

## **MINUTES**

### **MONTANA HOUSE OF REPRESENTATIVES 53rd LEGISLATURE - REGULAR SESSION**

#### **COMMITTEE ON LABOR & EMPLOYMENT RELATIONS**

**Call to Order:** By Tom Nelson, on January 14, 1993, at 3:00 p.m.

#### **ROLL CALL**

##### **Members Present:**

Rep. Tom Nelson, Chair (R)  
Rep. Gary Feland, Vice Chair (R)  
Rep. Steve Benedict (R)  
Rep. Vicki Cocchiarella (D)  
Rep. Jerry Driscoll (D)  
Rep. Alvin Ellis (R)  
Rep. Pat Galvin (D)  
Rep. Sonny Hanson (R)  
Rep. Norm Mills (R)  
Rep. Bob Pavlovich (D)  
Rep. Bruce Simon (R)  
Rep. Carolyn Squires (D)  
Rep. Bill Tash (R)  
Rep. Rolph Tunby (R)  
Rep. Carley Tuss (D)  
Rep. Tim Whalen (D)

**Members Excused:** none

**Members Absent:** none

**Staff Present:** Susan Fox, Legislative Council  
Cherri Schmaus, Committee Secretary

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

##### **Committee Business Summary:**

Hearing: HB 73 & HB 138  
Executive Action: none

#### **HEARING ON HB 73**

##### **Opening Statement by Sponsor:**

**REP. DAN HARRINGTON, HD 68, Silverbow, sponsor,** stated that HB 73 allows nonprofessional school employees to receive payment while they are laid off for the summer months. He has a long history with this bill. He has sponsored it twice. In 1983, the Reagan Administration developed social security amendments prohibiting states from collecting unemployment benefits for classified

school employees. Many felt this was not right.

**REP. HARRINGTON** stated that just last year President Bush signed a bill which changed the law. **REP. HARRINGTON** stated that the heart of the bill is in subsection one and two, section two, lines five and six. He also referred to the amendments **EXHIBIT #1** in subsection four. He stated that either one has a contract or one does not. He stated that this bill does not affect teachers. The only people affected are the nonprofessional employees of the school system. The amendments strike out holidays and vacations along with taking out the emergency shut down policy. **REP. HARRINGTON** referred to the big train wreck in 1989 and that only a couple of days were lost. Why is change necessary?

**REP. HARRINGTON** stated that if any other employee is laid off, they are paid benefits. This is unfair and discriminatory toward the nonprofessional staff. They are not given the same right, even if the chances of them getting reemployed are slim. Put yourself in a teacher's aide position. As a teacher's aid, you are making six dollars an hour working six hours a day. Your total wage over nine months is approximately \$7000 and you are laid off during the summer months. People just expect that you have saved enough money for three months of living expenses. If you don't find a job, you should be able to draw unemployment. These people are already making below poverty wages. Furthermore, many of these employees are single parents. Provisions were made to pay nonprofessional employees if the school is closed, but we have taken this part out as far as emergencies. We have tried to clean the bill up. It is very important that we recognize the importance of this bill.

#### Proponents' Testimony:

**REP. BOB GERVAIS, Browning**, is representing the Blackfeet Reservation. This is his third time of testifying for this bill. The school in Browning is the biggest employer. All of the employees have a good working relationship with the school; however, 60 to 80 percent are unemployed during the summer months. When these employees try to apply for jobs with the park, they won't hire them. The reason he supports this bill so strongly is because the Blackfeet tribe is closely associated with being on welfare. Breaking the welfare chain on the reservation is a goal of his.

The second proponent was **Terry Minow**. **Terry Minow** stated that she is representing the **Montana Federation of Teachers and Montana Federation of State Employees**. Her organization supports HB 73 because it allows classes of secretaries and food service aids to receive benefits if they are actively seeking work. The federal law passed in 1983 was reversed by Bush. The reason she feels it should pass is because it is not fair. Identical employees in other fields of work are treated differently.

Employees of the school district do not qualify even though they make low wages and usually work less than eight hours per day. An employee who makes such low wages finds it impossible to save enough money to live on during the summer months. Furthermore, other employees in a different field of work qualify for unemployment insurance. Benefits can be received after one week without work and only at half the regular pay rate of an employee. The fiscal note seems high because three-quarters of the employees will receive benefits. Living on half the salary, which is less than \$1,000 per month, is still tough to make it. She urges support of HB 73 although it is a tough year for money. Please DO PASS, we have needed this legislation and it is long overdue.

**Tom Schneider, The Montana Public Employee Association**, opened his statement by having everyone remember back to the days when unemployment was available to the school employees. He stated that the schools would not hire their own employees back anyway. This continued until an employee filed a complaint. Then the school was forced to hire their own employees for summer work. This was good for both sides because it provided management incentive and employee rewards. He urges support of HB 73.

**Phil Campbell, The Montana Education Association**, was another proponent of HB 73. He stated that summer for school employees wasn't any different than spring break for loggers.

**Darrell Holzer, The Montana State AFL-CIO**, began his testimony referring to one paragraph in the bill on unemployment. He stated that it was created as a buffer and could assist during a recession. It also provided essential service and helps a community's ability to prosper.

**Marlene Malyevac, ATU Local #381**, stated that she supports HB 73 because during the summer months, several single parent families can't make it. The average yearly wage is not much over \$7,000. So she asks that HB 73 please be passed.

**Melissa Case, Local Hotels and Restaurants**, stated that several of the older employees have to take out loans during the time they are laid off. Furthermore, they have to work nine months just to pay back the loan.

**Shannon Stephenson, ATU Local #318**, testified that she is a single mother and needs this bill to be passed.

**Tom Foley, AFSCME**, asked the committee to pass HB 73.

**Stephen Stebbins, ATU Local #381**, stated that he is one of the lucky ones because he found a summer job; however, he stated that it sure would be nice to have something concrete to fall back on in hard times.

**Dennis Sullivan, ATU Local #381**, stated that the problem is that

there are 100 people suffering that he knows of. Most of these people are either young or old. Even though this is a tough year for money he said this would be a good time to pass it.

