

MINUTES

MONTANA SENATE
52nd LEGISLATURE - REGULAR SESSION

COMMITTEE ON LABOR & EMPLOYMENT RELATIONS

Call to Order: By Senator Richard Manning, Chair, on April 9,
1991, at 4:20 p.m.

ROLL CALL

Members Present:

Richard Manning, Chairman (D)
Thomas Towe, Vice Chairman (D)
Gary Aklestad (R)
Chet Blaylock (D)
Gerry Devlin (R)
Steve Doherty (D)
Thomas Keating (R)
J.D. Lynch (D)
Dennis Nathe (R)
Bob Pipinich (D)

Members Excused: Chet Blaylock (D) and Senator Devlin (R)

Staff Present: Paul Verdon (Legislative Council).

Please Note: These are summary minutes. Testimony and
discussion are paraphrased and condensed.

Announcements/Discussion: NONE.

HEARING ON HOUSE BILL 803

Presentation and Opening Statement by Sponsor:

Representative Menahan told the Committee House Bill 803 would protect employees and communities from closures and layoffs of state governmental facilities. It is a method of relieving the economic impact to the communities and providing for disbursement of local governments of a statutory appropriation.

Proponents' Testimony:

Teresa Reardon, representing the Montana Federation of State Employees spoke in support of House Bill 803. She told the Committee HB 803 was designed to protect employees and communities when closures or layoffs occur at governmental facilities. She explained the bill was in response to the Department of Institutions' plan to close Galen which has been put off for a period of time. HB 803 would protect any community

losing more than 25 state jobs over the course of two years. She commented a loss of jobs in an area has a ripple effect throughout the community. HB 803 provides for disbursement of funds through the community reinvestment fund for local economic impact relief. She explained the monies provided to communities would be closely monitored by an appointed local economic impact committee. The committee will be charged with overseeing expenditures, loans and investments of the funds allocated. She explained the notification procedure. The effected communities will be notified immediately of a decision to retrench or close and given a written statement of impact.

Darrell Holzer of the Montana State AFL-CIO spoke in support of House Bill 803. He explained HB 803 would provide necessary protections and notifications workers of Montana deserve.

Harley Warner representing the Montana Association of Churches spoke in favor of House Bill 803. He explained the association supports legislation which encourages governmental organizations and private corporations to share social costs which accompany the decision to close plants. Mr. Warner presented the Committee with a letter of support from the Montana Catholic Conference (Exhibit #1).

Opponents' Testimony:

Curt Chisholm, Director of the Montana Department of Institutions spoke in opposition to House Bill 803. He explained the department is not going to close Galen. He told the Committee there would be a down-sizing of the NVC facility at Boulder. He explained by definition retrenchment means reducing the number of employees at a governmental facility by at least 25 employees which is interpreted as FTE count which will fall under that definition as a planned reduction in the size of the NVC facility. The reduction will be from approximately 200 beds to 100 to 110 beds and all the FTE necessary to reduce to adequately supervise the patients at a level consistent with the active treatment responsibilities. He explained in reducing the FTE the city of Boulder would have to pay 25% of the salaries of the effected FTE. He told the Committee he does not have the money to do that in the Boulder budget because that was premised upon meeting certain tight timelines. The money which was anticipated to be saved by this employee reduction is being put into the SRS budget in order for them to develop the group homes which would accommodate about 30 more patients out of Boulder. He suggested House Bill 803 should exempt legislatively mandated issues, such as the Boulder down-size.

Bob Mullen, Deputy Director of the Montana Department of Labor and Industry told the Committee the department is not the appropriate agency to develop rules, procedures or develop and analyze local impact statements. The department's area of expertise would be primarily with re-training staff not advising the community on potential economic development projects. He

pointed to Section 3. He explained over the last six year the Department of Labor and Industry has retrenched approximately 160 positions. Some of the positions were the result of the quasi-public-private state fund entity creation and would probably not be considered a closure or a retrenchment under House Bill 803, unless the new entity would have chose to open it's facilities in another Montana community. He explained other positions the department has lost has been as a result of federal cutbacks. The departments concern is whether the general taxpayers be held responsible to a community for decisions which are outside of their control. The federal government is not going to allow the DOLI to use federal dollars to contribute to communities re-investment funds.

