

MINUTES OF THE MEETING
BUSINESS AND LABOR COMMITTEE
50TH LEGISLATIVE SESSION

The meeting of the Business and Labor Committee was called to order by Chairman Les Kitselman on April 9, 1987 at 8:00 a.m. in room 312-F of the state capitol.

ROLL CALL: All members were present.

HOUSE JOINT RESOLUTION 52

Rep. Simon introduced HJR 52, which would establish a printing advisory council and request an interim study of state printing and duplicating procedures and requiring a report of the findings of the study to the 51st legislature.

PROPONENTS

Ken Dunham, Associated Printers and Publishers, spoke in support of the resolution and noted the key areas of reviewing printer specifications for printing jobs and the matter of the Printing Advisory Council, which would be helpful to state government and the printing industry.

Dave Ashland, Department of Administration expressed the Administration's support of the legislation.

Gordon Morris, Montana Association of Counties (MACo), expressed support for the resolution with consideration of county representatives for the advisory council.

OPPONENTS

There were no opponents.

Testimony was closed on HJR 52.

EXECUTIVE ACTION - HOUSE JOINT RESOLUTION 52

Rep. Glaser made a motion to exclude counties, city government, and local governments from the legislation.

A voice vote was taken and the motion PASSED unanimously.

Rep. Jones moved to amend the resolution to state the Department of Administration will finance the study with voluntary support from the industry.

A voice vote was taken and the motion PASSED, with Rep. Bachini voting no.

Rep. Jones moved HRJ 52 DO PASS AS AMENDED.

A voice vote was taken and the motion PASSED unanimously.

HOUSE JOINT RESOLUTION 51

Rep. Cal Winslow introduced this resolution urging the private industry councils to give highest priority to the rehabilitation of chronically unemployed workers through the use of Job Training Partnership Act funds.

PROPONENTS

Gordon Morris, MACo, expressed the counties support for the resolution.

OPPONENTS

Jeff Macken stated he supported the objectives and priorities listed in the bill but opposed it because he felt it was premature.

Gene Fenderson expressed his opposition to the resolution and noted there were technical errors in the resolution.

Ray Tilman also addressed technical errors in the resolution including the definition of chronically unemployed. He stated he agreed with Rep. Winslow but that the areas covered in the resolution are already being done.

Sue Mohr, Department of Labor, explained the amendments to the resolution (exhibit 1) proposed by the department.

Rep. Winslow then closed testimony on HJR 51.

EXECUTIVE SESSION - HOUSE JOINT RESOLUTION 51

Rep. Thomas moved the amendments in exhibit 2.

A voice vote was taken and the motion PASSED, with three (3) voting no.

Rep. Pavlovich moved to table the resolution.

A voice vote was taken and the motion FAILED on a tie vote.

Rep. Thomas moved HJR 51 DO PASS AS AMENDED.

A roll call vote was taken and the motion FAILED on a tie vote.

A report on the Montana Insurance Assistance Plan was read by Randy Pugh from the Montana Department of Insurance (exhibit 4).

In response to a question from Rep. Thomas, Mr. Pugh noted the plan was to continue the MAP and not to enact the JUA.

The meeting was adjourned at 9:00 a.m.

A handwritten signature in black ink, appearing to read "Les Kitselman", written over a horizontal line.

Les Kitselman, Chairman

lk/gmc/b14.9

DAILY ROLL CALL
 BUSINESS & LABOR COMMITTEE

59th LEGISLATIVE SESSION -- 1987

Date April 9, 1987

NAME	PRESENT	ABSENT	EXCUSED
REP. LES KITSELMAN, CHAIRMAN	✓		
REP. FRED THOMAS, VICE-CHAIRMAN	✓		
REP. BOB BACHINI	✓		
REP. RAY BRANDEWIE	✓		
REP. JAN BROWN	✓		
REP. BEN COHEN	✓		
REP. JERRY DRISCOLL	✓		
REP. WILLIAM GLASER	✓		
REP. LARRY GRINDE	✓		
REP. STELLA JEAN HANSEN	✓		
REP. TOM JONES	✓		
REP. LLOYD MCCORMICK	✓		
REP. GERALD NISBET	✓		
REP. BOB PAVLOVICH	✓		
REP. BRUCE SIMON	✓		
REP. CLYDE SMITH	✓		
REP. CHARLES SWYSGOOD	✓		
REP. NORM WALLIN	✓		

