

## **MINUTES**

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

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

**Call to Order:** By Chairman Tom Nelson, on February 18, 1993, at 3:30 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 522 HB 630  
Executive Action: HB 630

#### **HEARING ON HB 522**

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

**REP. CAROLYN SQUIRES, HD 58, Missoula, sponsor,** opened on HB 522 by stating that the State of Montana is facing many challenges. Today employees who are leaving a job are expected to find a replacement and to train that replacement. This bill will provide protection for employees. The cost of this bill should

be weighted with the benefits it will provide. In the long run, this bill will save money and suffering. Furthermore, the more successful the state is at employing these employees, the lower the cost will go. She stated that this bill is good for the state and the workers. (EXHIBIT #1)

She referred to the amendments and went over them with the committee.

**Proponents' Testimony:**

**REP. WILLIAM, MENAHAN, HD 67, Deer Lodge, sponsor,** stated that everyone needs to give a little; however, he thinks we have all given our share. He stated that this bill will make sure employees are given job preference for hiring and training and for on-the-job training. He stated that many of these employees who are laid off are young parents with children and they need insurance. He stated that their insurance should be continued at least for one year.

**Scott St Arnould, American Federation of State, County Municipal Employees,** stated that employers are losing 15-year employees. This loss of employees is devastating to the entire community. He stated that studies have shown that when companies take time to retrain their employees, they have an 80 percent effective reemployment within a short period of time. Furthermore, income taxes keep the state running. He stated that the fiscal note is no assistance in making a decision on this bill.

**Mark Cress, Department of Administration,** stated that the passage of this bill provides protection for involuntarily laid off or fired employees. He stated that he would like to see 60 days notice before these employees are laid off. He asked that the committee reroute this bill to Appropriations.

**Tom Schneider, Public Employee Association,** stated that if Mark Cress supports this bill, it must be a good one. He stated that this bill is a plus for employees and he supports it 100 percent.

**Sue Mohr, Executive Secretary, Montana Job Training Partnership, Inc.,** stated that her organization would like to be on record in support of HB 522. She stated that currently her organization has some federal funds to retrain, but federal funding levels have declined. The reason for this decline is because other states' economies are bad.

**Wilbur Raymond, Montana Federation of Teachers and State Employees,** stated that he represents 4,500 public employees. He stated that they all support the bill and the amendments.

**Darrell Holzer, AFL-CIO,** stated that there are 300-plus public employees in the unemployment lines. He stated that he is concerned about workers. We owe these workers more than to just toss them away. He stated that there are far too many Montanans

uninsured. This bill provides insurance protection. He stated that the employees didn't create the deficit, but are victims of it.

**Pam Egan, Montana Family Union**, stated that everyone thinks that cutting the payroll will cut the deficit, but cutting employees is what it really does. She stated that with every one percent rise in these layoffs there are many deaths, suicides and heart disease. **EXHIBIT #2**

**Unis Conley** stated that she has been an employee at Galen for 23 years. She stated that she would like to be on the record in support of HB 522.

**Ron James, Ironworkers Local 841**, stated that his organization would like to be on record in support of HB 522.

**REP. COCCHIARELLA, HD 59**, stated that she would like to be on the record in support of HB 522.

**Tom Bilodeau, MEA**, stated that his organization supports HB 522.

**Leon Stalcups, Montana Restaurant Association** stated that his organization supports HB 522.

**Opponents' Testimony:** None

**Questions From Committee Members and Responses:**

**REP. HANSON** asked Sue Mohr if the federal government puts in \$12 million per year for the Job Training Partnership Act.

**Sue Mohr** stated that in the Title III allocation there is \$9 to 10 million that is now available. However, she stated that they actually only get approximately \$1 million of that.

**REP. SIMON** referred to Mark Cress's statement about continued health insurance. He asked Rep. Squires how the eligibility for the 18-month COBRA would be affected. If an employee is laid off, would they be paid for one year by the state then 18 more months by COBRA?

**REP. SQUIRES** stated that she believes that the 18-month COBRA would be extended. Yes, they would be covered for 2 1/2 years by the state.

**REP. WHALEN** asked Mark Cress if this bill were not enacted, what the unemployment insurance fund impact would be. He asked whether this would be a considerable amount of savings.

**Mark Cress** stated that he assumes that there would be no impact if not as many employees are laid off. He stated that nobody knows what the savings will be, so the bill will be referred to Appropriations.

**REP. ELLIS** asked Mr. Cress what areas the amendments don't cover that he would like them to.

**Mark Cress** stated that they do not cover the cost concern or the 60-day notice requirement.

**REP. SIMON** asked Mr. Cress what the cost would be if 300 employees are laid off.

**Mark Cress** stated that it would be difficult to estimate, but he believes the average wage is around \$22,000 per year, and unemployment benefits would be based on a portion of that figure.

**Closing by Sponsor:**

**REP. SQUIRES** closed by thanking the committee for their time. She told the committee that these people are our employees and we should be a good employer.

**HEARING ON HB 630**

**Opening Statement by Sponsor:**

**REP. CARLEY TUSS, HD 35, Cascade, sponsor,** opened on HB 630 by stating that the minimum wage needs to be raised from \$4.35 to \$5.50 for the working poor in Montana. There are thousands of working poor in Montana, and most of them are women. These working poor do not drive fancy cars or dress fancy, but they just try to meet their basic needs. She stated that 125,000 people in Montana live below the poverty level; this equates to 16.1 percent. She stated that the saddest part of these working poor is that they are in service and retail jobs. Furthermore, the service and retail businesses are the most rapid growing in Montana. These working poor usually only work 20 to 30 hours per week with an average annual income of \$6,000.

**Proponents' Testimony:**

**Darrell Holzer, Montana AFL-CIO,** stated that minimum wage is a poverty wage, regardless of the hourly rate. He said that the statement "any job is a good job" is not necessarily true in these cases. He referred to Governor Racicot working at Warm Springs cooking for 5 hours where he made approximately \$15 after taxes.

He stated that if we don't join other states and raise the minimum wage, we will soon find these individuals on welfare and food stamps.

**Bill Egan, Montana Conference of Electrical Workers,** stated that these working poor take less and less and enjoy a lower quality of life. He asked the committee to pass HB 630 so these working poor can be part of the community.

**Wilbur Raymond, Montana Federation of Teachers and State Employees,** stated that he represents a number of employees: teachers aides, cooks, bus drivers, etc. Most of these employees are women. Furthermore, they are usually new to the work place, divorced or only working part-time.

**Dan Shea, self,** stated that he wrote a letter to the Governor yesterday. He requested that these letters be handed out to the committee. He stated that this bill will not affect those businesses with 100,000 or less employees.

**Ron James, Laborers Union,** stated that his organization supports HB 630 because he has a daughter who works minimum wage jobs and he feels she is worth more than \$4.35 per hour.

