

MICROFILM DIVIDER

OMB/RECORDS MANAGEMENT DIVISION

SFN 2053 (2/85) 5M



ROLL NUMBER

DESCRIPTION

2337

2001 SENATE INDUSTRY, BUSINESS AND LABOR

SB 2337

2001 SENATE STANDING COMMITTEE MINUTES

BILL/RESOLUTION NO. SB 2337

Senate Industry, Business and Labor Committee

Conference Committee

Hearing Date January 31, 2001.

Tape Number	Side A	Side B	Meter #
1	x		0 to 23.1
3		x	7.7 to 18.4
(Feb.13/01) 3	x		41.9 to 54
(April 03/01) 1	x		41.4 to 46.0
Committee Clerk Signature <i>Dow & Perez</i>			

Minutes:

The meeting was called to order. All committee members present. Hearing was opened on SB 2337 relating to a shared work unemployment compensation program.

SENATOR JUDY LEE, District 13, cosponsor. Written testimony attached.

JOHN KRAMER, Fargo Economic Development Corp. Other states have similar programs. Put bill together with Job Service and employers, compromise. Endorse this bill.

SENATOR KLEIN: Give me an example of how this will work.

J KRAMER: The economy goes down, farm equipment companies are forced to do lay offs after investing in training the employees. In case of highly trained employees, they are lost because they will leave the state. Under this program the employee would be allowed to stay on the job.

JIM HIRSCH, JSND: Companies have employees share available work, there is a reduction in work hours. While in the work share program employees receive benefits to compensate loss of wages. There are caps and the money is reimbursed to the fund by the employer.

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Senate Industry, Business and Labor Committee

Bill/Resolution Number 2337

Hearing Date January 31, 2001.

SENATOR EVERY: Explain: "corresponding proportionate reduction in wages"

J HIRSCH: Reduction in hours changes the work agreement, if employee decides instead to terminate employment it is up to the bureau to decide if the employee can receive benefits.

Adjudication based on the facts of the case. First level of the adjudication process is appealable in an appeals hearing, then to a bureau of review and then to the courts.

Senator Every: What would be the period of time with no compensation?

J HIRSCH: Normally paid by the third week.

SENATOR KREBSBACH: Expenditures being absorbed by the agency or by a federal grant?

J HIRSCH: If there were federal funds available we would apply for them but there is no guarantee. This bill is modeled on one in Kansas.

DAVID KEMNITZ, NDAFL-CIO, neutral. In principle agree with the bill. Nothing in here acknowledges that collective bargaining agreement would prevail. It should be added to page 4 line 29: " 10. A shared work unemployment compensation program shall not circumvent a collective bargaining agreement if one is in place."

SENATOR ESPEGARD: How can this be bad for the employees, instead of being laid off, they are allowed to share work and get a share of unemployment .

D KEMNITZ: Issue is not lay off but reduction of work hours and wages and rest made up by unemployment benefits which have caps on them. There are pitfalls in agreeing to forego income. We want language included to protect collective bargaining.

Hearing closed.

Committee reconvened. Tape 3-B-18.9. Discussion held, need more study and amendment not ready yet.

Feb. 13/01 Tape 3-A-41.9 to 54.

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Senate Industry, Business and Labor Committee

Bill/Resolution Number 2337

Hearing Date January 31, 2001.

Committee reconvened. All members, except SENATOR ESPEGARD, present. Discussion held.

SENATOR D. MATHERN: Two sets of amendments, stop drain on funds and help workers like those in CASE, letter enclosed. Job service recommended the amendment on page 6.

SENATOR D. MATHERN: Move adoption of set of amendments.

SENATOR KREBSBACH: Second.

Roll call vote: 6 yes; 0 no; 1 absent not voting.

SENATOR D. MATHERN: Motion : do pass as amended, and be rereferred to appropriations.

SENATOR EVERY: Second.

Roll call vote: 6 yes; 0 no; 1 absent not voting. Carrier: SENATOR EVERY.

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Senate Industry, Business and Labor Committee

Bill/Resolution Number 2337

Hearing Date January 31, 2001.

March 03/01. Tape 1-A-41.4 to 46.0

Committee reconvened. All members present.

Rep Rick Berg, District 45. Amendments put cap at fifty employees and sunset it for two years.

