman	✓		
Aklestad, Gary	✓		
Blaylock, Chet	✓		
Halley, Jack	✓		
Keating, Tom	✓		
Thayer, Gene	✓		
Towe, Tom	✓		

Each day attach to minutes.

Floor amendments to HB 12  
Sponsor: Representative Cal Winslow

Amend HB 12 as follows:

1. Title, line 6.  
Following: "SECTIONS"  
Strike: "53-3-303"  
Insert: "53-3-304"

2. Pages 1 through 5.  
Strike: everything following the enacting clause  
Insert:

"Section 1. Section 53-3-304, MCA, is amended to read:

"53-3-304. Power to require recipient to ~~perform-work~~ participate in job search, training, and work programs. (1) The department shall cooperate with the department of labor and industry and other designated agencies to initiate, promote, and develop job search, training, and work programs that will contribute to the employability of persons receiving general relief under the provisions of this chapter. These programs must be designed to preserve and improve the work habits and job-finding skills of recipients for whom jobs are not otherwise immediately available.

(2) For each county with state-assumed welfare services, the department shall contract with the department of labor and industry or other designated agencies to institute a job search, training, and work program that provides able-bodied general relief recipients with the necessary job-finding skills to seek unsubsidized employment independently.

(3) In a county with state-assumed welfare services, a recipient of general relief shall enroll in a structured job search and training program at an employment office or other site designated by the department. The program must include but is not limited to the following elements:



(a) assessment and testing;  
(b) an employability plan;  
(c) remedial education or job skills training, if it  
is called for in the employability plan;  
(d) a job-readiness and job search program that must  
include but is not limited to:

(i) self-assessment and occupational testing;  
(ii) instruction in completing applications, writing  
resumes, and preparing for interviews;  
(iii) identification of and contact with potential  
employers; and  
(iv) participation in simulated job interviews;  
  
(e) a supervised effort to find employment; and  
(f) efforts to address barriers to employment.

(4) In addition to the training required in subsection  
(3), ~~If-the-county~~ if a public agency or other designated  
agency has work available which a recipient of general  
relief is capable of performing or the department of social  
and rehabilitation services is required to operate a work  
program under the provisions of 53-2-822, then the county  
department of public welfare or the department of social and  
rehabilitation services may require a recipient to perform  
work at the minimum wage or may pay a recipient at the  
prevailing rate of wages paid by that county for similar  
work, to be paid from the county poor fund or state funds,  
in place of granting him general relief.

~~(2)~~ (5) The county department of public welfare or the  
department of social and rehabilitation services, as the  
case may be, shall provide coverage under the Workers'  
Compensation Act for those recipients of general relief  
working under the provisions hereof and may enter into such  
agreements with the division of workers' compensation of the  
department of labor and industry as may be necessary to  
carry out the provisions of this section.

(6) A recipient who has completed the assessment and  
testing portions of the program and has developed an employ-  
ability plan shall participate in the job readiness and job  
search program provided for in subsection (3)(d) for at  
least 80 hours in any 5-week period and shall spend at least  
8 hours a week in a supervised effort to find employment.

(7) A recipient who has completed the job search program provided for in subsection (3) shall:

(a) continue to spend at least 8 hours a week in a supervised effort to find employment; and

(b) for the duration of his eligibility for general relief, spend 32 hours a week, as called for in the employability plan, in:

(i) remedial education;

(ii) counseling;

(iii) job skills training;

(iv) work for a public agency or other designated agency, as required in subsection (4); or

(v) job-seeking or other related activities."

Section 2. Section 53-3-305, MCA, is amended to read:

"53-3-305. Effect of refusal to ~~work~~ enroll in job search, training, and work programs. Any recipient of general relief who is subject to the provisions of 53-3-303 and 53-3-304 and who without cause refuses to participate in the job search and training program or to perform work assigned to him as therein provided shall lose his eligibility for general relief for ~~4-week~~ one-fourth of the monthly benefit amount for each refusal."

Section 3. Extension of authority. Any existing authority of the department of social and rehabilitation services and the department of labor and industry to make rules on the subject of the provisions of this act is extended to the provisions of this act.

Section 4. Effective date. This act is effective July 1, 1986."

-End-

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Exhibit 1-H.B.12  
3-28-86