**Jeanne Weber, ATU Local #381**, stated that HB 73 is much needed because it is very hard for a 50 year old to compete with younger competition. Please support HB 73.

**Diane Sands, Montana Women Lobbyists**, stated that HB 73 would help those women below poverty stay off welfare.

**Opponents' Testimony:**

**Bob Jensen, Department of Labor and Unemployment Insurance Division**, stated that the department was opposing the bill only for the fiscal impact it will have on the UI Trust Fund. The department must oppose due to the erosion of the UI Trust Fund. For the past three sessions they have normally opposed it because of the conformity issues. However, these conformity issues were removed by the Special Unemployment Act of 1991. The current trust fund balance is \$94 million. That is a three million dollar raise since 1991. The Federal Government feels the fund should be at least \$135 million to cover for inflation. This is why the department is opposing the bill. As some of you know, the UI has not always been solvent. In the past, the department has had to borrow \$16,000 from the government. Not passing this bill will preclude this from happening again. (EXHIBIT #2)

**Ken Olson, Department of Labor**, stated that the fiscal note shows an increase in benefits in excess of \$1.8 million per year. Furthermore, any change in benefits will have a corresponding affect on the tax budget. One of the accounts that may be affected is the state and local government rating system. **CHAIRMAN NELSON** asked approximately how much time Mr. Olson's testimony would take. He stated that he may have to cut it short to allow the same amount of time as he gave the proponents.

**REP. DRISCOLL** commented that everyone needed an equal chance so Mr. Olson resumed his testimony.

**Ken Olson** continued with stating that the increase in taxes will start being charged to state and local government accounts. By 1996 all state and government accounts will go up by one-tenth of one percent. In the meantime, this money is coming out of the trust fund. Finally, reimbursable (nonprofit organizations) are not rated for taxes but they pay directly for benefits.

**Sue Hill, Montana University System**, said even though it is not easy to oppose HB 73 she must because of the associated costs. If it does pass it will impose additional cost to the university system by unfunded charges in the form of increased unemployment insurance rates. They employ approximately 200 people who would be affected by this bill. These employees are primarily food service and clerical workers. The costs that would be caused by

this bill is approximately \$73,000 each year just with these two large units of the university system. Because the legislature is asking the school system to get by on less, it would be particularly inappropriate to pass this bill.

**Bruce Moerer, Montana School Board Association**, stated that his concern with the bill is also economic. Any increase in the unemployment benefits premiums will be passed on to the local property tax payers. Schools catch enough grief about property taxes; therefore, we would oppose this bill.

**Linda Brannon, Montana Association of School Business Officials**, said she must oppose this bill because she can't afford it. School budgets are usually capped. Passing this bill would cause drastic cuts elsewhere in the budget.

**George Heavyrunner, School District #9 in Browning**, opposes this bill because of the impact on the fiscal note. They have 140 regular employees who would be eligible and would have to increase costs if this bill was passed. Please don't pass HB 73.

**Don Waldron, Montana Rural Education Association**, mentioned that most of his testimony has already been mentioned. He then provided the secretary with written testimony. **(EXHIBIT #3)**

**Charles Brooks, Montana Retail Association**, stated that this is a very difficult bill to oppose. In 1983 and 1984, he was very deeply involved with problems. He then stated that the department has borrowed from the Federal Government in the past to make monthly unemployment payments. As an industry, they agreed for a rate increase at that time, although they were a surplus provider. They had a reserve fund of five million dollars. Yes, in the past five years the fund has become very healthy; however, the federal government wants the state to have \$135 million and we only have \$94 million currently. They do not want to deplete the reserves.

**Jim Tutwiler, Montana Chamber of Commerce**, stated that it was not his intent to deny those in need. First he stated that he would consider this a private sector bill. It will be passed to the state agencies and this would involve all tax payers. Second, it may set up a special category of people that have a non-predictable life style who would be eligible for benefits.

**Loran Frazir, SAM**, testified that the pie is getting smaller and another slice out of it could be important.

#### Questions From Committee Members and Responses:

**REP. DRISCOLL** asked the Department of Labor if they think they can actually reach \$135 million and what the average total wage is.

**Mr. Jensen** answered that this is not based on the current rates.

REP. DRISCOLL asked if it was impossible to get to this \$135 million.

Mr. Jensen stated that the current ratios are not high enough to accrue an amount of \$135 million.

REP. DRISCOLL asked Mr. Jensen if they took a rate increase in order to fix the system. In 1985 did every employer go to 4.5 percent regardless of their experience?

Mr. Jensen mentioned that he could not find notes on this. However, they had to come up with additional fees to make the fund solvent so they wouldn't have to borrow from the federal government.

REP. DRISCOLL asked Mr. Jensen prior to the session if every employer in the state of Montana's rate was 4.5 percent. Furthermore, he asked if that law didn't raise anyone but deficit employers rates.

Mr. Jensen stated that he could not agree to anything until he checked his records. His point was that the fund had been broke in the past and the decision to further deplete seems unwise.

REP. HANSON asked REP. HARRINGTON why the fiscal note was not signed by him.

REP. HARRINGTON replied that it was because they took out the holiday, vacation and the emergency funds. Furthermore, he stated that subs, tutors, coaches, nurses and social workers are not under this bill.

REP. HANSON asked REP. HARRINGTON if the stamp that Driscoll used in the 91 session would apply.

REP. BENEDICT asked if the fiscal note was correct, then would \$3.7 million be the fiscal impact?

REP. HARRINGTON stated that this is not necessarily so.

REP. BENEDICT asked REP. HARRINGTON if, assuming they are going by the fiscal statement wouldn't it be \$3.7 million in a biennium rather than \$1.8 million.

REP. HARRINGTON said this could be the case if the fiscal note was correct.

REP. SIMON asked REP. HARRINGTON if the amendments would drop section two in its entirety. Would this be returning to what is currently state law?

REP. HARRINGTON stated that yes this is true.

REP. SIMON asked Mr. Jensen when this was allowed in 1985, if the Department was to look back, how many applied for benefits? Also he asked for a better idea of the fiscal impact.

Mr. Jensen stated that this was part of the information taken into consideration when the note was drafted. He referred the question to Mr. Olsen who drafted the note.

