

House Bill 259

In The House

January 15, 1981	Introduced and referred to Committee on Labor and Industry.
January 20, 1981	Fiscal note requested.
January 22, 1981	Fiscal note returned.
January 30, 1981	Committee recommend bill do pass as amended.
February 2, 1981	Bill printed and placed on members' desks.
February 3, 1981	Second reading do not pass.

HOUSE BILL NO. 259

INTRODUCED BY HARP AKKESTAD *Heddal Hanna*
Schultz

A BILL FOR AN ACT ENTITLED: "AN ACT TO PROHIBIT PROFESSIONAL EMPLOYEES OF EDUCATIONAL INSTITUTIONS AND NONPROFESSIONAL EMPLOYEES OF EDUCATIONAL INSTITUTIONS OTHER THAN INSTITUTIONS OF HIGHER LEARNING FROM RECEIVING UNEMPLOYMENT INSURANCE BENEFITS BETWEEN CERTAIN SCHOOL YEARS, OR TERMS, AND ON CUSTOMARY HOLIDAYS; AMENDING SECTION 39-51-2108, MCA."

WHEREAS, in April through September, 1980, the total amount of unemployment insurance benefits paid to secondary school employees was \$1,220,308; and

WHEREAS, of the above-named figure, \$876,623 was paid to nonprofessional secondary school employees, which include such examples as cooks, teacher aides, library assistants, bus drivers employed by the school, and janitors; and

WHEREAS, these figures indicate that loopholes exist in the present law allowing nonprofessional school district employees to receive unemployment insurance benefits during the summer vacations, although they return and work at the school in the fall; and

WHEREAS, during the 2 week Christmas holiday period in December, 1980, 36 unemployment insurance claims were filed,

amounting to an estimated cost by the Unemployment Insurance Bureau of \$10,500; and

WHEREAS, these figures indicate that loopholes exist in the present law allowing school district employees to collect unemployment insurance benefits during holidays, even though they are employed by the school district for all other practical purposes.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

Section 1. Section 39-51-2108, MCA, is amended to read:

"39-51-2108. Payment of benefits based on service in public, charitable, or educational organizations. Benefits based on service in employment defined in subsections (5) and (6) of 39-51-203 and subsections (2) and (3) of 39-51-204 are payable in the same amount, on the same terms, and subject to the same conditions as compensation payable on the basis of other service subject to this chapter, except that benefits based on service in ~~an instructional~~ ~~researchy~~ ~~or~~ ~~principal~~ ~~administrative~~ ~~a~~ ~~professional~~ capacity for an educational institution or based on service in a nonprofessional capacity for an educational institution that is not an institution of higher education may not be paid to an individual for any week of unemployment

(1) which begins during the period between 2

1 successive academic years; or

2 (2) during a similar period between 2 regular terms,
3 whether or not successive; or

4 (3) during a period of paid sabbatical leave provided
5 for in the individual's contract if the individual has a
6 contract to perform services in any such capacity for any
7 such educational institution for both such academic years or
8 both such terms; or

9 ~~(4) within a term which begins during an established~~
10 ~~or customary vacation period or holiday recess if the~~
11 ~~individual performed services prior to the vacation or~~
12 ~~holiday and there is a reasonable assurance that the~~
13 ~~individual will perform services following the vacation or~~
14 ~~holiday."~~

-End-

STATE OF MONTANA

REQUEST NO. 139-81

FISCAL NOTE

Form BD-15

In compliance with a written request received January 19, 19 81, there is hereby submitted a Fiscal Note for House Bill 259 pursuant to Title 5, Chapter 4, Part 2 of the Montana Code Annotated (MCA). Background information used in developing this Fiscal Note is available from the Office of Budget and Program Planning, to members of the Legislature upon request.

Description of Proposed Legislation

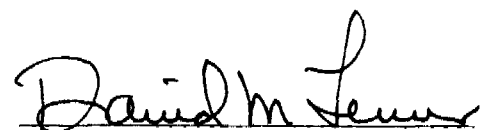
An act to prohibit professional employees of educational institutions and non-professional employees of educational institutions other than institutions of higher learning from receiving unemployment insurance benefits between certain school years, or terms, and on customary holidays; Amending Section 39-51-2108, MCA.