This is a pilot program geared for larger employers, it goes away if not used.

Senator Mathern: How does the fiscal note change?

Rep Berg: Fiscal note was a hundred thousand for study. There are federal dollars they can apply for.

Senator Krebsbach: This is an old program being brought back.

Senator Espegard: Motion to concur. **Senator Tollefson**: Second.

Roll call vote: 7 yes; 0 no. Motion carried. Floor assignment: Senator Every.

FISCAL NOTE

Requested by Legislative Council
01/23/2001

Bill/Resolution No.: SB 2337

Amendment to:

1A. State fiscal effect: *Identify the state fiscal effect and the fiscal effect on agency appropriations compared to funding levels and appropriations anticipated under current law.*

	1999-2001 Biennium		2001-2003 Biennium		2003-2005 Biennium	
	General Fund	Other Funds	General Fund	Other Funds	General Fund	Other Funds
Revenues	\$0	\$0	\$0	\$0	\$0	\$0
Expenditures	\$0	\$0	\$0	\$100,000	\$0	\$0
Appropriations	\$0	\$0	\$0	\$0	\$0	\$0

1B. County, city, and school district fiscal effect: *Identify the fiscal effect on the appropriate political subdivision.*

1999-2001 Biennium			2001-2003 Biennium			2003-2005 Biennium		
Counties	Cities	School Districts	Counties	Cities	School Districts	Counties	Cities	School Districts
\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0

2. Narrative: *Identify the aspects of the measure which cause fiscal impact and include any comments relevant to your analysis.*

There is no Fiscal Impact on the State Unemployment Insurance Trust Fund.

However, the bill will require significant administrative work and associated cost for reprogramming of automated Job Insurance benefit and tax systems. Two (2) senior level programmers will need to work full-time for four (4) months on this project.

3. State fiscal effect detail: *For information shown under state fiscal effect in 1A, please:*

A. Revenues: *Explain the revenue amounts. Provide detail, when appropriate, for each revenue type and fund affected and any amounts included in the executive budget.*

B. Expenditures: *Explain the expenditure amounts. Provide detail, when appropriate, for each agency, line item, and fund affected and the number of FTE positions affected.*

Expenditures are estimated at \$100,000 for system programming. These expenditures are operating costs for contracted programming. The expenditures would have to be absorbed in the agency Federal Grant for administering the unemployment insurance program.

C. Appropriations: *Explain the appropriation amounts. Provide detail, when appropriate, of the effect on the biennial appropriation for each agency and fund affected and any amounts included in the executive budget. Indicate the relationship between the amounts shown for expenditures and*

appropriations.

Name:	Wayne Kindem	Agency:	Job Service North Dakota
Phone Number:	328-3033	Date Prepared:	01/30/2001

PROPOSED AMENDMENTS TO SENATE BILL NO. 2337

Page 3, line 18, remove "and"

Page 3, line 21, replace the period with "; and"

Page 3, after line 21, insert:

- "h. Is approved in writing by the collective bargaining agent for each collective bargaining agreement that covers any employee in the affected unit."

Renumber accordingly

Date: 2/13/01
Roll Call Vote #: 2

2001 SENATE STANDING COMMITTEE ROLL CALL VOTES
BILL/RESOLUTION NO. 2337

Senate Industry, Business and Labor Committee

Subcommittee on _____
or
 Conference Committee

Legislative Council Amendment Number _____

Action Taken Do Pass as Amended

Motion Made By Sen Mathern Seconded By Sen Every

Senators	Yes	No	Senators	Yes	No
Senator Mutch - Chairman	✓		Senator Every	✓	
Senator Klein - Vice Chairman	✓		Senator Mathern	✓	
Senator Espegard	A				
Senator Krebsbach	✓				
Senator Tollefson	✓				

Total (Yes) 6 No 0

Absent 1

Floor Assignment Sen Every

If the vote is on an amendment, briefly indicate intent:

REPORT OF STANDING COMMITTEE

SB 2337: Industry, Business and Labor Committee (Sen. Mutch, Chairman) recommends AMENDMENTS AS FOLLOWS and when so amended, recommends DO PASS and BE REREFERRED to the Appropriations Committee (6 YEAS, 0 NAYS, 1 ABSENT AND NOT VOTING). SB 2337 was placed on the Sixth order on the calendar.