Mr. Olsen answered that yes these figures were referred to; however, they also looked at the number of people and benefits paid out before and after.

REP. SIMON asked if the benefits can be isolated.

Mr. Olsen stated that yes they could be isolated.

REP. PAVLOVICH asked Mr. Olsen how much will each person receive per week?

Mr. Olsen stated that the average is \$133 each week.

Mr. Sullivan stated that it is approximately \$6,000 per year or \$160-165 per week.

REP. SIMON asked if the fund itself would be impacted based upon what these people are being paid.

Mr. Olson stated yes.

REP. SIMON asked what might happen if increased contributions were provided to the school systems.

Closing by Sponsor:

REP. HARRINGTON stated that the fiscal year shows how much these people would make. He also stated that seasonal work is over and we are dealing with the poorest wage earners. They need this bill passed. He reserved the right to close on HB 73.

CHAIRMAN NELSON called the committee to order after a five minute break at 4:10 pm.

HEARING ON HB 138

Opening Statement by Sponsor:

REP. JERRY DRISCOLL, HD 92, Yellowstone, sponsor, opened on HB 138 by stating that it is a wonderful bill and he had placed his name on it. This bill would expand workers' compensation and occupational disease coverage to include certain paid firefighters who contract cardiovascular, pulmonary, or respiratory diseases as a result of exposure to heat, smoke, chemical fumes, or other toxic gases during the course of their employment. REP. DRISCOLL stated that this bill would put fireman back on workers' compensation as they were prior to 1987. He

also stated that these firefighters are expected to enter 400-500 degree buildings filled with heavy smoke. Everyone else is kept away from the fire by the police lines; however, the fireman must go in and fight the fire, regardless of how bad it is. Because they are required to respond to these severe fires if they suffer an injury because of the fire, they should be eligible for workers compensation. In any other occupation if an employee is hurt on the job they are entitled to workers compensation. You will hear people speak of smoking, drinking and other bad habits affecting these employees as well; however, these employees undergo lung capacity tests to check what is causing their respiratory problems. The issue should be safety, and not rehabilitation and not money. If a person can't be a fireman any longer - don't put him on a pension - retrain him using workers compensation funds. Usually these fireman are self-insured, and if they don't follow safety then they should have to pay. The estimate is that there are 9,500 accidents per year. The average monthly accidents are 433.

#### Proponents' Testimony:

**Tim Bergstrom, Montana State Firemen's Association**, stated that he is not unsympathetic to the desire for workers compensation; however, any changes in the level of benefits must be carefully weighed. He then provided the definition of an injury. He stated that an injury is something that happens in one day or one instance and a disease caused by something that you are routinely exposed to on a daily basis. In 1991 those fireman killed or injured rose four times higher than the average work place. He then referred to the graph he distributed. **(EXHIBIT #4)** On the third page he stated that the real reason this issue was brought to the committee was the heart and lungs. On page two, he referred to SB 315. SB 315 was the first major revamp of workers compensation. He stated that his position was to make sure these are justifiable. **Tim Bergstrom** stated that there has only been a handful of people who have ever even tried to get benefits; however, they were denied because they were smokers. The firefighters affected by this bill are all insured under the Montana Municipal Insurance under Workers Compensation. Rates have been adjusted since that time due to annual audits. Recently there has been a four percent increase to firefighters premiums. The reintroduction of this language is very justified.

**Ed Flies, Montana State Council of Professional Firefighters**, stated that for the same reasons as Tim Bergstrom stated he urges the support on HB 138 also.

**Vern Erickson, Montana State Firemans and International Association for Firefighters**, also agreed with Tim Bergstrom and stated that he would like the committee to strongly consider passing HB 138.

#### Opponents' Testimony:



**Alec Hansen, Montana Municipal Insurance Authority**, stated that he is opposing this bill although it is not easy, because he understands the danger these fireman are in when on duty. However, he is concerned with the premiums rising if we combine workers compensation and occupational health disease. This has the potential to raise the cost of workers compensation coverage. Another issue is that nobody is sure if it applies to volunteer fireman or not. If it does this provides a bigger problem because currently, volunteers are provided full workers compensation benefits at an annual premium rate of \$13.05. Expanded coverage must then be added. Another issue puts 15 percent of premium base back under the old workers compensation act. Safety is the reason our rates are lower than others. Currently we collect \$545,000 in premiums and this bill will drive premiums up. Tax dollars will help pay for these increases. Taxpayers will pay out of their own pockets.

**Oliver Goe, Attorney for MMIA-MACO**, began his testimony by stating three general themes. The first, expanding the definition of injury and associated costs. Second, inserting ambiguity and third, benefiting a discrete line of workers. **Mr. Goe** directed people to look at Section 31, subsection 5. This section deals with the cardiovascular and respiratory problems that would be covered under the Workers Compensation Act. The primary cause is the work as opposed to other factors. He then referred to subsection 5 by stating that if respiratory disease is related to employment then why is there an Occupational Disease Act. He stated that usually, in a hypothetical situation a heavy smoker has other problems also. He referred to section 5 for primary cause. He stated that the Occupational Health Disease Act that was adopted in 1987 meant that an individual had been cumulatively exposed over many years. **Mr. Goe** also stated that sometimes volunteer firefighters are paid a small amount. These volunteers are already covered.

**Scott Orr, Libby**, stated that he had a personal interest with this bill because he was a volunteer firefighter for ten years. He has experienced a ten-percent loss in lung capacity from being in the fire service. He stated that a fireman knows he will work with smoke when fighting fires and that this is his/her choice. He also stated that cumulative effects are not an injury. He chose to get out of the department when he became aware of his ten percent loss in his lung capacity; however, that was his choice.

**Denise Flick, Billings**, stated that for all of the reasons stated above she would ask the committee not to pass the bill.

**Paul Luwe, City Attorney**, stated that his organization is opposed to hb 138. (EXHIBIT #5)

**Questions From Committee Members and Responses:**

**REP. COCCHIARELLA** asked Alec Hansen if he had any idea how much

the premiums would go up or how many times claims were made before 1987.