Assumptions

1. Assume 5% increase in benefit charges by non-professional secondary school employees from FY 1981 to FY 1982 to FY 1983.
2. Assume 3 holiday layoffs: Christmas - \$10,500 in projected benefit charges; Thanksgiving - \$5,250; Easter - \$5,250 for total benefit charges of \$21,000 annually.

<u>Fiscal Impact</u>	<u>FY 1982</u>	<u>FY 1983</u>
Total Revenue under Proposed Law	\$5,400,000	\$4,437,750
Revenue under Current Law	<u>5,400,000</u>	<u>5,621,500</u>
Decreased Revenue under Proposed Law	\$ 0	\$1,183,750

The net result of passage of House Bill 259 would be negligible. The relationship of revenues collected to benefits paid is designed to be self balancing. If fewer employees in a school district are eligible to draw unemployment benefits, a corresponding reduction is made in collections for the unemployment insurance fund.



BUDGET DIRECTOR

Office of Budget and Program Planning

Date: 1-21-81

Approved by Committee
on Labor & Employment
Relations

HOUSE BILL NO. 259

INTRODUCED BY HARP, AKLESTAD,

UNDERDAL, HANSON, SIVERTSEN, SCHULTZ

A BILL FOR AN ACT ENTITLED: "AN ACT TO PROHIBIT PROFESSIONAL EMPLOYEES OF EDUCATIONAL INSTITUTIONS AND NONPROFESSIONAL EMPLOYEES OF EDUCATIONAL INSTITUTIONS OTHER THAN INSTITUTIONS OF HIGHER LEARNING FROM RECEIVING UNEMPLOYMENT INSURANCE BENEFITS BETWEEN CERTAIN SCHOOL YEARS, OR TERMS, AND ON CUSTOMARY HOLIDAYS; AMENDING SECTION 39-51-2108, MCA."

WHEREAS, in April through September, 1980, the total amount of unemployment insurance benefits paid to secondary school employees was \$1,220,308; and

WHEREAS, of the above-named figure, \$878,623 was paid to nonprofessional secondary school employees, which include such examples as cooks, teacher aides, library assistants, bus drivers employed by the school, and janitors; and

WHEREAS, these figures indicate that loopholes exist in the present law allowing nonprofessional school district employees to receive unemployment insurance benefits during the summer vacations, although they return and work at the school in the fall; and

WHEREAS, during the 2-week Christmas holiday period in

~~December, 1980, 56 unemployment insurance claims were filed, amounting to an estimated cost by the Unemployment Insurance Bureau of \$10,500+ and~~

~~WHEREAS, these figures indicate that loopholes exist in the present law allowing school district employees to collect unemployment insurance benefits during holidays, even though they are employed by the school district for all other practical purposes.~~

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

Section 1. Section 39-51-2108, MCA, is amended to read:

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1 unemployment;

2 ~~(1)(A)~~ which begins during the period between 2
3 successive academic years; or

4 ~~(2)(B)~~ during a similar period between 2 regular
5 terms, whether or not successive; or

6 ~~(3)(C)~~ during a period of paid sabbatical leave
7 provided for in the individual's contract, ~~if the individual~~
8 ~~has a contract to perform services in any such capacity for~~
9 ~~any such educational institution for both such academic~~
10 ~~years or both such terms; or~~

11 ~~(4) within a term which begins during an established~~
12 ~~or customary vacation period or holiday recess if the~~
13 ~~individual performed services prior to the vacation or~~
14 ~~holiday and there is a reasonable assurance that the~~
15 ~~individual will perform services following the vacation or~~
16 ~~holidays.~~

17 (2) THE EXCLUSIONS IN SUBSECTIONS (1)(A) AND (1)(B)
18 APPLY ONLY IF THE INDIVIDUAL HAS A CONTRACT TO PERFORM
19 SERVICES IN ANY CAPACITY FOR ANY SUCH EDUCATIONAL
20 INSTITUTION FOR BOTH SUCH ACADEMIC YEARS OR BOTH SUCH
21 TERMS."

-End-