Page 3, line 18, remove "and"

Page 3, line 21, after "employees" insert "; and"

- h. Is approved in writing by the collective bargaining agent for each collective bargaining agreement that covers any employee in the affected unit"

Page 6, line 15, replace "August 5, 2001" with "July 7, 2002"

Renumber accordingly

2001 SENATE APPROPRIATIONS

SB 2337

2001 SENATE STANDING COMMITTEE MINUTES

BILL/RESOLUTION NO. SB2337

Senate Appropriations Committee

Conference Committee

Hearing Date February 19, 2001

Tape Number	Side A	Side B	Meter #
Tape #1	x		38.8-40.0
Tape #1	x		43.0-46.5
Committee Clerk Signature <i>Lynne Peterson</i>			

Minutes:

Senator Nething opened the hearing on SB2337.

No one was present to testify. Hearing closed.

Senator Nething reopened the hearing on SB2337.

Senator Judy Lee, District 13, West Fargo, introduced SB2337 (a copy of her testimony is attached).

Jim Hersh, Job Service stated no impact.

Senator Solberg: Negative for unemployment?

Jim Hersh: Constituents share; 100% reimbursed.

No additional testimony on SB2337. Hearing closed by Senator Nething.

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Senate Appropriations Committee
Bill/Resolution Number SB2337
Hearing Date February 19, 2001

February 20, 2001 Full Committee (Tape #1, Side A, Meter No. 9.3-12.2)

Senator Nothing reopened the hearing on SB2337.

Discussion. Senator Heitkamp moved a DO PASS, Senator Holmberg seconded.

Discussion. Roll Call Vote: 13 yes; 0 no; 1 absent and not voting.

Floor assignment back to original committee, carrier: Senator Every.

Date: 9-26

Roll Call Vote #: _____

2001 SENATE STANDING COMMITTEE ROLL CALL VOTES

BILL/RESOLUTION NO. S 62337

Senate Appropriations Committee

Subcommittee on _____
or
 Conference Committee

Legislative Council Amendment Number _____

Action Taken Roll Pass

Motion Made By Sen. Nething Seconded By Sen. Grindberg

Senators	Yes	No	Senators	Yes	No
Dave Nething, Chairman	✓				
Ken Solberg, Vice-Chairman	✓				
Randy A. Schobinger					
Elroy N. Lindaas	✓				
Harvey Tallackson	✓				
Larry J. Robinson	✓				
Steven W. Tomac	✓				
Joel C. Heitkamp	✓				
Tony Grindberg	✓				
Russell T. Thane	✓				
Ed Kringstad	✓				
Ray Holmberg	✓				
Bill Bowman	✓				
John M. Andrist	✓				

Total Yes 13 No 1

Absent _____

Floor Assignment Senator Nething

If the vote is on an amendment, briefly indicate intent:

REPORT OF STANDING COMMITTEE (410)
February 20, 2001 9:45 a.m.

Module No: SR-31-3955
Carrier: Every
Insert LC: . Title: .

REPORT OF STANDING COMMITTEE

SB 2337, as engrossed: Appropriations Committee (Sen. Nething, Chairman)
recommends **DO PASS** (13 YEAS, 0 NAYS, 1 ABSENT AND NOT VOTING).
Engrossed SB 2337 was placed on the Eleventh order on the calendar.

2001 HOUSE INDUSTRY, BUSINESS AND LABOR

SB 2337

2001 HOUSE STANDING COMMITTEE MINUTES

BILL/RESOLUTION NO. SB 2337

House Industry, Business and Labor Committee

Conference Committee

Hearing Date March 12, 2001

Tape Number	Side A	Side B	Meter #
1	X		30.3
		X	-4
Committee Clerk Signature 			

Minutes: Chairman R. Berg, Vice-Chair G. Keiser, Rep. M. Ekstrom, Rep. R. Froelich, Rep. G. Froseth, Rep. R. Jensen, Rep. N. Johnson, Rep. J. Kasper, Rep. M. Klein, Rep. Koppang, Rep. D. Lemieux, Rep. B. Pietsch, Rep. D. Ruby, Rep. D. Severson, Rep. E. Thorpe.

Sen. D. Mathern: Sponsor of bill with **Written testimony**.