**Mr. Hansen** stated that he was not sure.

**REP. WHALEN** asked Mr. Goe if the language contained in the bill came out of Workers Compensation Act of 1987. Furthermore, he questioned if any cases had been decided prior to 1987.

**Attorney Goe** stated that yes, that statement was correct. The language did come from that act. He was not sure if any cases were heard prior to 1987.

**REP. WHALEN** asked if ambiguities generally were litigated or if they didn't check prior to these.

**REP. GALVIN** asked Mr. Hansen if all the costs are rising and if injuries are not being covered.

**Mr. Hansen** stated that the definition of an injury is very distinct from that of a disease; furthermore, he stated that these costs could increase.

**REP. GALVIN** asked Mr. Hansen about the lung capacity tests that Driscoll has spoken about.

**Mr. Hansen** stated that he can't answer the question because he is unsure of this testing.

**REP. GALVIN** stated that he was not a firefighter; however, he worked with diesel smoke for 42 years. He stated that he luckily didn't suffer lung problems, but he did suffer heart disease and hearing loss. Occupational health didn't cover it so he had to sue his employer. He asked if this is what they want everyone to do is sue their employers.

**CHAIRMAN NELSON** stated that this could be brought up during executive action.

**REP. ELLIS** asked Mr. Bergstrom to compare the breakdown of line of duty deaths of 34.4 percent by heart attack/stroke of firefighters with the breakdown of the other workers. **Bergstrom** referred to the handout.

**REP. SIMON** asked Tim Bergstrom when the section speaks of injury does this mean sometimes these injuries may not be an accident. **Mr. Bergstrom** stated that yes, a single exposure could cause harm. He gave an example of an explosion fire with herbicides present.

**REP. SIMON** asked Mr. Bergstrom if most of the firefighters wear breathing apparatuses and if they do, how do they get exposed. **Bergstrom** stated that most fire stations have a standard operating procedure (SOP) for use of safety equipment. He gave

the example of when a commuter jet crashed and caused a major fire. He stated that many firefighters were called to help; however, protective equipment was not available for all of these helpers. These firefighters must respond without hesitation with or without equipment.

**REP. SIMON** asked if there were usually long-term effects. He also questioned the trigger over occupational health and workers compensation. **Mr. Bergstrom** stated that he was not sure, but he would check on it.

**REP. DRISCOLL** asked how many of these accidents were caused by work and how many were caused by outside sources. **Rep. Driscoll** then stated that the payment of benefits is prorated because an individual can not receive a lump sum.

**REP. SQUIRES** asked **REP. ORR** if he had stated that he was a volunteer firefighter. And if so, how much time he spent in a harmful firefighting position. Furthermore, she asked him if he had another occupation. **REP. ORR** stated that yes he was a volunteer firefighter and he responded to approximately 300 calls per year. He also stated that he was only exposed minimally.

**REP. SQUIRES** then referred to Mr. Bergstrom and asked him after 18 years in his current occupation if he could transfer to another occupation. **Mr. Bergstrom** stated that he could transfer to another occupation that had many of the same requirements as firefighting. He further stated that he has to get an annual physical and that the physical testing he must pass each year is very difficult. In fact, six of the twenty younger individuals who took the test had to be rushed to the hospital. Furthermore, he stated that the department always exercises safety.

**REP. SQUIRES** asked Mr. Bergstrom if it would be fair to assess that everyone in that occupation tends to make a conscious effort to stay fit. I have never seen a fat firefighter stated Rep. Squires.

**Tim Bergstrom** stated that this is true because usually the departments have workout equipment. Furthermore, the department that he works for allows one hour per day to exercise.

**REP. SQUIRES** asked Mr. Bergstrom if he had to leave the department with no retraining capabilities what would he do. Furthermore, how it would affect his family. **Mr. Bergstrom** stated that he would be concerned because he wouldn't have any health insurance.

**REP. TUNBY** asked Mr. Bergstrom if there was a downfall to the Occupational Health Disease Act and if that is why they were trying to incorporate this with workers compensation. **Mr. Bergstrom** stated that there wasn't a weakness with the Occupational Health Act that he knows of; however, he also stated that he is not very experienced and has never had a workers

compensation claim.

**REP. DRISCOLL** stated that the problem with the Occupational Health Act is that you usually can't get benefits unless you are currently on medication. Furthermore, it takes forever to get these benefits.

**REP. MILLS** asked Alec Hansen if he knew of any firefighters in the state that are not covered by the other plan and would be on the state plan. **Mr. Hansen** stated that he did not know of any specific cases; however, he would check on it.

**REP. DRISCOLL** asked if most of the people in the program are possibly state land firefighters.

**John King, State Fund**, stated that three counties are with the State Fund. He stated that this may affect the State Fund.

**REP. WHALEN** asked anyone to explain how the Occupational Health Disease Act operates. **Oliver Goe** stated that there are differences between occupational health disease and workers compensation. He stated that an occupational disease usually occurs with exposure over a long period of time or more than one single work shift. However, an injury is usually caused by one days event or a single event.

**REP. WHALEN** asked if this program was fully funded or if that was decided by workers compensation. **Oliver Goe** stated that an individual can ask for a medical evaluation.

**Closing by Sponsor:**

**REP. DRISCOLL** then closed by stating that this bill is a great rewrite of the bill in 1987. He stated that the premiums have gone up 200 percent since 1987. Furthermore, he stated that changing the bill didn't fix anything. He stated that the procedures to claiming benefits through the Occupational Health Disease Act are complicated and strung out. He commented that nobody can make it through an occupational health problem in court without a lawyer. He continued by stating that fireman are different because of what we expect them to do. **(EXHIBIT #6)**

ADJOURNMENT

Adjournment: CHAIRMAN NELSON adjourned the meeting at 5:20 pm.

A handwritten signature in cursive script, appearing to read "Tom Nelson", written over a horizontal line.

TOM NELSON, Chair

A handwritten signature in cursive script, appearing to read "Cherri Schmaus", written over a horizontal line.