ROLL CALL VOTE

BUSINESS & LABOR

COMMITTEE

DATE April 9, 1987 BILL NO. HJR 51

NUMBER 1

NAME	AYE	NAY
REP. LES FOTSELMAN, CHAIRMAN	✓	
REP. FRED THOMAS, VICE-CHAIRMAN	✓	
REP. BOB BACHINI		✓
REP. RAY BRANDEWIE	✓	
REP. JAN BROWN		✓
REP. BEN COHEN		✓
REP. JERRY DRISCOLL		✓
REP. WILLIAM GLASER	✓	
REP. LARRY GRINDE	✓	
REP. STELLA JEAN HANSEN		✓
REP. TOM JONES	✓	
REP. LLOYD MCCORMICK		✓
REP. GERALD NISBET		✓
REP. BOB PAVLOVICH		✓
REP. BRUCE SIMON	✓	
REP. CLYDE SMITH	✓	
REP. CHARLES SWYSGOOD	✓	
REP. NORM WALLIN		✓

TALLY

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Secretary

Les Fotselman
Chairman

MOTION: Rep. Thomas moved that HJR 51 DO PASS AS AMENDED.

Motion failed - tie vote.

STANDING COMMITTEE REPORT

April 9

19 87

Mr. Speaker: We, the committee on BUSINESS AND LABOR

report HJR 52

do pass
 do not pass

be concurred in
 be not concurred in

as amended
 statement of intent attached

REP. LES KITSELMAN

Chairman

1. Title, line 9
Following: line 8
Insert: "REQUESTING THE DEPARTMENT OF ADMINISTRATION TO REIMBURSE THE LEGISLATIVE COUNCIL FOR THE COSTS OF THE INTERIM STUDY AND TO ACCEPT VOLUNTARY CONTRIBUTIONS FROM PRIVATE PRINTERS;"
2. Page 1, lines 12 and 13
Following: "state" on line 12
Strike: "and local governments"
Insert: "government"
3. Page 2, lines 3 and 4
Following: "agencies" on line 3
Strike: "and political subdivisions"
4. Page 4, lines 9 and 10
Following: "state" on line 9
Strike: "and local governments"
Insert: "government"
5. Page 4, line 17
Following: line 16
Insert: "BE IT FURTHER RESOLVED, that the Department of Administration reimburse the Legislative Council for all costs of the interim committee including compensation and expenses under 5-2-302, necessary supplies and materials, postage, printing of reports, and other normal and customary costs of an interim study.
BE IT FURTHER RESOLVED, that private printers be encouraged to voluntarily assist the Department of Administration in the reimbursement of the costs of the interim study and that the Department of Administration may accept voluntary contributions from private printers for the purpose of reimbursement of costs of the interim study."


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House Joint Resolution No. 51
Proposed Technical Amendments
Department of Labor and Industry

Note: all page and line references are to LC 1849/01.

1. Title, lines 5 through 8.

Following: "URGING THE" on line 2

Strike: the remainder of the title

Insert: JOB TRAINING COORDINATING COUNCIL TO DEVELOP STATEWIDE GOALS WHICH WILL EMPHASIZE SERVICE TO CHRONICALLY UNEMPLOYED WORKERS THROUGH THE JOB TRAINING PARTNERSHIP ACT."

2. Page 1, line 10.

Strike: "Private Industry Councils"

Insert: "Job Training Coordinating Council"

3. Page 1, line 12 through line 15.

Following: "97-300"

Strike: the remainder of line 12 through line 15

Insert: "has been granted authority to recommend a Governor's Coordination and Special Services Plan; and"

4. Page 2, line 7 through line 20.

Strike: sections (1) through (5)

Insert: "That an appropriate interim legislative subcommittee review and comment on the Governor's Coordination and Special Services Plan for purposes of ensuring:

(1) that the service to chronically unemployed workers is addressed by each service delivery area's job training plans;

(2) that targeted populations are identified in each service delivery area's job training plan;

(3) that each service delivery area's job training plan includes clear goals and measurable objectives;

(4) that each service delivery area give proper consideration to awarding funds to program operators based on performance success;

(5) that each service delivery area be encouraged to assess retention in employment with the long-term goal of using retention in employment as part of the basis for awarding incentives."