Rep. Pietsch: Would full time employees receive unemployment?

Sen. Mathern: Yes.

Rep. N. Johnson: What is the benefit to the employer?

Sen. Mathern: It will reduce their unemployment costs in the long run.

Vice-Chairman Keiser: At what point do you pay unemployment?

Ray Gudaites: *Job Service ND* The minimum they can earn is \$2975 in the fourth quarter. The employer has to submit a plan to Job Service. The reduction of hours is in direct relation to the rate of benefits. The reduced hours has to be at least the amount as if the employee were to be laid off. If they get \$300 in weekly benefits and they reduce hour by 10% then the employee is eligible for \$30 of benefits per week.

Rep. Ruby: Does this affect their experience rate?

Gudaites: We need to look at that closely but the employer is reimbursing this dollar for dollar. The businesses would be revenue neutral. This is optional to allow a company to keep his employees.

Rep. N. Johnson: (50.9) With employer qualifications the numbers clash.

Gudaites: The work share plan is in place for one year but that can be extended. Under work share, there can be no more than 26 weeks of pay for the employee. The remainder would be from regular unemployment.

Rep. Lemieux: Would this help keep employees from quitting or being fired?

Gudaites: Yes, it should.

Chairman Berg: We'll close the hearing on SB 2337.

2001 HOUSE STANDING COMMITTEE MINUTES

BILL/RESOLUTION NO. SB 2337(B)

House Industry, Business and Labor Committee

Conference Committee

Hearing Date March 14, 2001

Tape Number	Side A	Side B	Meter #
1		X	52.1-59.5
Committee Clerk Signature <i>Heidi Lee</i>			

Minutes: Chairman R. Berg, Vice-Chair G. Keiser, Rep. M. Ekstrom, Rep. R. Froelich, Rep. G. Froseth, Rep. R. Jensen, Rep. N. Johnson, Rep. J. Kasper, Rep. M. Klein, Rep. Koppang, Rep. D. Lemieux, Rep. B. Pietsch, Rep. D. Ruby, Rep. D. Severson, Rep. E. Thorpe.

Rep. N. Johnson: Explained bill and provided amendments.

Vice-Chairman Keiser: I move the amendment.

Rep. Severson: I second.

Rep. M. Klein: I move a do pass as amended with re-referral to Appropriations.

Rep. Lemieux: I second.

14 yea, 0 nay, 1 absent Carrier Rep. N. Johnson

10501.0201
Title.0300

Adopted by the Industry, Business and Labor
Committee

March 14, 2001

VR
3/14/01

House IBL Amendments to Eng. SB 2337
Page 3, remove lines 9 and 10

3/14/01

Page 3, line 11, replace "e" with "d"

Page 3, line 15, replace "f" with "e"

Page 3, line 19, replace "g" with "f"

Page 3, line 22, replace "h" with "g"

Renumber accordingly

Date: 3-14-01
Roll Call Vote #: 1

2001 HOUSE STANDING COMMITTEE ROLL CALL VOTES
BILL/RESOLUTION NO. SB 2387

House Industry, Business and Labor Committee

Legislative Council Amendment Number _____

Action Taken Do Pass as amended w/RB to App.

Motion Made By M. Klein Seconded By Lemieux

Representatives	Yes	No	Representatives	Yes	No
Chairman- Rick Berg	✓		Rep. Jim Kasper	✓	
Vice-Chairman George Keiser	✓		Rep. Matthew M. Klein	✓	
Rep. Mary Ekstorm	✓		Rep. Myron Koppang	✓	
Rep. Rod Froelich			Rep. Doug Lemieux	✓	
Rep. Glen Froseth	✓		Rep. Bill Pietsch	✓	
Rep. Roxanne Jensen	✓		Rep. Dan Ruby	✓	
Rep. Nancy Johnson	✓		Rep. Dale C. Severson	✓	
			Rep. Elwood Thorpe	✓	

Total (Yes) 14 No 0

Absent 1

Floor Assignment Rep N. Johnson

If the vote is on an amendment, briefly indicate intent:

REPORT OF STANDING COMMITTEE (410)
March 15, 2001 12:17 p.m.

