

MINUTES

MONTANA SENATE 51st LEGISLATURE - REGULAR SESSION

COMMITTEE ON LABOR AND EMPLOYMENT RELATIONS

Call to Order: By Senator Gary C. Aklestad, on March 22, 1989, at 8:30 A.M. in room 415 of the state Capitol.

ROLL CALL

Members Present: All members were present. Senator Tom Keating, Vice-Chairman, senator Sam Hofman, Senator J.D. Lynch, Senator Gerry Devlin, Senator Bob Pipinich, Senator Dennis Nathe, Senator Richard Manning, Senator Chet Blaylock, and Senator Gary C. Aklestad, Chairman.

Members Excused: There were no members excused.

Members Absent: There were no members absent.

Staff Present: Tom Gomez, Legislative Council Analyst.

Announcements/Discussion: There were no announcements or discussion.

DISPOSITION OF HOUSE BILL 529

Discussion:

Representative Boharski was asked to explain HB 529. Boharski stated the legislature should be come involved welfare spending appropriations. The legislative oversight is a definite action that can be taken. The welfare appropriation subcommittee is sifting through millions of dollars of welfare money. The agencies's main objective should be to direct money towards welfare recipient. After spending \$24 million dollars, the state auditor's office cannot specify whether people have been put to work or not, but the auditor's office can provide figures. The figures do not mean a whole lot to anyone. Specific areas must be targeted, so the legislature can track the money. The welfare money should be used in the best way possible. Representative Boharski stated there was concern about bill duplication. Senate Bill 70 is somewhat like HB 529, but deals with the Jobs Program, the Federal Welfare Reform Act.

House Bill 529 is for the Job Training Partnership Act. Each refers to separate laws in federal statute, but the bills work together. The Job Training Partnership Act is a key issue because of the flexibility and support services. The private sector is also involved. The bill allows the legislature to direct the expenditures.

Senator Keating moved to remove HB 529 from the TABLE. The motion passed unanimously.

Recommendation and Vote:

Senator Keating moved HB 529 BE CONCURRED IN.

Senator Keating stated the Job Training Partnership Act is funded approximately \$24 to \$26 million biennially. The amount is 100% federal money and does not require a General Fund match. Until a legislative Project Work audit was performed several years ago, the legislature did not realize the project was a flop. The legislature was actually wasting money. The bill is in compliance with JTPA and the Welfare Reform Act, regarding coordination of the state works projects. The Governor is also directed by HB 529. If properly coordinated, the state can use JTPA money to assist in funding other programs. House Bill 529 will establish an interim committee tracking of activities and will establish legislative auditing of the program regarding the finances. The Legislature can make sure the program is functioning properly and the specified jobs were being accomplished. The Legislature wants jobs so people can go to work, wants the "right" people to receive GA, and wants the needed to be taken care of properly. House Bill 529 will enable state government to track what the state is accomplishing, will give the governor the latitude to put money where money will do the most good. Senator Keating urged passage of HB 539.

Senator Lynch asked what the committee vote count was in the House. Representative Boharski stated the Health Human Service Committee approved HB 529 unanimously. Senator Lynch questioned whether the statement of intent is required. Tom Gomez replied the statement of intent is not required. Senator Lynch stated, if HB 529 passes, the bill should go to the Rules Committee because you cannot amend the statement of intent without a two thirds vote of the committee that is acting on the bill. Tom Gomez stated he consulted with Greg Petesch, Legislative Council's chief legal officer. The opinion is the statement of intent is properly before the Senate. The rule pertains to an attachment of the statement of intent. Senator Aklestad stated the statement of intent is in the bill, so it can be amended. Senator Keating stated the statement of intent was

attached in the House by an unanimous vote. The bill has not been amended.

Senator Blaylock stated the committee has had real good statements about the people the Legislature wants to help, but insofar as drawing a comparison between state ran placement agencies and private agencies placing individuals, the job placement agencies are not taking the kinds of people the state is trying to employ and trying to take off welfare. Unfortunately, most of these unemployed individuals are single mothers, who lack proper nutrition; they are substantially overweight; their teeth are in very poor condition, and in many cases, they lack personal hygiene. These individual must be instructed in personal attractiveness, so they are presentable to the work force. Senator Blaylock stated action, that must be taken to prepare these individuals for the work force, is definitely a good expenditure of the welfare money. Senator Blaylock stated he has grave doubts whether the bill will accomplish what it is intended to accomplish.

Senator Hofman stated the state success ratio has been low.

Senator Hofman stated he is on an advisory council for the Bozeman Job service. There are people who apply for jobs that do not have the first idea about what it takes to positively present themselves for employment. This is accomplished at Job Service.