EXHIBIT ²
DATE 4.9.07
HB HJR 51

HJR 51 (Introduced bill)
AMENDMENTS AS FOLLOWS:

- 1) Title, line 6
Strike: "HIGHEST"
Insert: "A HIGH"

- 2) Page 1, line 12
Strike: "advise"
Insert: "administer"

- 3) Page 1, line 13
Strike: "Department of Labor and Industry regarding the"

- 4) Page 1, line 21
Strike: "the highest"
Insert: "a high"

- 5) Page 2, line 7
Strike: "the highest"
Insert: "a high"

Job Training Partnership Act
 SFY 86
 Performance Standard Attainment

EXHIBIT 3
 DATE 7-9-87
 BY AJR/SL

	SFY 86 Standard	BOS SDA	CEP SDA	SFY 87 Standard
<u>IIA_Adult</u> Entered employment rate	55%	68.8%*	73.3%**	62%
Cost per entered employment	\$5,704	\$2,235	\$2,108	\$4,374
Average wage at placement	\$4.91	\$4.87	\$5.39	\$4.91
Welfare entered employment rate	39%	58.6%***	65.6%****	51%

- * 68.8% = 1,195 placements
- ** 73.3% = 454 placements
- *** 58.6% = 294 placements
- **** 65.6% = 141 placements

<u>IIA_Youth</u> Entered employment rate	41%	62.3%*	70.4%**	43%
Positive termination rate	82%	84.2%	85.1%	75%
Cost per positive termination	\$4,900	\$2,696	\$1,838	\$4,900

- * 62.3% = 619 placements
- **70.4% = 269 placements

	SFY 86 Standard	Performance	SFY 87 Standard
<u>Title_III*</u> Entered employment rate	55%	72.7%	62%
Cost per entered employment	\$5,704	\$1,402	\$4,374
Average wage at placement	\$4.91	\$7.58	\$4.91

SFY 86 participant information:
 Total enrollees: 751
 Terminations: 653
 Total placed: 475

* Title III formula only; doesn't include discretionary funds.

Montana Insurance Assistance Plan Presentation

EXHIBIT 4.1.07
DATE 4.1.07
HB _____

Mr. Chairman, members of the committee, my name is Randy Pugh and I am Administrative Assistant for the Montana Insurance Assistance Plan with the Montana Department of Insurance. On behalf of Insurance Commissioner Bennett, I am pleased to report to you today on the activities of the Montana Insurance Assistance Plan over the past year. However, before I begin today, Commissioner Bennett, the Department of Insurance, and I would first like to acknowledge those individuals who have volunteered their time and expertise to the Montana Insurance Assistance Plan. The Department is fortunate to have very qualified and dedicated appointees to the three committees directing this program. Members of the Advisory Committee are Chairman Carl Swanson of USF&G in Helena, John Tauer of St. Paul Companies in Great Falls, Roger McGlenn of the Independent Insurance Agents of Montana, Diane Schneider of CNA Insurance in Seattle, and the Deputy Insurance Commissioner. This committee spent a great deal of time drafting the plan of operation for each committee, committee structures, fee structures, and overall organization of the plan, as well as overseeing its day-to-day operations.

Members of the Agents Committee are Chairman Bruce Mihelish of Insurance Inc. in Helena, Jim Paffhausen of State Farm in Billings, Jim Smith of First West, Inc. in Bozeman, Bob Wuttke of Western States Insurance in Missoula, and Gordon McManus of the Flynn Agency in Great Falls. These individuals are responsible for negotiating extensions of coverage and exploring the market for available insurance sources.

Serving on the Underwriting Committee are Ed Judge of Rocky Mountain General Agency, Chuck Norman of Fireman's Fund, and John Korpela of Farmers Union, all in Great Falls, Chairman Kent McPhail of USF&G in Helena, and John Gettles with SAFECO Insurance in Redmond, Washington. The Underwriting Committee makes further placement efforts if the Agents Committee is unsuccessful in finding a market for an applicant. I would also like to thank those companies and their representatives who have supported the Plan by agreeing to underwrite those risks submitted to them through the Plan. Without the support of these individuals, Montana's insurance agents, and the insurance industry itself, the Montana Insurance Assistance Plan would not have been able to achieve the success that it has enjoyed during its limited time of operation.