**Pam Egan, Montana Family Union,** stated that her organization would like to be on the record in support of HB 630. **EXHIBIT #3**

**Tom Bilodeau, MEA,** stated that the turnover rate of minimum wage jobs is usually 25 percent per year, some as high as 40 percent. He stated that most of these employees are women in clerical and service jobs. Furthermore, the current minimum wage is discriminating by gender. **(EXHIBIT #4)**

**Melissa Case, Hotel and Restaurant Workers,** stated that her organization supports HB 630 not just for the companies she represents, but also for herself. She stated that she is currently an independent college student. She told the committee that after her bills are paid, she only has \$186 left. She stated that this doesn't include a car payment, health insurance, recreation, clothes, gas, books, emergency fund, children or a spouse. She stated that she is awake 100 hours per week and spends 72 hours working and 22 hours at school. She stated that last semester she worked three jobs.

**Harley Warner, Association of Churches,** stated that he is testifying today in behalf of those working poor who are unrepresented.

**Scott St Arnould, American Federation of State, County and Municipal Employers,** stated that \$5.50 is a good start. He stated that by paying these employees more, the business community will still thrive because they will buy more and possibly invest.

**Ken Luraas, Montana Hunger Coalition,** stated that approximately 60 percent of the families with children had an emergency. He stated that poverty hurts everyone. The current minimum wage is not good, moral nor is it acceptable. Raising the minimum wage will help some of these working poor get off welfare. He stated that raising the minimum wage will reward work and give them respect for their labor.

**Joptie Welker, Montanans for Progressive Policy,** stated that her

organization would like to be on the record in support of HB 630.

**Judy Carlson, Human Resources Development Center**, stated that the problem with the working poor will be a difficult one to solve; however, raising the minimum wage will be a good start.

**Sharon Hoff, Montana Catholic Conference**, stated that she spoke with a janitor in the hall who told her his daughter works three jobs just to meet her basic needs. She stated that her organization would like to be on the record in support of HB 630.

**Clyde Dailey, Montana Senior Citizens Association**, stated that his organization supports HB 630.

**Opponents' Testimony:**

**Jim Tutwiler, Montana Chamber of Commerce**, stated that he is not a criminal nor immoral for opposing this bill. He stated that he agrees that too many people don't make enough money, but minimum wage is not the source of poverty in Montana. The facts are that the majority of people earning minimum wage are not primary income earners.

He stated that there are currently only five states that pay more than Montana. Only one of these five pay over \$5 per hour. Raising the minimum wage in Montana to \$5.50 would make Montana the highest minimum wage payer in the country. He stated that if the minimum wage goes up, everyone else will also want a raise.

He stated that in 1991, the state agreed to match the federal rate, but this raise will take Montana off the chart. He stated that passing this bill will not help business, because they will not be able to provide as many jobs.

**Charles Brooks, Montana Retail Association**, stated that his organization has been charged with underpaying employees in the past. He stated that he was raised in poverty. If HB 630 is passed, there will be adverse options to employers. The options include lay-offs, lowering of benefits, reduction of hours and raising consumer prices. Raising the minimum wage from \$4.25 to \$5.50 is a 29 percent wage increase. This raise will only cause a ripple effect and everyone will want a raise. Furthermore, he stated that this will raise workers compensation and unemployment.

The poverty myth that most minimum wage employees support a family is just that, a myth. Most of these minimum wage employees are young, single and unexperienced, not poor. This is usually their first job, and it provides resources for a car, clothes and college. Of these employees, two-thirds are between the age of 16 and 24 and 68 percent are single. In fact, 60 percent of these employees have never been married. He stated that passing this bill will layoff the people who need this work the most.

**Bill Stevens, Montana Food Distributors Association**, stated that his organization wants to be on the record in support of HB 630.

**Leon Stalcups, Montana Restaurant Association**, stated that there have been two classes of people since 1973. He stated that there has not been any real increase in the wealth since then. He stated that he grew up in poverty and had to find a job at age 14; therefore, he does understand the other side also.

**Steve Turkwiewicz, Montana Auto Dealers Association**, stated that most of the businesses he represents are family run. He stated that they pay workers compensation, unemployment and health benefits. The family businesses have a margin of 2 percent of sales and there is no room for the minimum wage to raise.

**Pat Albehi, Bozeman Chamber of Commerce**, stated that raising the minimum wage is costly to employers.

**Riley Johnson, National Federation of Independent Businesses**, stated that passing this bill will make the small employers cut their staff. He stated that the owner of the Boulder Dairy Queen couldn't be here today to testify, but was also opposed to passing HB 630. He stated that passing this bill doesn't make economic sense.

**Stuart Doggett, Montana Innkeepers**, stated that for the above stated reasons, his organization is opposed to HB 630.

**Questions From Committee Members and Responses:**

**REP. PAVLOVICH** asked Charles Brooks whether his organization represents Shopko and Walmart, and how many of those employees are part-time.

**Charles Brooks** stated that some of them are part-time, but he doesn't have the exact data now.

**REP. PAVLOVICH** stated that if these employees were paid a decent wage, they would not have to work more than one job.

**Charles Brooks** replied that in retail, 75 percent of the industry is full-time.

**REP. DRISCOLL** asked Charles Brooks why there has been a constant growth in employment since 1987. He stated that in the 1991 session similar testimony was made that raising the minimum wage would cause substantial layoffs and the employment continued to grow.

**Charles Brooks** stated that this constant growth is due to the constant expansion of the economy. He stated that every time there is a ten percent wage increase, there are two million jobs eliminated.

REP. DRISCOLL stated that in other words, these people found another job that paid more money.

Charles Brooks stated that he did not say that.

REP. COCCHIARELLA asked Riley Johnson if he remembers a candidate for representative who withdrew who had a brochure that stated that there were 12,000 new jobs created in the last four years. He stated that 80 percent of these new jobs were minimum wage.

Riley Johnson stated that he does not remember this brochure.

REP. HANSON asked REP. COCCHIARELLA if there is a wage scale for employers.

REP. COCCHIARELLA stated that this would be below a grade five, and there are not many of these jobs in state government today.

REP. MILLS asked REP. TUSS if this bill will apply to part-time workers who work less than 30 hours per week.

REP. TUSS said yes, it does apply to part-time employees also.

REP. SIMON asked Mr. Bilodeau what kind of pressure this raise would put on other employees in different fields.

Mr. Bilodeau stated that passage of this bill wouldn't put much pressure on other types of jobs because everyone feels it is inappropriate to be paid these low wages.

REP. TUNBY asked REP. DRISCOLL whether the state minimum wage was tied to the federal minimum wage in the 1991 session.

REP. DRISCOLL stated that yes, if the federal minimum wage rises, the states' minimum wage must also rise.

Closing by Sponsor:

REP. TUSS closed on HB 630 by stating that this hearing has been provocative to say the least. She stated that she used to be closed to these problems until she was a candidate for the House of Representatives. Several citizens asked her what she was going to change if she was elected. She was invited to a meeting by one of these citizens. This meeting opened her eyes to poverty.