Module No: HR-45-5701
Carrier: N. Johnson
Insert LC: 10501.0201 Title: .0300

REPORT OF STANDING COMMITTEE

SB 2337, as engrossed: Industry, Business and Labor Committee (Rep. Berg, Chairman) recommends AMENDMENTS AS FOLLOWS and when so amended, recommends DO PASS and BE REREFERRED to the Appropriations Committee (14 YEAS, 0 NAYS, 1 ABSENT AND NOT VOTING). Engrossed SB 2337 was placed on the Sixth order on the calendar.

Page 3, remove lines 9 and 10

Page 3, line 11, replace "e" with "d"

Page 3, line 15, replace "f" with "e"

Page 3, line 19, replace "g" with "f"

Page 3, line 22, replace "h" with "g"

Renumber accordingly

2001 HOUSE APPROPRIATIONS

SB 2337

2001 HOUSE STANDING COMMITTEE MINUTES

BILL/RESOLUTION NO. SB2337

House Appropriations Committee

Conference Committee

Hearing Date **March 26, 2001**

Tape Number	Side A	Side B	Meter #
1		x	1232 - 3046
Committee Clerk Signature <i>L J Douber</i>			

Minutes:

HOUSE APPROPRIATIONS COMMITTEE ACTION ON SB2337.

Rep. Timm: We will call the hearing on SB2337 to order.

Rep. Johnson: I'm hear to answer any questions that you may have on the bill. This is the shared work unemployment compensation bill and it addresses businesses that have a temporary decline in volume and is reluctantly faced with having to lay off trained workers. Rather than lose those good employees they may submit a shared work program plan to Job Service of North Dakota to allow business to reduce the hours of an effective group of employees and it has to be all of them in that effected group by not less than 5% or more than 70% or the normal work week. The unemployment compensation would allow the reduced worker employee to qualify for benefits equal to the percentage of the reduced hours that he or she may have, the amount would be based on what that individual employee would have received according to Job Service North Dakota standard rates. In the bill it defines what a work unit it, what an effective unit is,

and what the shared work plan must cover, the length of the benefit and the employee qualifications for the benefit. Job Service of North Dakota would determine the amount of the benefit, the benefit dollars that come from the unemployment insurance trust fund, but the employer would be charged and billed for all the shared work benefits that are paid out. So whatever that employee that has a reduced work load would get from Job Service of North Dakota, the employer would have to submit that amount of money back into the fund. What this bill does it allows a worker to keep a job, and benefits new workers because when you have layoffs it tends to be the least senior person, this would allow the whole group to reduce some hours for a short time when they don't have enough work to do and its better for the rest of the employees in that group and keep that trained worker there so that when it does gear up again they have enough workers that are trained to do the job. That's basically what the bill does.

Rep. Carlisle: What was the vote out of IBL and was there any opposition?

Ms. Johnson: The vote was 14 to 0 with a do pass.

Rep. Koppleman: Is this mandatory or optional?

Ms. Johnson: This would be an optional program, the employer must want to do it.

Rep. Heuther: Are there any qualifications for say a large manufacturing company who has a slow down in there period of sales, where they have 1000 employees, would they qualify too?

Ms. Johnson: I don't believe there is any qualifications on the number of employees.

Rep. Byerly: Did I hear you correctly when you said that if an employer and employees take advantage of this, the employer has to reimburse job service for the total cost of the unemployment?

Ms. Johnson: Correct

Rep. Delzer: What about workers comp? Have you guys talked about what happens there?

Ms. Johnson: I guess that didn't come up in our discussions.

Rep. Wald: Would any seasonal type of employees be involved, like a contractor who would lay off someone who may have operated heavy equipment, but in the winter time do snow removal and is that a shared work kind of thing?

Ms. Johnson: If you look on page 3 of the bill, it says it will not serve as a subsidy of seasonal employment during the off season and the other issues described in that paragraph.

Rep. Timm: Any other questions. Any other testimony in support of SB2337?

Mr. Ray Kididas, Job Service of North Dakota:

Rep. Koppleman: How would this effect the employers rating with Job Service?

Mr. Kididas: Since it is a reimbursable type of program it should not and if the employer maintains payment it should not effect their rate.

Rep. Byerly: I would like an answer to my question if all this is just to reimburse, or to pay these employees is the only benefit of this that the employer first can get away with paying them less and then secondly can stretch out the payments to you over a longer period of time?