Senator Pipinich asked when the individual is placed in a job, does the state change their attitude or lifestyle, or do the individuals slip back into the mire. Senator Hofman replied the state tries to change the persons lifestyle, attitude, and personal habits, approach to the work force. The state wants the people to feel good about themselves, so they can make accomplishments in other area.

Senator Pipinich asked if the two bills are going to conflict with one another. Senator Aklestad stated there would be no conflict. Tom Gomez stated the bill Senator Pipinich refers to is SB 70, which established the Agency Jobs Program and mandated under the Federal Family Support Act (The Welfare Reform Act). The program is a belated kind of program that currently exists under the Federal Job Training Partnership Act. The programs are separate, but serve similar cliental.

Senator Keating, as a substitute motion, moved the amend HB 529 with the language of 3,4,& 5.

Senator Lynch stated he is against the motion because of the cumbersome wording. Senator Keating stated the business

community checks on what is being accomplished to make sure the intentions are being carried out, the state should do the same.

Recommendation and Vote:

Senator Aklestad stated the bill is to be considered in the original form: HB 529 BE CONCURRED IN. A roll call vote was taken: Senators Keating, Hofman, Devlin, Nathe, and Aklestad voted YES. Senators Lynch, Pipinich, Manning and Blaylock voted NO.

DISPOSITION OF HOUSE BILL 28

Amendments and Votes:

Senator Aklestad stated the amendment #1 allows the state minimum wage to kick in at the same time the federal minimum wage kicks in.

Senator Manning asked if the amendment deals with a training wage. Senator Aklestad stated no. The training wage is dealt with by a separate amendment. (#2)

Senator Lynch stated, in the event Congress goes higher than two years and \$4., the state will also do the same. Senator Aklestad stated the goal is to kick in on January 1, 1990. The increment will be \$.40. Tome Gomez explained the Congressional proposed amount will be \$3.85 on January 1, 1990, \$4.25 on January 1, 1991, and \$4.25 on January 1, 1992.

Senator Aklestad stated under the federal guidelines, when the federal government makes raises, the state is mandated to include the raises. Tom Gomez stated there is a federal minimum wage for those persons who are employed in enterprises engaging in commerce. The qualifications factor is: The business has a current gross sales of more than \$362,500 per year. Anyone employed by a firm, doing less the \$362,500 per year, are subject to the state minimum wage law.

Smaller companies pay the state minimum wage, and larger companies pay the federal minimum wage. They are necessarily not the same.

Senator Lynch stated, under the proposed law, we are going to make them the same. Gomez said, if fact, the way this is written up. The state legislature will adjourn without knowing what the federal government mandates. There needs to be mechanisms to allow for the minimum wage to be raise.

Senator Hofman stated if the amendment passes, the only businesses that will kick in are the large businesses. The smaller, \$362,500 and below will stay at the rate it is now.

Senator Lynch asked about the language dealing with the commissioner's authority. The commissioner will have the authority to put the minimum wage into effect.

Senator Aklestad stated the effect of the amendments when the feds kick in, everyone's will go up, including those that are less than \$362.500 gross sales.

Senator Lynch stated, instead of the new minimum wage kicking in on June 30th, there will be no increases in minimum wage until January of 1990. The amendments say the legislature will change the current state law to coincide with the federal. The bill, as is, raises the minimum wage for everybody. It is raised at a difference rate and at a difference time period. Senator Lynch asked if the bill denies raises this year. Yes.

Senator Keating asked if the committee thinks the federal wage act will be passed this year. Senator Lynch said yes. Senator Aklestad gave figures used in the current congressional debate.

Senator Blaylock stated he will support the bill without the Aklestad amendment. It is tempting to say we will go with the feds because possibly down the road people may get more money, but in reading reports and examining Montana's economy, the Montana economy is far more driven by national, than Montana forces. The minimum wage being considered in Washington is a national business force. Montana is not up with the National standards. Montana business is hurting in a lot of ways. To say Montana is going to tie with federal law, and we are going to boost the rate to \$4.50 or whatever, is something to consider. It will be tough for the small business people to come up with the money. Senator Blaylock stated he thinks \$4.00 is reasonable. To say, we are going beyond that amount and tie in with the federal is not good for all the people in the state.

Senator Aklestad asked Senator Blaylock if it would be better to have the gross at \$362,500 and be able to go at the state minimum wage. Senator Blaylock stated that is federal law, and we cannot do anything about it. Senator Aklestad stated we can establish the minimum wage.

Senator Blaylock said he would like to see \$3.75 for the smaller businesses and \$4.00 for the larger businesses.

Senator Aklestad said the bill is being amended because it appears the bill will go into effect sooner than the economy of Montana can handle. It goes at a little higher rate, and it goes quicker after it kicks in.