EXECUTIVE ACTION ON 522/REFERRAL TO APPROPRIATIONS

REP. SQUIRES MOVED THE AMENDMENTS. REP. SQUIRES went over the amendments and clarified them for the committee members.

Discussion:

REP. HANSON asked REP. SQUIRES to explain the access.



**REP. SQUIRES** stated that this bill was meant to broaden the access and make it available to everyone.

**REPRESENTATIVE HANSON** asked Rep. Squires if they still accrue comp time?

**REP. SQUIRES** referred him to Scott St. Arnauld. Mr. St. Arnauld told **REP. HANSON** they do not continue to accrue comp time.

**REP. HANSON** asked Mr. St. Arnauld if bargaining agreements are used.

**Mr. St. Arnauld** stated that this bill deals only with the hiring practice of individual agencies.

**REP. HANSON** asked if an employee with ten years seniority can bump an employee with less time.

**Mr. St. Arnauld** stated that they cannot practice bumping.

**REP. HANSON** asked if he were laid off from a job that was a grade ten and applied for a grade nine, whether the grade ten would carry over.

**Mr. St. Arnauld** stated that the current language has specific bands. He stated that he could get hired as a grade ten, but only as a step one.

**REP. SIMON** asked **REP. DRISCOLL** how the requirements of COBRA work. He asked what wording in section 5 explained the 6 month period before the 18-month COBRA kicks in.

**REP. DRISCOLL** stated that the regulation currently states that self-pay is available for 18 months under COBRA.

**REP. TASH** asked **REP. SQUIRES** why she wanted to change the notice to 60-days in her amendments.

**REP. SQUIRES** stated that there is no Warren Act in the private sector.

The question was called for and the motion for the amendments to DO PASS carried unanimously.

**REP. WHALEN** asked **REP. SQUIRES** what the 30 days in the bill relates to.

**REP. SQUIRES** told **REP. WHALEN** that the Warren Act allows 60 days notice before laying off employees. She asked **REP. WHALEN** for the flexibility to take the 60 day notice to Appropriations.

**REP. BENEDICT** motioned to suspended further executive action.

**REP. SQUIRES** motioned to move the bill to Appropriations.

EXECUTIVE ACTION ON HB 630

Motion: REP. TUSS MOVED HB 630 DO PASS.

Discussion:

REP. PAVLOVICH stated that the state needs full-time employees, not part-time.

REP. BENEDICT stated that passing this bill will create problems in the small mom and pop businesses in the smaller cities.

REP. MILLS stated that he spoke with a fast food employee the other night, and this employee stated that he was proud to be working there.

REP. ELLIS stated that it is unrealistic to expect Montana to be above the other states, minimum wages.

REP. SIMON stated that he has been in the retail business for a long time. He stated that his parents paid more than minimum wage and gave great benefits to their employees. These types of jobs have been replaced with Shopko and Walmart. The customers went somewhere else.

REP. MILLS stated that he has been an employer for 36 years. He stated that he never paid minimum wage. He resented the remark made by one of the proponents, that this is a one-sided affair.

Motion/Vote: REP. HANSON MOVED HB 630 TABLE. A role call vote was taken. The motion CARRIED 9 to 7.

ADJOURNMENT

**Adjournment:** Vice Chairman Feland adjourned the meeting at 6:30  
p.m.



TOM NELSON, Chair



CHERRI SCHMAUS, Secretary

TN/CS

HOUSE OF REPRESENTATIVES.

LABOR

COMMITTEE

## ROLL CALL

DATE \_\_\_\_\_

2/18/93

[illegible]

# HOUSE OF REPRESENTATIVES

LABOR

COMMITTEE

## ROLL CALL VOTE

DATE 2/10/93 BILL NO. HB 630 NUMBER \_\_\_\_\_

MOTION: Table

NAME	AYE	NO
REP. TOM NELSON, CHAIRMAN	✓	✓
REP. GARY FELAND, VICE CHAIRMAN	✓	
REP. STEVE BENEDICT	✓	
REP. VICKI COCCHIARELLA		✓
REP. JERRY DRISCOLL		✓
REP. ALVIN ELLIS	✓	
REP. PAT GALVIN		✓
REP. SONNY HANSON	✓	
REP. NORM MILLS	✓	
REP. BOB PAVLOVICH		✓
REP. BRUCE SIMON	✓	
REP. CAROLYN SQUIRES		✓
REP. BILL TASH	✓	
REP. ROLPH TUNBY	✓	
REP. CARLEY TUSS		✓
REP. TIM WHALEN		✓

9 7

**TABLED BILL**

LABOR  
Name of Committee

2/18, 1993  
Date

The following bill HB 630  
was TABLED, by motion, on 2/18/93, 1993.

Charles A. McManus  
For the Committee

[Signature]  
For the Chief Clerk

CS-04  
1991

7:15:00  
Time  
2/19/93  
Date

# HOUSE OF REPRESENTATIVES

LABOR

COMMITTEE

## ROLL CALL VOTE

DATE 2/18/93 BILL NO. HB 522 NUMBER \_\_\_\_\_

MOTION: DO PASS (AMENDMENTS)

NAME	AYE	NO
REP. TOM NELSON, CHAIRMAN	✓	
REP. GARY FELAND, VICE CHAIRMAN	✓	
REP. STEVE BENEDICT	✓	
REP. VICKI COCCHIARELLA	✓	
REP. JERRY DRISCOLL	✓	
REP. ALVIN ELLIS	✓	
REP. PAT GALVIN	✓	
REP. SONNY HANSON	✓	
REP. NORM MILLS	✓	
REP. BOB PAVLOVICH	✓	
REP. BRUCE SIMON	✓	
REP. CAROLYN SQUIRES	✓	
REP. BILL TASH	✓	
REP. ROLPH TUNBY	✓	
REP. CARLEY TUSS	✓	
REP. TIM WHALEN	✓	

EXHIBIT 577  
DATE 2/18/93  
HB 522

**Testimony for the Record**  
**of**  
**HB 522 Bill Sponsor**  
**Representative Carolyn Squires**  
**before the**  
**House Labor**  
**and**  
**Employment Relations Committee**  
**February 18, 1993**



Mr. Chairman, members of the committee, for the record, my name is Carolyn Squires representative from Missoula. As we all know the State of Montana is facing many challenges. Our Budget is in dire straights and some combination of cost cutting and revenue enhancement is necessary. During restructuring many people are effected and in fact some will lose their jobs as a result of actions beyond their control. This bill is designed to recognize the value of our work force and retain valuable employees within State service, while recognizing the need to cut costs.

In todays competitive world many corporations across America are "down sizing" their work forces. In recognition of their employees many of these companies provide special services to the dislocated worker. Some of these benefits include- Use of the employers facilities to do job search prior to their separation and while being paid. Counselling and employment evaluations, retraining for positions both inside the company and outside the company. Relocation expenses for employees moving to other locations for the employer. We should do at least this much for the members of our states work force that are being displaced.