CHERRI SCHMAUS, Secretary

TN/CS

HOUSE OF REPRESENTATIVES

## LABOR

**COMMITTEE**

## ROLL CALL

**DATE**

1/14/93

[illegible]

Amendments to House Bill No. 73  
First Reading Copy

Requested by Rep. Harrington  
For the Committee on Labor and Employment Relations

Prepared by Susan B. Fox  
January 14, 1993

1. Title, lines 6 and 7.  
Strike: "AND" on line 6 through "CLOSURES" on line 7
2. Title, line 9.  
Strike: "SECTIONS"  
Insert: "SECTION"
3. Title, line 10.  
Strike: "20-9-806 AND"
4. Title, line 11.  
Following: "AND"  
Insert: "AN"  
Strike: "DATES"  
Insert: "DATE"
5. Page 2, lines 5 and 6.  
Strike: "or" on line 5 through "contract" on line 6
6. Page 3, lines 9 through 19.  
Strike: subsection (3) in its entirety
7. Page 3, line 20 through page 4, line 5.  
Strike: Section 2 in its entirety  
Re-number: subsequent sections
8. Page 4, line 6.  
Strike: "(1)"
9. Page 4, lines 9 through 11.  
Strike: subsection (2) in its entirety

EXHIBIT #0  
HOUSE LABOR 1/14/93

EXHIBIT #0  
DATE 1/14/93  
HB 73

MONTANA UNEMPLOYMENT INSURANCE DIVISION  
HB-73 Additional Fiscal Information  
January 19, 1993

State and Local Government tax rates have been consistantly in the 2nd rate schedule during fiscal years 1988 through 1993. Years previous to 1988 required higher rates. Schedule 2 rates range from .1% to .7% and have produced adequate revenue to pay for benefits during that time.

Fiscal note estimates used the following historical benefit charge information. The possible number of people affected is not available to the department and was not used to produce the estimates. History shows the 1985 law change produced a dramatic drop in charges which have continued to the present.

HISTORY OF BENEFIT CHARGES:

FY81	- \$3.76 Million
FY82	- \$4.72 Million
FY83	- \$4.99 Million
FY84	- \$4.38 Million
FY85	- \$4.36 Million
FY86	- \$2.82 Million (1985 law change in effect)
FY87	- \$3.14 Million
FY88	- \$2.72 Million
FY89	- \$2.47 Million
FY90	- \$2.24 Million
FY91	- \$2.19 Million
FY92	- \$2.50 Million

The fiscal note predicts increases in benefit payments of more than \$1.8 million each year from HB-73. The reduction in benefit charges beginning in 1986 is attributable to the 1985 law change and this information was inflated to todays costs to produce the estimate. Such a change in charges would require an increase to schedule 3 by FY1996 and possibly higher rates in later years. Schedule 3 raises all rates 0.1% with the range from .2% to .8%



A sampling of public school accounts shows the possible affect on tax rates as listed below.

A. First is a comparison of each school's experience ratio for years prior to 1985 as compared to the experience ratio used for 1993 rates. Reduction in the ratio can be attributed to the 1985 law change.

B. Second is each school's 1993 rate compared to the rate required from an increase to schedule 3 combined with usage of the school's experience ratio prior to the 1985 law change.

C. Third is an example of taxes owed by using each school's FY1992 wages (most recent available) multiplied by the actual FY1993 rate as compared to the potential rate.

D: Fourth is a comparison of pre 1885 average charges per year and 1986-1992 average charges per year. These averages exclude any affect from inflation.

The assumption can be made that (1) experience ratios will rise to pre 1986 levels and that (2) at least a one schedule increase will be required from the passage of HB-73.

#### Billings Public Schools:

Ratio of benefit charges to total wages:  
for FY 1993 = 0.2% for FY 1986 = 0.4%

Schedule 2 at a ratio of 0.2% = **0.1% tax rate**

Schedule 3 at a ratio of 0.4% = **0.3% rax rate**

FY 1992 Wages of \$43,441,053 X 0.1% rate = **\$43,441**

FY 1992 Wages of \$43,441,053 X 0.3% rate = **\$130,323**

Pre85 Ave. Charges = \$84,127 86-92 Ave. Charges = \$48,332

#### Browning School District #9:

Ratio of benefit charges to total wages:  
for FY 1993 = 1.4% for FY 1986 = 2.5%

Schedule 2 at a ratio of 1.4% = **0.7% tax rate**

Schedule 3 at a ratio of 2.5% = **0.8% tax rate**

FY 1992 Wages of \$7,762,783 X 0.7% rate = **\$54,339**

FY 1992 Wages of \$7,762,783 X 0.8% rate = **\$62,102**

Pre85 Ave. Charges = \$85,174 86-92 Ave. Charges = \$29,117

M.S.U.:

Ratio of benefit charges to total wages:  
for FY 1993 = 0.3% for FY 1986 = 0.3%

Schedule 2 at a ratio of 0.3% = **0.2% tax rate**

Schedule 3 at a ratio of 0.3% = **0.3% tax rate**

FY 1992 Wages of \$60,427,598 X 0.2% rate = **\$120,855**

FY 1992 Wages of \$60,427,598 X 0.3% rate = **\$181,282**

Pre85 Ave. Charges = \$89,233 86-92 Ave. Charges = \$80,119

U. of M.:

Ratio of benefit charges to total wages:  
for FY 1993 = 0.4% for FY 1986 = 0.6%

Schedule 2 at a ratio of 0.4% = **0.2% tax rate**

Schedule 3 at a ratio of 0.6% = **0.4% tax rate**

FY 1992 Wages of \$41,895,813 X 0.2% rate = **\$83,791**

FY 1992 Wages of \$41,895,813 X 0.4% rate = **\$167,583**

Pre85 Ave. Charges = \$117,861 86-92 Ave. Charges = \$73,428

Deer Lodge School District #1:

Ratio of benefit charges to total wages:  
for FY 1993 = 0.4% for FY 1986 = 0.9%

Schedule 2 at a ratio of 0.4% = **0.2% tax rate**

Schedule 3 at a ratio of 0.9% = **0.5% tax rate**

FY 1992 Wages of \$2,090,093 X 0.2% rate = **\$4,180**

FY 1992 Wages of \$2,090,093 X 0.5% rate = **\$10,450**

Pre85 Ave. Charges = \$10,877 86-92 Ave. Charges = \$897

1/14/93

EXHIBIT

#3

DATE

1/14/93

HB

73

NAME

Roy Waldron

ADDRESS

P.O. Box 5418, Helena

HOME PHONE

448-2403

WORK PHONE

442-8813

REPRESENTING

Mont. Rural Ed. Assn.