Senator Pipinich stated his constituents want the raise now. Most of the business people say they can live with this bill, as is. Senator Keating stated Senator Pipinich's people want jobs.

Senator Keating paraphrased Senator Blaylock's remarks to question the fact that Montana is driven by outside forces, and Montana is not controlling her own destiny. Discussion followed. Senator Blaylock stated, if you take a look at the unemployed figures, you see that people have left the state. Businesses are staying healthy in the rest of the country.

Senator Keating said the proposed law will make the wage higher than any surrounding state. It will kill the employers, and the employee will get hurt.

Senator Blaylock stated this is not the same thing they told me when I carried the Minimum Wage Bill before.

Amendment and vote:

A roll call vote was taken. Senators Keating, Devlin, Nathe, and Aklestad voted YES. Senators Hofman, Lynch, Pipinich, Manning and Blaylock voted NO. The motion failed.

Senator Aklestad offered an amendment to establish a lower minimum wage for employers that are newly hired. The amendment would be for the first 190 days of the new hire, the employee will be at the \$3.35 per hour. The section two and three is the protection, so you can't have an employer that just hires, fires, and hires to keep the individual at \$3.35. per hour.

Amendment and Vote:

A roll call vote was taken. Senators Keating, Hofman, Devlin, Nathe, and Aklestad voted YES. Senators Lynch, Pipinich, Manning and Blaylock voted NO. The motion passed.

Recommendation and Vote:

Senator Lynch moved AS AMENDED BE NOT CONCURRED IN.

Senator Hofman stated he is going to vote against this bill

because if the federal government comes in with the increases. The legislation will effect all the businesses in Montana that have more than the \$362,500 level. These are the places where we need to keep the minimum wages in order to keep the people employed. The job will get done without HB 28.

A roll call vote was taken. Senators Lynch, Pipinich, Manning, and Blaylock voted YES. Senators Keating, Hofman, Devlin, Nathe, and Aklestad voted NO. The Motion Failed.

Senator Lynch requested a Minority and Majority Report.

Senator Aklestad requested a roll call vote, then asked the secretary to change the roll call vote to read: AS AMENDED BE CONCURRED IN.

ADJOURNMENT

Adjournment at: The meeting was adjourned at 938 a.m.

Senator Gary C. Aklestad, Chairman

GCA/mfe

Minutes.322

ROLL CALL

LABOR COMMITTEE

51st LEGISLATIVE SESSION

DATE:

March 22, 1989

	PRESENT	ABSENT	EXCUSED
SENATOR TOM KEATING	X		
SENATOR SAM HOFMAN	X		
SENATOR J.D. LYNCH	X		
SENATOR GERRY DEVLIN	X		
SENATOR BOB PIPINICH	X		
SENATOR DENNIS NATHE	X		
SENATOR RICHARD MANNING	X		
SENATOR CHET BLAYLOCK	X		
SENATOR GARY AKLESTAD	X		

SENATE STANDING COMMITTEE REPORT

page 1 of 2
March 23, 1989

MR. PRESIDENT:

We, your committee on Labor and Employment Relations, having had under consideration HB 28 (third reading copy -- blue), respectfully report that HB 28 be amended and as so amended be concurred in:

Sponsor: Harrington (Aklestad)

1. Title, lines 6 and 7.

Following: the second "AN ACT" on line 6

Strike: remainder of line 6 through "WAGE" on line 7

2. Title, line 8.

Following: "1990"

Insert: "REVISING THE STATE MINIMUM WAGE LAWS TO REQUIRE THE STATE MINIMUM WAGE TO BE SET IN ACCORDANCE WITH FEDERAL LAW, BUT NOT TO EXCEED \$4 AN HOUR"

3. Title, line 11.

Following: ";"

Insert: "ESTABLISHING A LOWER MINIMUM WAGE FOR EMPLOYEES WHO ARE NEWLY HIRED;"

4. Page 1, lines 19 and 20.

Following: "employees"

Strike: ": (a)"

Insert: "a wage of not less than the applicable minimum wage as determined by the commissioner in accordance with [section 2]"

5. Page 1, line 23 through page 2, line 1.

Strike: "at" on line 23 through "1990" on page 2, line 1

6. Page 3, line 8.

Strike: "\$735"

Insert: "\$635"

7. Page 3, line 9.

Strike: "after"

Following: "~~December 30~~"

Strike: "~~SEPTEMBER 30, 1989~~"

Insert: "beginning January 1, 1990"

8. Page 3, line 19.

Following: line 18

Insert: "NEW SECTION. Section 2. Adoption of minimum wage rates. The commissioner shall adopt rules to establish a minimum wage that must be the same minimum hourly wage rate as provided under the federal Fair Labor Standards Act (29 U.S.C. 206), but not to exceed \$4 an hour."