Questions From Committee Members:

Senator Keating asked Representative Menahan about the attempt to privatize the liquor stores. He commented in the liquor division there are more than 25 persons which would be a part, but each store may only employ five or six. He asked how this could be differentiated. Representative Menahan explained it was referring to the communities (25 or more in a community).

Senator Keating commented it "supposes" there will be an impact on the economy of the community if there is down-sizing or layoffs or privatizing except under the privatization rules it must be shown the government can save money. If this were to become law 25% of the salary of the employees would be paid to the community. There would be no savings for privatizing. Representative Menahan told the Committee this does not stop privatization but if there is a closure the 25% would go to community. He explained the Legislature and state government asked Boulder to make an investment in a community development project for housing. Boulder did this, but since then "the state has reneged on some of the promises". The downsizing at Boulder will not cause anyone to lose their jobs. There will be no one laid off.

Senator Keating asked if the liquor stores were privatized and the employees went to work in the community in the private store would there be no impact. Representative Menahan told the Committee he did not see where there would be.

Senator Towe asked Representative Menahan about the budget question which was raised in regards to Boulder. Representative Menahan explained there will be no layoffs or closures at Boulder; there is a down-size by attrition. This does not apply to Boulder and 25 persons will not be laid off.

Senator Towe asked Mr. Chisholm if this were a retrenchment under the definition of House Bill 803. Mr. Chisholm told the Committee it is. By definition it means reducing the number of employees at a governmental facility by at least 25 employees over any two year period. This is the case at Boulder. Senator

Towe asked what the reduction would be. Mr. Chisholm explained it be from 371 approved FTE, on the average, to 328, on the average, over the course of the next two years of the upcoming biennium.

Senator Towe asked Representative Menahan how to address the problem Mr. Chisholm is speaking of. Representative Menahan told the Committee the question is whether or not these people are being laid off. There are no layoffs even though Boulder is being down-sized.

Senator Towe pointed out the bill defines retrenchment as "reducing the number of employees at the government facility by at least 25 employees over the two year period". Representative Menahan explained this could be interpreted to mean that, but the 25 employees are not going to be laid off.

Senator Towe asked Representative Menahan if he wanted the bill to be changed in order to not affect normal attrition. Representative Menahan explained he wanted it to state if "they go in and cut back immediately, and layoff people; the community be saved somewhat". He explained the people should be given consideration for that facility to be maintained in that area. They have made a contribution. He stated he does not want a private corporation or the state from being exempt from "coming in and then leaving the community high and dry".

Senator Doherty asked Mr. Chisholm if he had drafted any language which "would work". Mr. Chisholm told the Committee he did not. He suggested the definition of retrenchment be amended to deal with actual people laid-off as opposed to FTEs which are reduced. FTE reduction is entirely different than human beings being laid off their jobs. He commented Representative Menahan could be correct the reduction can be achieved through attrition without having to lay people off.

Senator Aklestad stated the funding is \$2.5 million from the general fund. He asked if this were the portion which related to the funding on Page 1, Line 8. Representative Menahan told the Committee it was. Senator Aklestad told the Committee he did not interpret the bill as the sponsor does. He pointed to the example of the liquor stores. If more than one liquor store were closed it would be several communities which would make a cumulative figure on the 25 employees.

Senator Towe asked Representative Menahan and Curt Chisholm if the following amendment were acceptable. On Page 2, Line 24 add the following new language; "providing a reduction by attrition without a closure of the facility is not a retrenchment". Mr. Chisholm and Representative Menahan agreed.

Closing by Sponsor:

Representative Menahan closed on House Bill 803.