APPEARING ON WHICH PROPOSAL?

HB 73

DO YOU:

SUPPORT

OPPOSE

✓

AMEND

## COMMENTS:

It is our belief that <sup>'classified'</sup> ~~nonprofessional~~ school employees know when they go to work for a school district that they have taken a seasonal position ~~just like at a school~~. They should not be paid when not working - all benefits should continue since the non working time is so short.

This bill would end up costing taxpayers higher insurance cost.

As much as we appreciate and depend on these people, it doesn't seem right to pay for time never planned to be worked.

## WITNESS STATEMENT

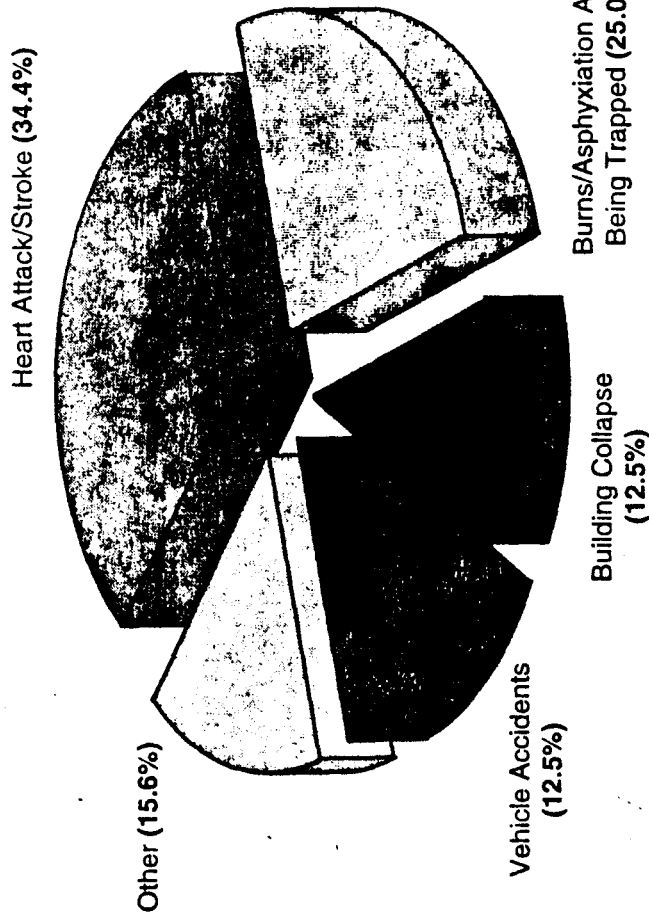
PLEASE LEAVE PREPARED STATEMENT WITH COMMITTEE SECRETARY

*The statistics on professional fire fighter deaths and injuries for 1991 confirm that fire fighting remains one of the most dangerous occupations in North America. Fire fighters were killed or injured on the job at a rate four times higher than the average for workers in private industry, a grim reminder that more comprehensive occupational safeguards are still needed for fire and emergency personnel.*

## I. Fire Fighter Mortality

In 1991, 32 career fire fighters died from injuries received in the line of duty. The leading causes of traumatic line-of-duty deaths were heart attack/stroke and burns/asphyxiation after being trapped.

**Breakdown of Line  
of Duty Deaths by Cause**



Source: Public Safety Officers' Benefit Program

.....

EXHIBIT 4  
DATE 1/14/93  
HB 138

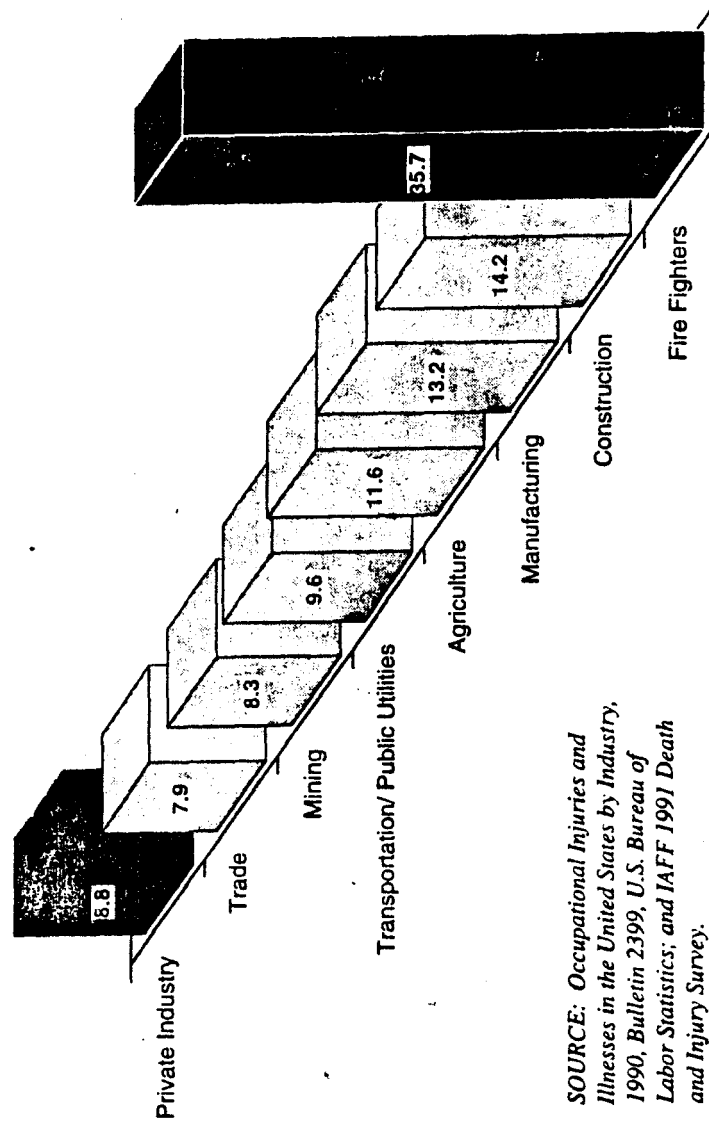
100X 1A00K  
EXH#4 1/14/93

## II. Fire Fighter Injuries

Fire departments responding to the 1991 survey reported that 93,963 fire fighters sustained 30,919 line-of-duty injuries either at the emergency scene or while performing other job related tasks. Consequently, more than one out of every three fire fighters was injured in the line of duty.