In the last session a bill was introduced and passed that called for similar protections. That bill quite honestly was expensive and

cumbersome. In drafting this Bill we have been very careful to consult with members of the administration and the various departments to draft a bill that takes into account the needs of all parties involved. I believe you will find that this bill provides for protections to the employees involved while recognizing the fiscal realities of the day.

We hope the major cost of this bill can be addressed in appropriations. Many of the programs are in fact in place and either are or can be funded with the assistance of the federal Government. We have consulted with representatives of several departments including the Department of Labor, MJTP, and "Project Challenge". We have worked with them to assess their needs and ability to provide counselling and support to the provisions of this bill. These discussions have been very encouraging. The cost of this program should also be weighed on balance to the benefit to Montana families that are facing one of the most traumatic events in their lives. Some times we have to invest money to save money. In the long run, this bill can save money, as well as reduce suffering.

As we are able to minimize the actual job loss as a result of lay-off through early retirement, attrition etc. any cost of this bill will be minimized. As we are successful in finding employment for displaced workers the cost of this bill will be diminished. As we can retain these

employees within state service we will gain in several areas;

- 1.) Retention of skilled employees will reduce the cost of training and acclimating them to the structure of State Government.
- 2.) Reduce the states liability in UI benefit claims.
- 3.) Increased productivity by giving security to the working families in state service.

If we must find ourselves in a position to eliminate jobs within state service, then at a very minimum we should be giving these families an opportunity to remain productive within the State of Montana. Compassion and understanding should help guide us during the coming weeks and months; for the workers and their families who's jobs are on the line should expect nothing less. This legislation is good for the State, it is good for the workers involved and it is good for the citizens of the Great State of Montana and I would urge your support. Thank you for your time and I would welcome any questions.

# Montana Family



110 West 13th Street  
P.O. Box 1176  
Helena, Montana 59624  
406-442-1727

Don Judge  
President

Pam Egan  
Executive Director

## *The Associate Membership Program of the Montana State AFL-CIO*

### TESTIMONY OF THE MONTANA FAMILY UNION BEFORE THE HOUSE COMMITTEE ON LABOR AND EMPLOYMENT RELATIONS, FEBRUARY 18, 1993.

Mr. Chairman, members of the Committee, for the record, I am Pam Egan, Executive Director of the Montana Family Union. I am here in support of House Bill 522.

On behalf of Montana's working families I would like to point out two important pieces of this legislation:

While it is easy to think of cuts in government "payroll" as "deficit reduction", we must remember that what we are really cutting out of government is people -- and their families.

Unemployment is a family affair. Reductions in force, layoffs, and privatization will affect not only the workers directly involved, but also their spouses, teenagers, and young children -- in fact any person who depends on that worker for support.

Most workers who are laid-off find themselves unemployed for more than 5 weeks. But for most of these workers, particularly state employees, the cycle of stress and depression for them and their families begins before the lay-off -- with the rumors of closure, RIF, and privatization.

The unemployment cycle takes its toll on both the psychological and physical health of workers and their families. In fact, nation-wide studies show that for every 1% increase in unemployment, there follow 36,887 more deaths, 20,240 more cases of cardiovascular disease, 648 additional homicides, 920 more suicides, 3,340 additional admissions to state prisons, 495 deaths from cirrhosis of the liver related to alcoholism, and 4,227 additional admissions to mental hospitals.

Appropriate and adequate support programs for workers and their families can help alleviate and prevent some of those problems associated with unemployment.

As we consider the State's responsibility to workers who will be "RIFed" "closed" or "privatized" out of a job, we must also consider the impact on their families.

House Bill 522 provides at least some measure of relief -- and dignity -- for those workers and their families. The Montana Family Union respectfully urges a favorable recommendation on HB 522.

# Stages of Unemployment

## Before the Layoff

Before the layoff, there may be many rumors about when, and if, layoffs will hit. This period is like riding an emotional roller-coaster - and it is very stressful. For some people, not knowing what is going to happen makes this the hardest time. During this stage there is often a sharp increase in sickness and accidents both on and off the job.



## The Layoff

When the layoff happens, there is a period of relief because the time of "waiting for the axe to fall" is over. Then the reality of what has happened begins to sink in. Initial relief may be followed by anger and depression. These feelings are normal, but it's important to act so they don't become obstacles to the job search or completing retraining.



## Retraining

If retraining is needed to get a new job or to find work in a new field, this can also be a difficult time. If you have been away from the classroom, and if it was never your favorite place, going into retraining can put you under a lot of pressure. You will need support from family, friends, classmates and people working in the retraining program.



## Adjusting to a New Job

When you find a new job, the worst time is over, but there may still be problems. There is a new job to be learned, new people to meet and new rules to get used to. Wages may be lower, the new job may not fully use your skills and the seniority you had before will be lost. It may not be long before the new job is "comfortable", but it can be a challenge.



## Running Out of Benefits

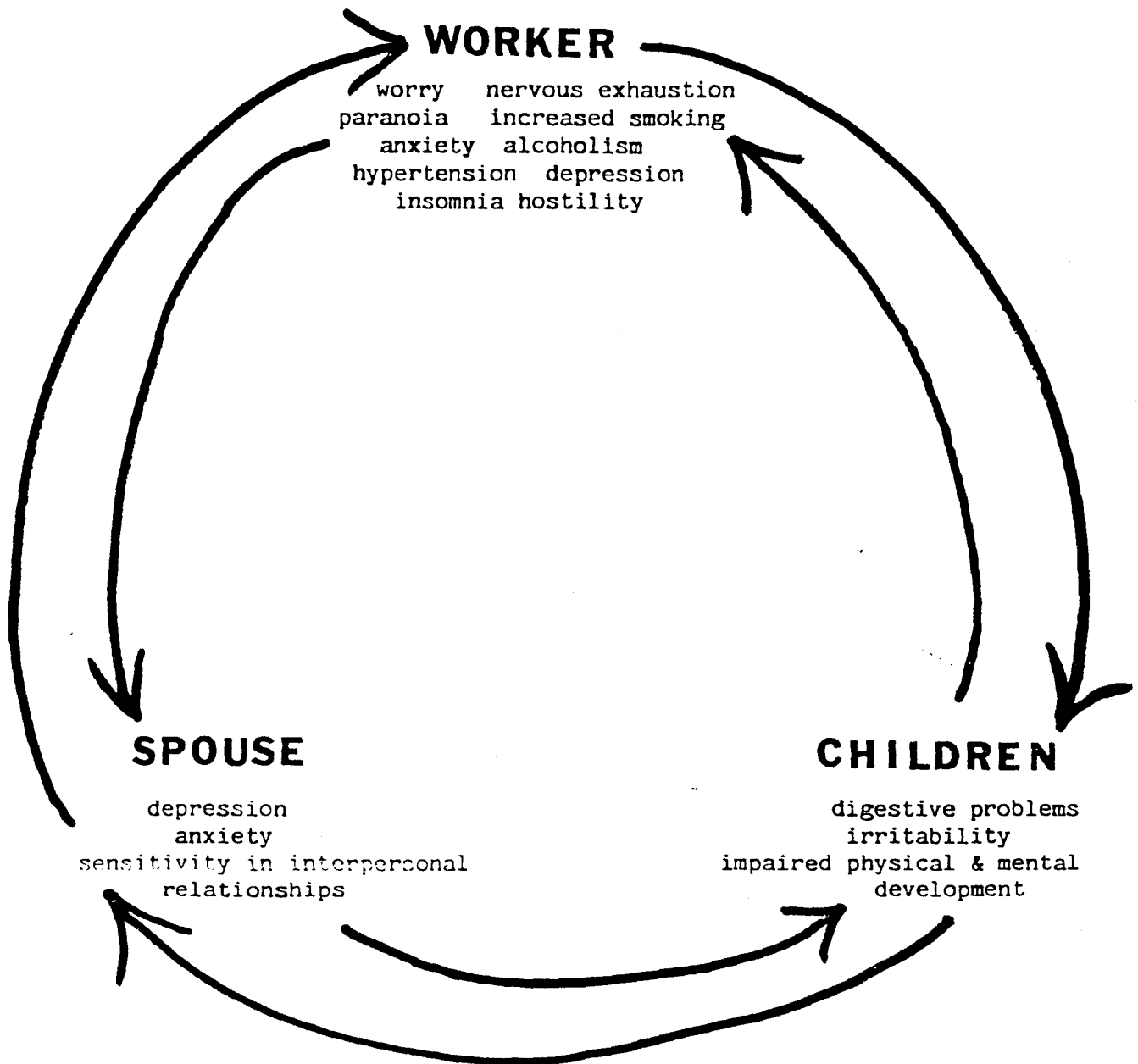
If you find yourself in a long-term period of unemployment, you may run out of benefits. This is when the real crisis may come, especially for families. There will be increased pressure on everyone. People need to work hard at holding things together, helping each other and using all services available to get through the crisis.