RECONSIDERATION OF SENATE BILL 417

Chairman Manning extended time for Senator Williams to speak about Senate Bill 417. Senate Bill 417 was previously tabled in the Senate Labor Committee and was discussed on the floor of the Senate. Senator Williams explained the decision was made to address the problem would be through the proposed interim committee which will studying workers' compensation. He asked the Senate Labor Committee recommend Senate Bill 417 be reviewed by the interim committee.

Senator Nathe made a motion for the Senate Labor Committee to write a letter to the interim workers' compensation committee recommending looking a the issue of minimum and maximum premiums (Senate Bill 417). Motion CARRIED.

Senator Nathe moved to Table Senate Bill 417. Motion CARRIED with Senator Blaylock, Senator Devlin, Senator Aklestad, and Senator Keating absent.

EXECUTIVE ACTION ON HOUSE BILL 803Amendments, Discussion, and Votes:

Senator Pipinich moved to amend House Bill 803 on Page 2, Line 24 by adding the following new language; "providing a reduction by attrition without a closure of the facility is not a retrenchment". Motion CARRIED with Senator Blaylock, Senator Devlin absent and Senator Aklestad and Senator Keating voting NO.

Recommendation and Vote:

Senator Pipinich moved House Bill 803 BE CONCURRED IN as amended. Motion CARRIED with Senator Aklestad, Senator Keating, and Senator Nathe voting NO. Senator Devlin and Senator Blaylock were absent. Senator Lynch will carry House Bill 803 on the Senate floor.

HEARING ON HOUSE BILL 804Presentation and Opening Statement by Sponsor:

Representative Menahan told the Committee House Bill 804 provides for a lump-sum payment of accumulated sick leave, a severance pay, and a re-training allowance for state employees terminated through reduction in force (RIF). He explained there was a request for an amendment on Page 3, Line 7 to strike the word "An" and insert "a state". This will not affect any cities, towns, counties or school districts. He commented if an employee

if RIFed, under the law the employee can only receive 25% of the sick leave. House Bill 804 would entitle the employee to 100% of his sick leave.

Proponents' Testimony:

Alec Hansen of the Montana League of Cities and Towns told the Committee House Bill 804 "isn't any of his business" but he explained he supported the amendment. He pointed to Page 3, Line 7, the word "agency". He explained under the definition "agency" means any state agency or political sub-division which would include cities. He spoke to Greg Petesch and was informed the bill as written would apply to cities, counties, school district. He told the Committee he did not believe this to be Representative Menahan's intent. Mr. Hansen presented an amendment which was drafted by Mr. Petesch.

Teresa Reardon of the Montana Federation of State Employees spoke in support of House Bill 804. She explained when the privatization took place in the Department of Administration with the data processors it was agreed to bargain over conditions of severance pay and sick leave. This did not take place because it was argued it was in statute and therefore could not be bargained.

Darrell Holzer of the Montana State AFL-CIO spoke in support of House Bill 804.

Opponents' Testimony:

NONE.

Questions From Committee Members:

Senator Towe asked Representative Menahan if there are three provisions; one for a terminated employee because of reduction in force to continue the contributions to groups benefits according to negotiations. It allows for a payment of sick leave which is not up for negotiation. Severance pay and re-training allowance shall be negotiated. He asked if there were no union would the individual do the negotiation. Representative Menahan explained most state employees are union members. Some do not belong to the union but pay a fee in lieu of that. They receive the benefits which would be negotiated by the group they belong to.

Senator Towe asked if Representative Menahan's intent that be negotiated by an employee organization. Representative Menahan told the Committee this is correct. Senator Towe asked what parameters or limitations he had in mind. Representative Menahan explained this should be up to the union and the agency. He explained if parameters were set it may hinder negotiations.

Closing by Sponsor:

Representative Menahan closed on House Bill 804.