Mr. Kididas: I believe what the sponsor had wanted was some encouragement for employers not to fully lay off individuals, rather they would be able to reduce the hours maintain full employment at least to the point of those hours and avoid a full layoff, as far as cost to the employers, it would in most cases be that the employer would have a less cost.

Rep. Timm: Job Service is just kind of the middle man handling the money to the tune of \$100,000 cost to the state, is that right?

Mr. Kididas: Because its new program, or an additional program in a sense it will take additional resources, certainly in the re programming of our system.

Rep. Glasshelm: What is the advantage to the unemployment fund of this?

Mr. Kididas: If the individuals were totally laid off or laid off to the point where they were eligible for full benefits then the fund would be charged for the full amount.

Rep. Timm: Is Job Service seriously out promoting this project? Are you here in promoting this project.?

Mr. Kididas: No sir, I'm only here for questions

Rep. Delzer: These employees are considered full time employment so they don't have to go and look for other work? Response was Yes that is correct.

Rep. Wald: I guess the bill is really on page 2 line 14 through 21, subsection 11 and 12 of the bill. My question for discussion sake is that you have a business and the employer says that they are going to work from 8 to 12 and from 1 to 5 the other 4 hours were going to go under this shared unemployment thing, and I'm paying you \$10.00 an hour now and the unemployment rate is X dollar, what would it be basically, how much of a reduction in salary would it be going from full employment to this shared unemployment concept?

Mr. Kididas: About \$145 dollars a week is what it would work out if all is reduced by 50%.

Rep. Skarphol: Do you like this program? Do you think its a good idea.

Mr. Kididas: We know it is used in about 17 states in the country and many of those states are more of the plant orientated and it does provide for the opportunity for individuals to stay on the job with naturally there is certain reduction for those people that are the longer term employees, so there is an advantage to it in that the employers can maintain their experienced workers regardless if they are new or not.

Rep. Timm: Any other testimony in support of SB2337? Any opposition to SB2337? If not we will close the hearing on SB2337.

End of House Appropriations Committee hearing on SB2337.

2001 HOUSE STANDING COMMITTEE MINUTES

BILL/RESOLUTION NO. SB2337A

House Appropriations Committee

Conference Committee

Hearing Date **March 27, 2001**

Tape Number	Side A	Side B	Meter #
1		x	1157 - 1940
Committee Clerk Signature <i>LZ Johnson</i>			

Minutes:

HOUSE APPROPRIATIONS COMMITTEE ACTION ON SB2337A.

Rep. Timm: Lets take SB2337.

Rep. Wald: I would move a DO NOT PASS, I think there are to many lose ends in this, unanswered questions and I called workers comp and asked them if in the scenario that was given by Rep. Johnson if an employee were earning say \$1500 a week and under this part time or shared work it dropped to \$750 and were injured would the disability income to that injured worker be based on \$750 or \$1500? They have not called back, but I am of the opinion that it would be the lesser amount, secondly I don't see any benefit to the employee or to the employer because the employer would reimburse Job Service for the amount of the unemployment compensation that was paid and the other question, that came into play, are if that employee's salary were reduced from \$1500 to \$750 is the work comp premium based on \$750, the

unemployment compensation premium based on \$750, there are so many lose ends out there I just don't think it makes a whole lot of sense.

Rep. Timm: Any other discussion? We have a motion for a Do Not Pass, seconded by Rep. Byerly.

Rep. Byerly: The reason that I don't like the bill is that in testimony basically any employer can do it already, they can put people on part time work, they can cut back on the work, and the only thing I kept asking the guy from job service over and over, was that the only thing that this gives the employer is the ability to pay it back over a bigger period of time. That's the bottom line on the thing.

Rep. Glassheim: It seems to me that this could be good for employees and good for employers, right now, the employer is probably faced with layoffs of one, two or three out of 15 or 20 of his employees, and this gives him a chance to put everybody on 80% or whatever it is work. It seems to me that it save the unemployment insurance money. It just seems better for employees it doesn't give you boom or bust.

Rep. Timm: In that scenario it puts more pain on people that are left there, they are going to get less wages and everybody is going to suffer the pain rather than two or three people out of a 15 employee group.

Rep. Aarsvold: This is an optional program of course. There is nothing mandatory about this and if it fits a particular situation I don't see anything wrong with having this as an option.