"NEW SECTION. Section 3. New hire wage. (1) In lieu of the

minimum wage provided for in 39-3-404(1), an employer may pay an employee a wage of at least \$3.35 an hour if the employee has not been previously employed by the employer.

(2) An employer may pay an employee the minimum wage authorized in subsection (1) for a period not to exceed 180 days beginning from the date the employee is hired.

(3) An employee may not be displaced by another employee (including partial displacement, such as a reduction in the hours of nonovertime work, wages, or employment benefits) for the purpose of allowing the employer to pay the minimum wage described in this section."

Renumber: subsequent section

AND AS AMENDED BE CONCURRED IN

Signed: *Gary C. Aklestad*
Gary C. Aklestad, Chairman

4/2/89
3/31/89
30
SCRHB028.323

ROLL CALL VOTE

LABOR COMMITTEE

51st LEGISLATIVE SESSION

DATE: April 22 BILL NO: HB 529 TIME: _____

Amend HB 529 with amendments 3, 4, + 5.

VOTE:	YES	NO
SENATOR TOM KEATING		X
SENATOR SAM HOFMAN	X	
SENATOR J.D. LYNCH		X
SENATOR GERRY DEVLIN		X
SENATOR BOB PIPINICH		X
SENATOR DENNIS NATHE	X	
SENATOR RICHARD MANNING		X
SENATOR CHET BLAYLOCK		X
SENATOR GARY AKLESTAD		X

The motion failed.

2

9

ROLL CALL VOTE

LABOR COMMITTEE

51st LEGISLATIVE SESSION

DATE: April 22 BILL NO: HB 529 TIME: _____

BE CONCURRED IN

VOTE:	YES	NO
SENATOR TOM KEATING	X	
SENATOR SAM HOFMAN	X	
SENATOR J.D. LYNCH		X
SENATOR GERRY DEVLIN	X	
SENATOR BOB PIPINICH		X
SENATOR DENNIS NATHE	X	
SENATOR RICHARD MANNING		X
SENATOR CHET BLAYLOCK		X
SENATOR GARY AKLESTAD	X	

The motion passed.

5

4

ROLL CALL VOTE

LABOR COMMITTEE

51st LEGISLATIVE SESSION

DATE: 3-22-89 BILL NO: HB 28 TIME: #1

Alleged Amendment #1

VOTE:	YES	NO
SENATOR TOM KEATING	X	
SENATOR SAM HOFMAN		X
SENATOR J.D. LYNCH		X
SENATOR GERRY DEVLIN	X	
SENATOR BOB PIPINICH		X
SENATOR DENNIS NATHE	X	
SENATOR RICHARD MANNING		X
SENATOR CHET BLAYLOCK		X
SENATOR GARY AKLESTAD	X	

Motion Failed

4

5

ROLL CALL VOTE

LABOR COMMITTEE

51st LEGISLATIVE SESSION

DATE: 3-22 BILL NO: HB 28 TIME: #2

Akkestad #2 Amendment

VOTE:	YES	NO
SENATOR TOM KEATING	X	
SENATOR SAM HOFMAN	X	
SENATOR J.D. LYNCH		X
SENATOR GERRY DEVLIN	X	
SENATOR BOB PIPINICH		X
SENATOR DENNIS NATHE	X	
SENATOR RICHARD MANNING		X
SENATOR CHET BLAYLOCK		X
SENATOR GARY AKLESTAD	X	

Motion passed.

5

4

ROLL CALL VOTE

LABOR COMMITTEE

51st LEGISLATIVE SESSION

DATE: 3-22-89 BILL NO: HB28 TIME: #3

Lynch - As Amended, Do Not Concur In

VOTE:	YES	NO
SENATOR TOM KEATING		X
SENATOR SAM HOFMAN		X
SENATOR J.D. LYNCH	X	
SENATOR GERRY DEVLIN		X
SENATOR BOB PIPINICH	X	
SENATOR DENNIS NATHE		X
SENATOR RICHARD MANNING	X	
SENATOR CHET BLAYLOCK	X	
SENATOR GARY AKLESTAD		X

4

5

ROLL CALL VOTE

LABOR COMMITTEE

51st LEGISLATIVE SESSION

DATE: 3-22-89 BILL NO: HB 28 TIME: #4

As Amended, Be Concurred In

VOTE:	YES	NO
SENATOR TOM KEATING	X	
SENATOR SAM HOFMAN	X	
SENATOR J.D. LYNCH		X
SENATOR GERRY DEVLIN	Y	
SENATOR BOB PIPINICH		X
SENATOR DENNIS NATHE	X	
SENATOR RICHARD MANNING		X
SENATOR CHET BLAYLOCK		Y
SENATOR GARY AKLESTAD	Y	