EXECUTIVE ACTION ON HOUSE BILL 804

Amendments, Discussion, and Votes:

Senator Pipinich moved to amend House Bill 804 (HB80401.agp). Motion CARRIED with Senator Aklestad and Senator Keating voting NO. Senator Blaylock and Senator Devlin were absent.


Recommendation and Vote:

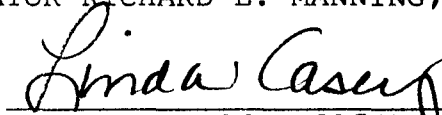
Senator Pipinich moved House Bill 804 BE CONCURRED IN as amended. Motion CARRIED with Senator Keating, Senator Aklestad, and Senator Nathe voting NO. Senator Blaylock and Senator Devlin were absent. Senator Lynch will carry House Bill 804 on the Senate floor.

The vote will be left open for Senator Devlin and Senator Blaylock.

ADJOURNMENT

Adjournment At: 4:55 p.m.


SENATOR RICHARD E. MANNING, Chairman


LINDA CASEY, Secretary

REM/11c

ROLL CALL

SENATE LABOR AND EMPLOYMENT RELATIONS COMMITTEE

DATE 4/9/91

LEGISLATIVE SESSION

NAME	PRESENT	ABSENT	EXCUSED
SENATOR AKLESTAD	P		
SENATOR BLAYLOCK		ABSENT	E
SENATOR DEVLIN			E
SENATOR KEATING	P		
SENATOR LYNCH	P		
SENATOR MANNING	P		
SENATOR NATHE	P		
SENATOR PIPINICH	P		
SENATOR TOWE	P		
Senator Doherty	P		

Each day attach to minutes.

SENATE STANDING COMMITTEE REPORT

Page 1 of 1
April 10, 1991

MR. PRESIDENT:

We, your committee on Labor and Employment Relations having had under consideration House Bill No. 804 (third reading copy -- blue), respectfully report that House Bill No. 804 be amended and as so amended be concurred in:

1. Page 3, line 7.
Strike: "An"
Insert: "A state"

Signed: _____
Richard E. Manning, Chairman

JAL 4-10-91
Ad. Coord.

SB 4-10 11:50
Sec. of Senate

SENATE STANDING COMMITTEE REPORT

Page 1 of 1
April 10, 1991

MR. PRESIDENT:

We, your committee on Labor and Employment Relations having had under consideration House Bill No. 803 (third reading copy -- blue), respectfully report that House Bill No. 803 be amended and as so amended be concurred in:

1. Page 2, line 24.

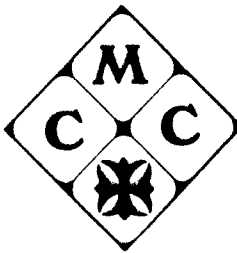
Following: "period"

Insert: ", provided that a reduction in the number of employees by attrition is not retrenchment"

Signed: _____
Richard E. Manning, Chairman

101 4-10-91
Amd. Coord.

SPS 4-10 11:50
Sec. of Senate



Montana Catholic Conference

HOUSE BILL 803

APRIL 9, 1991

CHAIRMAN MANNING AND MEMBERS OF THE COMMITTEE

I am John Ortwein representing the Montana Catholic Conference.

In his 1988 United States Catholic Conference Labor Day statement, Auxiliary Bishop Joseph Sullivan of Brooklyn, N.Y., made the following observation: "We support a national plant and facility closing law which will give workers and their communities notice to develop plans and alternatives when faced with major layoffs. The advance notice provisions give some hope that, working together, those affected and their neighbors can help protect these workers and communities from the most devastating aspects of major job losses."

Bishop Sullivan was speaking on the national level. We feel HB 803 will help address the issue of major job loss in the State of Montana.

We support HB 803.

SENATE LABOR & EMPLOYMENT
EXHIBIT NO. 1
DATE 4/9/91
BILL NO. HB803



HB 804

I'm for the amendment mentioned
by Rep Menahan to limit it to
state employees.

I'm for the bill as
amended.

Steve Schaefer