When compared to data compiled for private industry by the U.S. Bureau of Labor Statistics, the 1991 Fire Fighter Death and Injury Survey indicates that "incidence" or frequency of fire fighter job related injury is 4.1 times that of workers in private industry. In other words, 36 percent of fire fighters were injured in 1991 compared to only 8.8 percent of private industry workers. In terms of severity, fire fighter injuries caused 6,166 lost work hours per 100 workers — a rate 9.2 times the 672 hours lost per 100 workers in private industry.

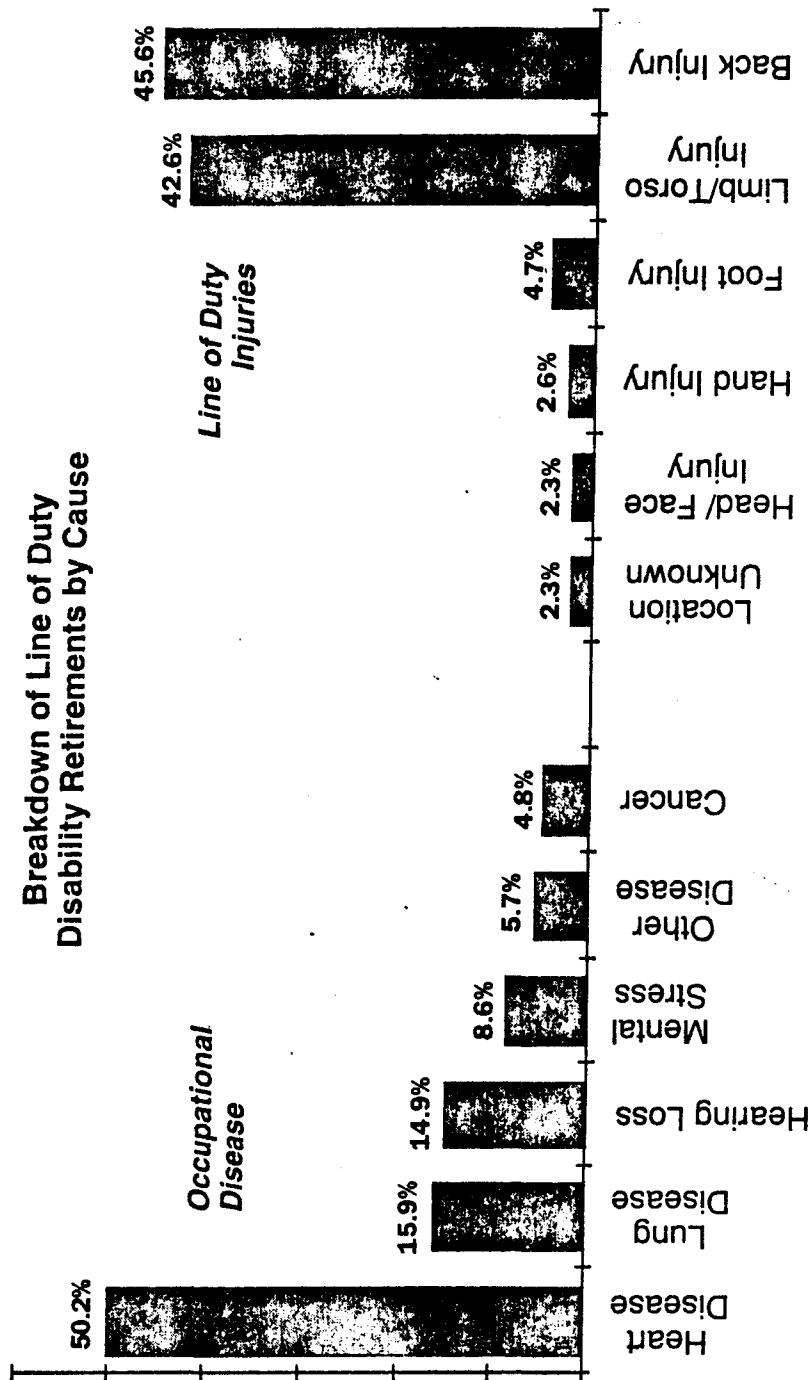
Number of Job Related  
Injuries/Illnesses Per 100 Workers



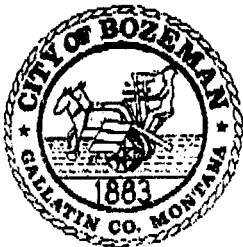
SOURCE: Occupational Injuries and Illnesses in the United States by Industry, 1990, Bulletin 2399, U.S. Bureau of Labor Statistics; and IAFF 1991 Death and Injury Survey.

Exhibit #4  
1-14-93  
HB-138

The leading cause of premature departures in the case of occupationally related disease was heart disease, while back injury, followed closely by limb/torso injury, was the primary reason for job related injury retirements.



*EXHIBIT 1*  
*HOUSE LABOR 1/14/93*



**THE CITY OF BOZEMAN**

411 E. MAIN ST. P.O. BOX 640 PHONE (406) 586-3321  
BOZEMAN, MONTANA 59771-0640

January 14, 1993

Representative Tom Nelson  
CHAIRMAN, HOUSE LABOR COMMITTEE  
Capitol Hill Station  
Helena, MT 59620

Post-It™ brand fax transmittal memo 7871		# of pages >
To <i>Rep. Tom Nelson</i>	From <i>Paul Luwe, C.A.</i>	
Co. <i>House Labor Comm.</i>	Co. <i>City of Bozeman</i>	
Dept.	Phone # <i>586-3321</i>	
Fax # <i>444-4105</i>	Fax # <i>586-3321, ext. 203</i>	

RE: HB 138

Dear Chairman Nelson:

Please enter the City of Bozeman's objection to HB 138 into the record.