## Intensive Job Search

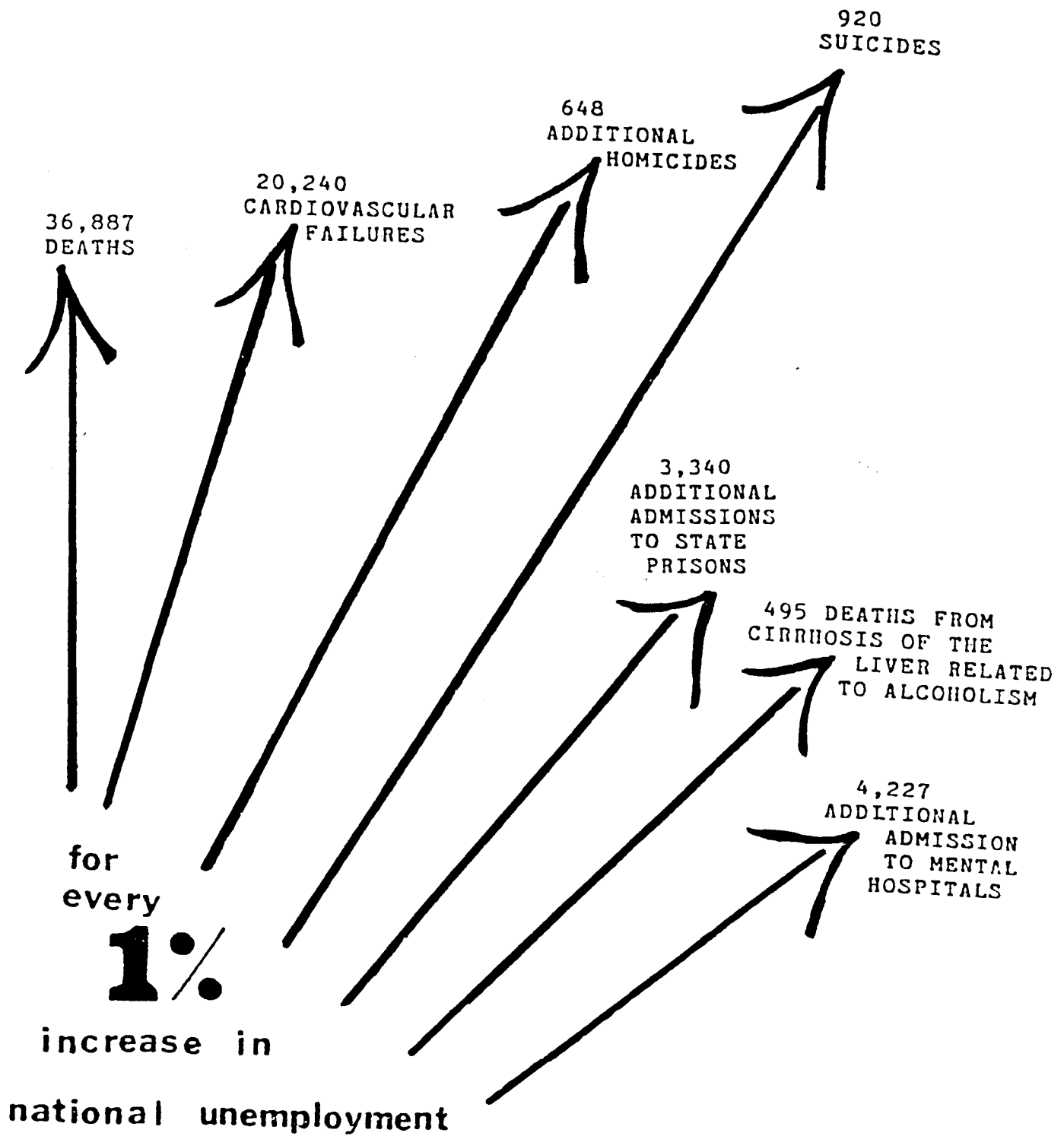
In hard times, when jobs are scarce and there are many people competing for every job, you may face a frustrating and difficult situation. It is hard facing the possibility of getting turned down day after day, and this can create a lot of tension. Some people become withdrawn during this period, and there is also a higher risk of substance abuse.