As you all know, the insurance industry has faced a "crisis" during the past two to three years. During this time, the insurance consumer has faced insurance rate increases of 100% to 1000% with companies refusing to insure some businesses altogether. It was this market situation that led Commissioner Bennett to seek the creation of the Montana Insurance Assistance Plan during the March 1986 special session of the 49th legislature.

The Montana Insurance Assistance Plan, also known as the Plan, was formed to help consumers resolve problems in securing insurance coverage. Specifically, the Plan assists consumers in locating commercial liability insurance for Political Subdivisions, Day Care Homes and Centers, and Commercial Liquor establishments. A consumer who is having difficulty in

securing insurance coverage for one of these specific categories is encouraged to apply to the MIAP for market assistance.

The MIAP has been operational since June 1, 1986. Between June 1 of 1986 and April 1 of 1987, the Plan has received over 300 insurance related inquiries ranging from asbestos removal to vocational colleges as well as 35 applications for assistance in locating liability insurance. Of the 35 applications for assistance, 21 applications have come from Political subdivisions including 15 from counties and 6 from cities or towns. Two applications have been received for Day Care Homes and 2 for liquor establishments. The remaining 10 applications were either unqualified or were able to secure insurance on their own through the private market. Of the 25 qualified applications, we have successfully located liability insurance for 23 of 25 applicants for a success ratio of 92.0%. Although the Plan has been operational for only 9 months, it has succeeded in assisting Montana consumers to locate insurance when no such coverage could be found through private insurance markets. The Montana Insurance Assistance Plan has achieved success by helping consumers locate the Insurance they needed to function as a private business or a public entity.

Although this Plan has been successful, it now appears that the insurance crisis is easing somewhat and companies are once again actively underwriting risks which they would not have considered a year ago. As the insurance industry begins to expand its book of business, insurance consumers should find

insurance more available although costs may remain higher than in previous years. Thus, it is imperative that we help our insurance consumers find insurance coverage while allowing the market to correct its mistakes of previous years. The MIAP is the tool which will assure that insurance coverage is available to the consumer as well as sending a signal to the insurance industry that we will not allow a "insurance availability crisis" to resurface in the future.

At this time, I would like to point out a printing error in the Montana Insurance Assistance Plan Report to the Legislature. On page 27 of the Report, subparagraph 2, the words "Sections 1 through 13, 15, and 16 terminate July 1, 1987. Section 14" should be stricken and should now read "THIS ACT terminates July 1, 1989". Commissioner Bennett will continue to use the Montana Insurance Assistance Plan mechanism to help address the liability insurance problems faced by consumers in the State of Montana. Given the success of the Plan and the insurance industry's cooperation in helping to ease the present crisis, the Commissioner does not intend to implement the Joint Underwriting Authority authorized by this legislation. The continuation of the Montana Insurance Assistance Plan will allow the Department of Insurance to assist those consumers who encounter availability problems in finding insurance coverage in the private market.

I appreciate the time and interest of this committee in hearing this report. At this time, I will be happy to answer any questions you may have regarding the Montana Insurance Assistance Plan and/or its operations.

VISITORS' REGISTER

BUSINESS AND LABOR COMMITTEE

BILL NO. HJR 52

DATE APRIL 9, 1987

SPONSOR REP. BRUCE SIMON

NAME (please print)	RESIDENCE	SUPPORT	OPPOSE
Ken Donham	Assoc Printers Publishers	Y	
London M... ..	MA Co.		

IF YOU CARE TO WRITE COMMENTS, ASK SECRETARY FOR WITNESS STATEMENT FORM.
PLEASE LEAVE PREPARED STATEMENT WITH SECRETARY.

VISITORS' REGISTER

BUSINESS AND LABOR

COMMITTEE

BILL NO. HJR 51

DATE APRIL 9, 1987

SPONSOR REP. CAL WINSLOW

NAME (please print)	REPRESENTING	SUPPORT	OPPOSE
Eileen Fenderson	Vic Chair - REP		X
Gordon Morris	MAG		

IF YOU CARE TO WRITE COMMENTS, ASK SECRETARY FOR WITNESS STATEMENT FOR
PLEASE LEAVE PREPARED STATEMENT WITH SECRETARY.