HB 138 has the effect of cities, towns, and fire districts paying for cardiovascular, pulmonary, or respiratory diseases contracted by paid firefighters whether or not the disease was caused by their job. The standard used in the proposed bill would entitle workers to workers compensation by virtue of being employed for over four years even if the disease was caused by non working condition, such as smoking. The proposed bill does not establish clearly the necessary causation nexus between the disease and course of employment and fails to establish how this determination is to be made.

The City of Bozeman is opposed to HB 138.

Very truly yours,

CITY ATTORNEY'S OFFICE

*Paul J. Luwe*  
Paul J. Luwe  
City Attorney

PJL  
CC: James E. Wysocki, City Manager



~~EXHIBIT D~~  
~~HOUSE LABOR~~ 1/14/93  
STATE COMPENSATION MUTUAL INSURANCE FUND

P.O. BOX 4759  
HELENA, MONTANA 59604-4759

EXHIBIT  
DATE 1/14/93  
HB 138

GENERAL INFORMATION (406) 444-6500

January 20, 1993

Rep. Jerry Driscoll  
House Labor Committee  
Capital Station  
Helena, MT 59620

Re: House Bill 138

Dear Rep. Driscoll:

The State Fund Claims Department has reviewed all claims charged to classification 7704, fireman, for the period 7-84 through 6-92 as the House Labor Committee requested. We found only ten occurrences involving the types of injuries contemplated in your bill. Four were pre July 87 and six were post "87" occurrences, all ten were small medical only occurrences with the largest involving \$805.14 in medical benefits.

The revised benefit contemplated in House Bill 138 cannot be evaluated because of the limited number of occurrences as mentioned above. We therefore cannot estimate a fiscal impact for House Bill 138.

If we may be of any further assistance please call.

Sincerely,

John L. King  
Vice President  
Underwriting Department

JLK/yj



**January 14, 1993**

**A group of letters in support of HB 73 accompanied the January 14, 1993 House Labor Committee minutes. These included 18 original letters and postcards, 13 form letters and a petition with three pages of signatures. The originals are stored at the Historical Society at 225 North Roberts Street, Helena, MT 59620-1201. The phone number is 444-2694.**

HOUSE OF REPRESENTATIVES  
VISITOR'S REGISTER

Labor COMMITTEE BILL NO. HB 73  
DATE 1-14-93 SPONSOR(S) Harvey G. Tom  
PLEASE PRINT PLEASE PRINT PLEASE PRINT

NAME AND ADDRESS	REPRESENTING	SUPPORT	OPPOSE
Terry Munn	MT FJ State Employees MT FJ Teachers	X	
Tom G. Foley	AFSCME	X	
Don Waldron	MREA		X
John Males	M.F.T/M.F.S.E	X	
Gynda Brannon	MASBO		X
George Hargraves	School Dist #9		X
Diane Sands	mt Women's Lobby	X	
Phil Campbell	MEA	X	
Charles E. Banks	MT. R & T N L Assoc		X
Bruce W. Moerer	MSBA		X
Loran Frazier	5 Am		X
Bob Jensen	Dept of Labor		X

PLEASE LEAVE PREPARED TESTIMONY WITH SECRETARY. WITNESS STATEMENT FORMS  
ARE AVAILABLE IF YOU CARE TO SUBMIT WRITTEN TESTIMONY.

HOUSE OF REPRESENTATIVES  
VISITOR'S REGISTER

LABOR

COMMITTEE

BILL NO.

HB 73

DATE Jan 14, 1993

SPONSOR(S)

HARRINGTON

PLEASE PRINT

PLEASE PRINT

PLEASE PRINT

NAME AND ADDRESS	REPRESENTING	SUPPORT	OPPOSE
CHAD SMITH	UNEMPLOYMENT COMP ADVISORS		X
Thomas Schuder	IMPERA	X	
Ken Olson	Dept of Labor		
Bob Brewster	H.D. #9	X	
JAMES Tutwiler	MT Chamber		✓
Marlene Malyevac	A.T.U. Local #381	✓	
Jeanne Weber	ATU Local #381	✓	
Shannon Stephenson	A.T.U. Local #381	✓	
Stephen A Stebbins	A.T.U. Local #381	✓	
Alice Lehouk	A.T.U. Local #381	✓	
Dennis Sullivan	ATU Local #381	✓	
Darrell Holzer	MT. ST. AFL-CIO	✓	
Bob Nathaniel	MTU		✓
Sue Hill	MT UNIVERSITY SYSTEM		✓

PLEASE LEAVE PREPARED TESTIMONY WITH SECRETARY. WITNESS STATEMENT FORMS  
ARE AVAILABLE IF YOU CARE TO SUBMIT WRITTEN TESTIMONY.

HOUSE OF REPRESENTATIVES  
VISITOR'S REGISTER

LABOR

COMMITTEE

BILL NO.

HB 138

DATE JAN. 19, 1993 SPONSOR(S)

DRISCOLL

PLEASE PRINT

PLEASE PRINT

PLEASE PRINT

NAME AND ADDRESS	REPRESENTING	SUPPORT	OPPOSE
Lerner Erickson	MT State Firemen's <sup>Assoc</sup>	✓	
Harrell Kober	MT. ST. AFL-CIO	✓	
John King	State Fund		X
Edward L FLIES	MT STATE COUNCIL PEF Fire Fights	✓	
For Lindgren			<del>X</del>
Alec Hansen	MLCT		✓
Tim BERGSTROM	MT. STATE FIREMEN'S ASSOC	X	
Blair Lee	MMEA - MACO		✓
SCOTT J. ORR	HDZ		X
Dennis M. F. Lich	City of Billings		X

PLEASE LEAVE PREPARED TESTIMONY WITH SECRETARY. WITNESS STATEMENT FORMS  
ARE AVAILABLE IF YOU CARE TO SUBMIT WRITTEN TESTIMONY.