## Unemployment: A FAMILY Health Problem

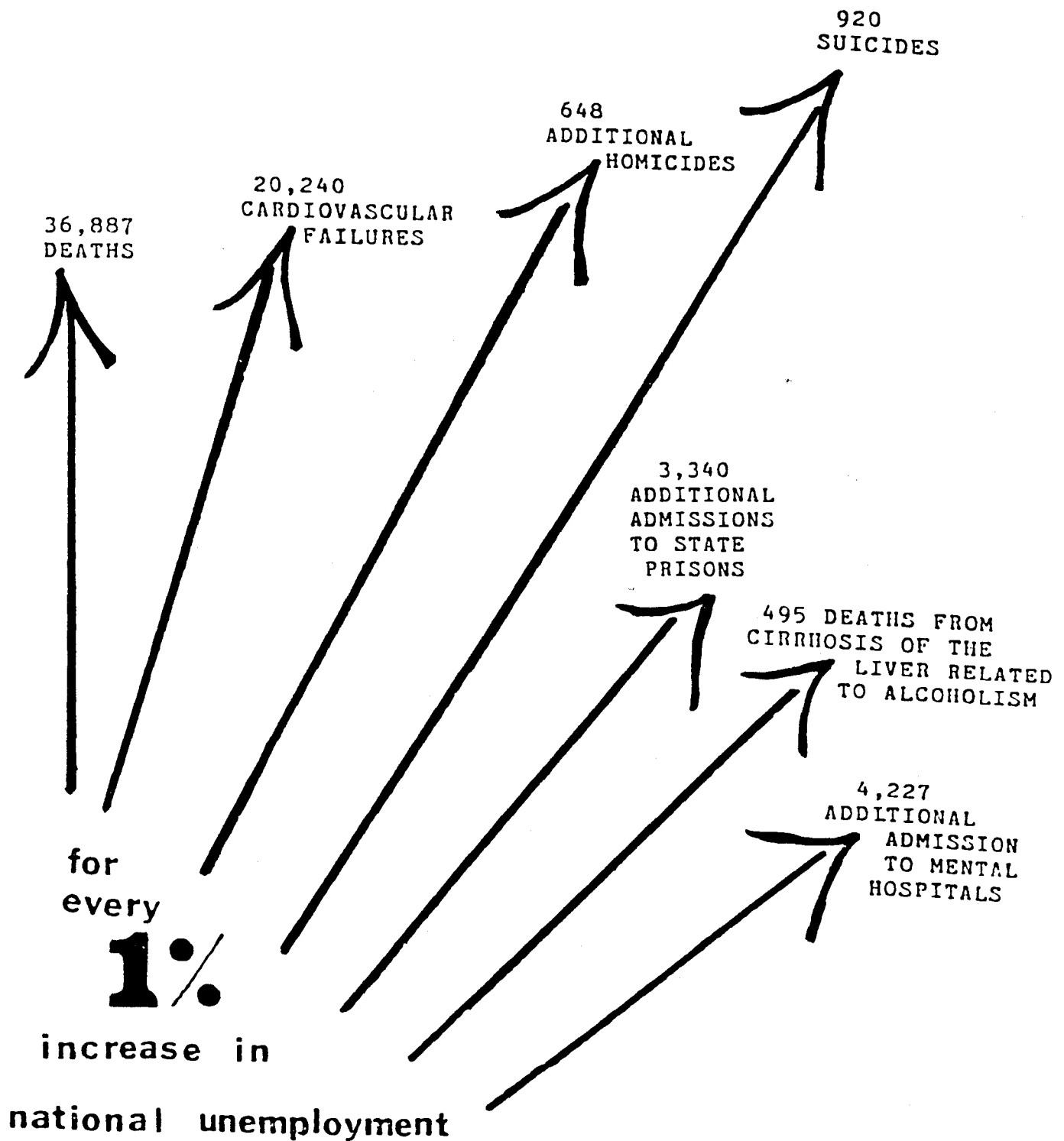


Recent studies document serious consequences to the physical, mental, and emotional well-being of the worker and the family. The health problems of job loss suffered by each member of the family affects ALL MEMBERS. In order to survive the worker and the family must be alert to early warning signs and seek help, immediately.

# THE DISASTROUS CONSEQUENCES OF UNEMPLOYMENT



# THE DISASTROUS CONSEQUENCES OF UNEMPLOYMENT





# Montana Family



AFL-CIO

Union

110 West 13th Street  
P.O. Box 1176  
Helena, Montana 59624  
406-442-1727

EXHIBIT  
2/18/93  
HB 630  
Don Judge  
President

EXHIBIT  
DATE 2/18/93  
HB 630  
Pam Egan  
Executive Director

## *The Associate Membership Program of the Montana State AFL-CIO*

### TESTIMONY OF MONTANA FAMILY UNION BEFORE THE HOUSE COMMITTEE ON LABOR AND EMPLOYMENT RELATIONS, FEBRUARY 18, 1993.

Mr. Chairman, members of the Committee, for the record I am Pam Egan, Executive Director of the Montana Family Union. I am here today in support of House Bill 630.

The federal standard of poverty for a family of four is an annual income of \$13,950. At current federal minimum wage, a single income family falls well below that standard.

Even at the wage available under this bill, those families would still fall more than \$2,000 per year below that federal poverty level.

Those are exactly the families that cannot afford health insurance, pay minimal taxes and often must rely on public assistance programs (where they exist) simply to survive.

As the members of this committee surely know, our state is being bankrupt by exactly those problems -- excessive health care costs, inadequate tax revenue, and ever-increasing needs for human service programs.

On behalf of Montana's working families, I would hope that this committee would value those families enough to offer them a fighting chance at a living wage. This bill takes us a step in that direction.

The Montana Family Union strongly urges a favorable recommendation on HB 630.



Montana Education Association

1232 East Sixth Avenue • Helena, Montana 59601 • 406-442-4250

EXHIBIT 74

DATE 2/18/93

HB 630

**FEBRUARY 18, 1993  
BEFORE THE HOUSE LABOR COMMITTEE**

**HB-630  
AN ACT INCREASING THE MINIMUM WAGE TO \$5.50**

**Testimony of: Tom Bilodeau, MEA Research Director**

MEA supports immediate enactment of House Bill 630.

In respect to Montana school employees, it may be reasonably estimated that as much as 30% of the classified workforce is presently paid less than \$5.50 per hour. For these employees, even full-time employment results in monthly income levels qualifying these workers for family food stamps and, in some cases, AFDC. It is, in MEA's view, an embarrassment of public policy and a personal affront to the dignity of public employees.

Such pay practices also contribute to a general decline in employee morale and -- in some districts among some job groups -- a high incidence of employment turnover among employees providing essential instructional support services for Montana's children. As much was acknowledged by Factfinder Thomas Levak in 1990 when reviewing evidence submitted to him concerning pay levels for educational aides employed by the Great Falls Public Schools.

*"...The high turnover rate outweighs the evidence concerning the number of applicants who have signed-up for aides positions. The public interest simply is not served by a high turnover of employees who regularly deal with and inter-relate with students. The Factfinder is satisfied from the evidence that aides do increase their knowledge, skills and abilities to relate to students...." GFESPA & GFPS, July 17, 1990.*

Current minimum wage pay practices of many Montana school districts also often perpetuate the undervaluing of the jobs performed by educational support personnel while maintaining historical patterns of gender discriminate pay practice. Such is apparent from cursory review of pay practice data from many school districts. In the case of Great Falls, for example, payroll data of November 1991 revealed that of 687 classified employees, 120 were paid less than \$4.50 per hour, 263 paid less than \$5.00 and 300 (fully 43% of the entire classified group) received less than \$5.50 per hour. Of the 300 receiving an hourly wage of \$5.50 or less, 267 were women. See following data tables and graphs. Similar data presented to Factfinder Levak led him to find that:

*"(A)ides constitute a large female subclass that is not being paid in accordance with the duties and responsibilities regularly expected of them.... The discrimination implications inherent in the maintenance of an underpaid female subclass seem self-evident." Ibid.*

In the interests of sound public policy and humane personnel pay practice, MEA urges this committee to vote a "do pass" on HB630.

MEA-GFESPA JOB ANALYSIS & EQUITY PROJECT  
 BASELINE EMPLOYEE COUNTS, EXPERIENCE, HOURS & WAGES  
 ORDERED BY # OF EMPLOYEES IN GROUPS

19-Mar-92

\*\*\*\*\* FOR ALL CLASSIFIED EMPLOYEES \*\*\*\*\*

--- FOR ALL ---

----- JOB -----	EMPLOYEES		----- AVERAGES BY JOB GROUP -----					TOTAL COST
GROUP/POSITION TITLE	NUMBER	% OF	YEARS	HOURLY	HOURS	DAYS	ANNUAL	PER GROUP
	IN GROUP	TOTAL #	EXP	WAGE	20AY	2YEAR	EARNINGS	(COMPUTED)
0 MISCELLANEOUS	105	15.3%	7.6	7.41	5.9	230	12,504	1,312,915
2 ELEM SCL AIDES	74	10.3%	4.7	4.58	4.4	177	3,574	264,449
14 HOSTESS/CHARGE	58	8.4%	6.1	4.91	4.1	182	3,661	212,309
11 CUSTODIANS	48	7.0%	7.3	9.68	8.0	260	20,134	966,451
18 SECRETARIES	45	6.6%	12.0	7.33	8.0	227	14,256	641,520
16 SP.ED & AUDIO ASST	36	5.2%	10.5	6.50	5.1	178	5,889	211,989
3 CASHIER/ALA-CARTE	31	4.5%	7.1	5.06	4.4	182	4,086	126,655
6 2ND ENGINEERS	29	4.2%	7.9	9.95	8.0	260	20,692	600,059
5 1ST ENGINEERS	24	3.5%	13.5	10.40	8.0	260	21,637	519,293
10 CROSS ATTENDANTS	23	3.3%	7.7	6.40	3.9	180	4,483	103,112
12 CLERK/TYPISTS	21	3.1%	7.5	6.73	8.0	223	12,003	252,056
1 LIBRARY AIDES	20	2.9%	8.2	4.60	5.7	180	4,716	94,325
3 MIDDLE SCL AIDES	19	2.8%	2.3	4.55	5.4	180	4,443	84,415
17 SP.ED II/III, PRE-S	18	2.6%	3.0	7.24	5.9	180	7,747	139,441
7 BUS AIDES	17	2.5%	4.0	4.58	7.0	180	5,769	98,066
19 TUTORS & MATH TUT'S	15	2.2%	6.7	7.32	7.1	187	9,739	146,084
4 HIGH SCL AIDES	14	2.0%	4.9	4.62	5.6	180	4,696	65,738
31 SWIMMING STAFF	12	1.7%	4.3	5.34	2.3	243	4,051	48,607
23 BAKER & BAKER ASST	8	1.2%	8.5	5.81	6.3	182	6,993	55,946
13 GROUNDSMEN	8	1.2%	16.1	10.43	8.0	260	21,694	173,555
20 ACCOMPANISTS	8	1.2%	3.1	8.05	1.1	104	992	7,933
24 COOKS	7	1.0%	14.6	6.40	3.0	182	9,316	65,214
22 COMP, TECH & AV AIDE	7	1.0%	2.1	4.67	5.6	185	4,908	34,357
25 HOME SCL COORDS	6	0.9%	4.3	7.52	8.0	187	11,247	67,485
29 LAUNDRY HELPERS	5	0.7%	4.3	4.52	5.4	195	4,894	24,469
21 ATTENDANCE AIDES	4	0.6%	1.3	5.51	6.7	185	6,323	27,292
30 PROO KITCHEN MGR	4	0.6%	22.3	7.99	8.0	182	11,633	46,534
27 COMPUTER OP & PROG	4	0.6%	8.3	10.19	8.0	260	21,200	84,802
28 ATTENDANCE CLERKS	4	0.6%	11.5	7.37	8.0	200	11,792	47,168
35 OT'S & AIDES	3	0.4%	2.7	14.04	6.4	185	18,740	56,220
37 PRNT MAT, CHAP I	2	0.3%	3.0	6.43	3.5	122	862	1,723
33 INC GRAPHICS, MISC	2	0.3%	5.0	5.66	7.5	260	11,179	22,357
34 LEAP SPECIALIST	1	0.1%	1.0	8.60	6.0	196	10,114	10,114
26 NA RES LIB AIDE	1	0.1%	1.0	4.49	6.0	187	5,038	5,038
36 PT	1	0.1%	6.0	22.78	7.5	139	23,756	23,756
32 FOOD SERV AIDE	1	0.1%	2.0	4.90	3.0	180	2,646	2,646
38 SPEECH THERAPIST	1	0.1%	0.5	6.56	3.0	180	3,542	3,542
39 NURSE	1	0.1%	1.0	6.56	1.0	180	1,181	1,181

TOTALS: 687

6,543,315

UNWEIGHTED AVERAGES:

6.5

7.28

5.9

196

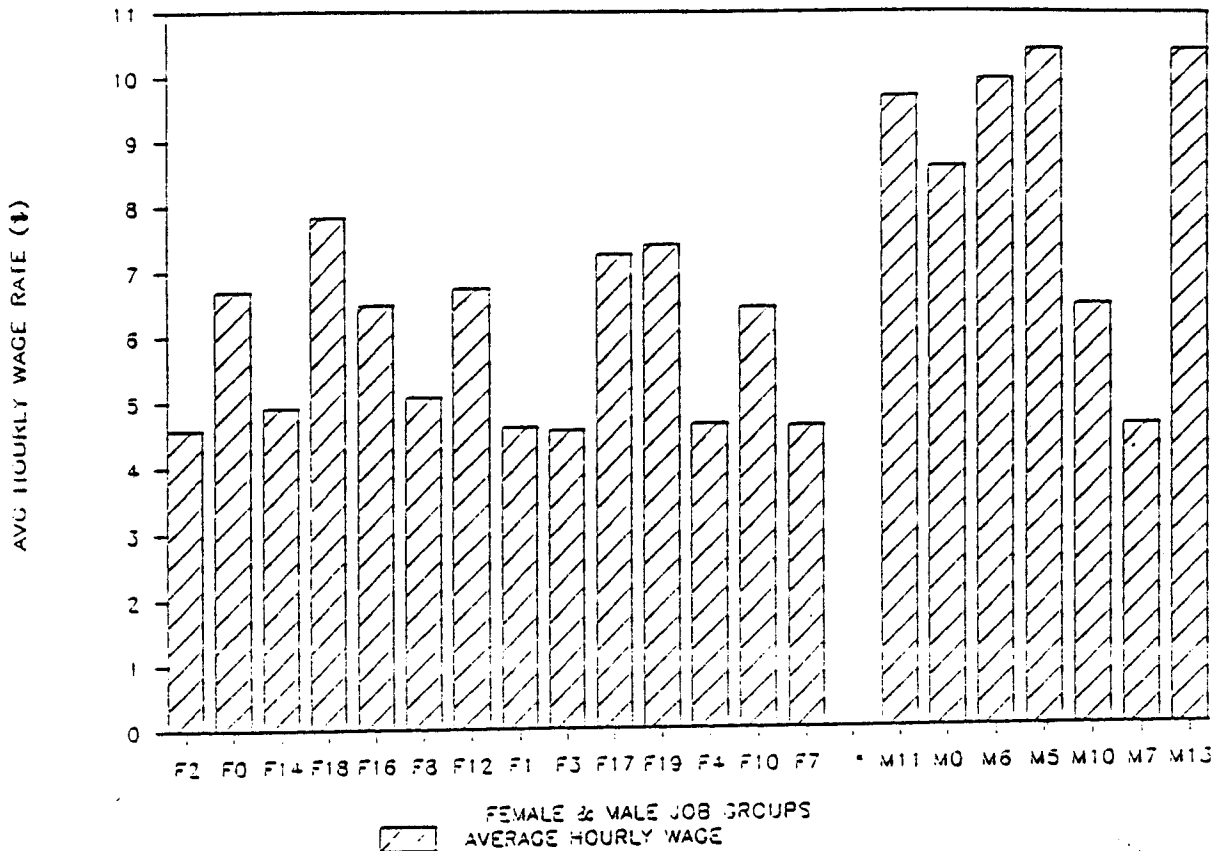
9,280

SOURCE: GFPS -- 11/91 PERSONNEL FILE FOR ALL CLASSIFIED EMPLOYEES.

FILE REFERENCE:GFESPA.cbf&gt;STAT&gt;GFESP.WK1 TRANSLATION - 3/19/92. GROUP# 9 &amp; 15 RESERVED.

# HOURLY WAGES -- LARGER GFPS JOB GROUPS

AVG \$ BY GENDER WITH 3+ EMPLOYEES



\* AMONG 14 JOB TITLE GROUPS HAVING 8+ FEMALE EMPLOYEES,  
THE AVERAGE HOURLY WAGE FOR FEMALES = \$5.80

NONE OF THESE 14 FEMALE INCUMBENT GROUPS HAVE  
AN AVERAGE WAGE ABOVE \$8.00 PER HOUR

\* AMONG 7 JOB TITLE GROUPS HAVING 8+ MALE EMPLOYEES,  
THE AVERAGE HOURLY WAGE FOR MALES = \$8.60

5 OF THESE 7 MALE INCUMBENT GROUPS HAVE  
AN AVERAGE WAGE ABOVE \$8.00 PER HOUR

\* AVG FEMALE GROUP WAGES = 68% OF AVG MALE GROUP WAGES  
[ \$5.80 / \$8.60 ]

**HOUSE OF REPRESENTATIVES  
VISITOR REGISTER**

Labor & Employment Rel-

COMMITTEE

BILL NO. HB 630

DATE 2/18

SPONSOR(S) TUSS

PLEASE PRINT

PLEASE PRINT

PLEASE PRINT

NAME AND ADDRESS	REPRESENTING	SUPPORT	OPPOSE
Roger Koopman 811 S Tracy, Bozeman	Career Concepts & Personnel Leasing		✓
Don H. James	Ironworkers No 841	✓	
Charles R. Brooks	MIT Retiree Assoc		✓
Patricia Abelin	Boz Area Chamber		✓
Terry Myhre	Hennessys		✓
Robert F. Arnold	AFSCME	X	
Eunice Connally	AFSCME 1620	✓	
Gleann Johnson	AFSCME 1620	✓	
James Campbell	AFSCME 1620	✓	
Tom C. Feler	MT Council #9	✓	
John Mazer	AFSCME	✓	
Darrell Holzer	MT. St. AFL-CIO	✓	
Pam Egan	MT FLU/AFL-CIO	✓	
John C. Carlson	HRDCs	✓	

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

HOUSE OF REPRESENTATIVES  
VISITOR REGISTER

Labou

COMMITTEE

BILL NO.

HB 1630

DATE

2/19

SPONSOR(S)

Tuss

PLEASE PRINT

PLEASE PRINT

PLEASE PRINT

NAME AND ADDRESS	REPRESENTING	SUPPORT	OPPOSE
Jim Tuttle	MT Chamber		L
Tom Blodau	M.E.A.	X	
Dan Shea	Self	X	
Bill Stevens	MT Food Bank Assoc		X
Kate Cholewa	MT Womens Lobby	X	
Wilbur Khamann	MFSE/MFT	X	
Ken Luraas	MT Hunger Coalition	X	
Leon Stalcup	MT Rest. Assoc		X

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

**HOUSE OF REPRESENTATIVES  
VISITOR REGISTER**

COMMITTEE \_\_\_\_\_

BILL NO. HB 630

DATE \_\_\_\_\_ SPONSOR(S) \_\_\_\_\_

**PLEASE PRINT**

**PLEASE PRINT**

**PLEASE PRINT**

NAME AND ADDRESS	REPRESENTING	SUPPORT	OPPOSE
HARLEY WARNER	ASSOC. OF CHURCHES	X	
SHARON HOFF	MT CATH Congress	X	
Riley Johnson	NFIB		X
Steve TURKIEWICZ	MT Auto Dealers Assn		X
Tootie Welker	MAPP	X	
Melissa Case	Hotel + Restaurant Employees Union Montana Peoples Action	X	
Clara Jensen	MT. Lumber Assn	X	
Steve Pegg	MT Truckers		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 & Employment Rel

COMMITTEE

BILL NO. HB 522

DATE 2/18

SPONSOR(S) Squires

PLEASE PRINT

PLEASE PRINT

PLEASE PRINT

NAME AND ADDRESS	REPRESENTING	SUPPORT	OPPOSE
Roger Koopman 81 S. Tracy, Bozeman	Career Concepts & Personnel Leasing		✓
Ron H. James	Ironworkers 80841	✓	
Scott St. Arnault	AFSCME	✓	
Eunice Connolly	AFSCME 1620	✓	
Tom Foley	MT Council No. 9	✓	
Eleanor Johnson	AFSCME	✓	
James Murphy	AFSCME 1620	✓	
John Mize	AFSCME	✓	
Darrell Houser	MT. ST AFL-CIO	✓	
Pam Egan	Mt Family Union AFL-CIO	✓	
Tom Schneider	MPHA	✓	
Wilbur Kleinman	MFSE/MFT	✓	
Sue Mohr	MTTP	✓	
Mark Creek	STATE PERSONNEL DIV	✓	

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

TOM BILODEAU  
Leon Stalcup

NEA  
1635 W Kent  
Missoula MT

X  
X