Rep. Monson: What happens if this employer says were scaling back for awhile because things are tough and they used up through this program their 26 weeks of unemployment, and then they shut there doors in the end and they all become unemployed are they all sitting out there with no coverage?

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House Appropriations Committee
Bill/Resolution Number SB2337
Hearing Date March 27, 2001

Rep. Kempenich: But what if they went through this program and things didn't improve in the six months, and they did actually get laid off, then what?

Rep. Timm: Any other discussion? We have a motion to Do Not Pass. Roll call vote will be taken (15) YES (5) NO (1) ABSENT AND NOT VOTING. Motion passes. Rep. Wald will carry the bill to the floor.

End of House appropriations action on SB2337A.

2001 HOUSE STANDING COMMITTEE MINUTES

BILL/RESOLUTION NO. SB 2337

House Appropriations Committee

Conference Committee

Hearing Date March 28, 2001

Tape Number	Side A	Side B	Meter #
03-28-01 tape #1	85 - 155		
	3538 - 6220	0 - 1122	
Committee Clerk Signature	<i>Kathleen Hall</i>		

Minutes:

The committee was called to order, and opened committee work on SB 2337.

Chairman Timm: Rep. Berg was supposed to have been here to testify on this. We sent this out of here yesterday with a Do Not Pass. We might have it back here for reconsideration. We will wait a few minutes and see if Rep. Berg shows up.

Rick Berg: Basically SB 2337 has \$100,000 price tag that Job Service says this program will cost. I would contend that this fiscal note by agency is that high because it is a new program. The bottom line is that this is a bill driven by Case Manufacturing. There is a real risk of losing this manufacturing company and there is the possibility that other manufacturers could come to Fargo. This bill does two things. Currently in manufacturing you may have a cyclical pattern. As an employer you have a choice of laying off employees or not. When you lay off employees those employees go on unemployment, and impact the fund. When that manufacturer

is gearing up again, they might have to go through retraining all over again. The intent of this bill is to cover temporary slow down periods. It allows the company to submit a job sharing program, and that program, rather than taking 10 people and putting them on unemployment, you can take all 100 people and reduce their hours to 90%. There would be a compensation through Job Service to pick up that 10% on a prorated basis. The end result is that you maintain the same work group together and if business picks up, they go back to work full time. It keeps the work force together rather than laying off workers and drawing on the unemployment fund.

Rep. Aarsvold: Assuming the 10% layoff, and converting that to a shared work program, what would a \$10 per hour employee net be?

Rep. Berg: Would assume that a person working 40 hours per week would then only work 36 hours. The compensation through Job Service would be at a reduced rate.

Rep. Aarsvold: What would the benefit be from the unemployment insurance.

Rep. Berg: For that individual reduced by 10%, it would be 10% of whatever that person would qualify for. That is based on the unemployment formula.

Chairman Timm: The person would get more money?

Rep. Berg: No. Gives some examples.

Rep. Wald: How would this impact the payments to workers compensation?

Rep. Berg: It would be reduced.

Rep. Wald: Supposed that worker is injured and he just went from \$1000 per week to \$500 per week. Would his disability benefits be based on \$500 per week because that's what he was earning at the time of the injury?

Rep. Berg: Yes, as he understands it. Based upon the formulas still in place. These would be special skills persons.

Rep. Wald: Do you see this impacting their 401(k) or group health insurance?

Rep. Berg: This is one of the key things for labor. It allows the employer to keep these employees at full benefits.

Rep. Wald: Points out that this would probably only affect large manufacturing plants. Would Rep. Berg be okay with possibly adding an amendment on that says they employer would have to have so many employees for this to apply.

Rep. Berg: That would be okay. Views this as kind of a pilot project, to see if it worked and was used. The intent of the bill was to apply to large manufacturers who have a very specialized work force.

Rep. Byerly: He would think that the terms of labor would be governed by a union contract. He would be surprised that the union would be supportive.

Rick Berg: The unions have been in favor of this bill.

Rep. Byerly: When we had the person from Job Service here, he said there is nothing that precludes a business from doing this now, putting workers on a shorter work week. His interpretation is that this bill would enable a company to go into this mode and pay off the salary and wages over an extended period of time.

Rick Berg: We are the bank and payroll clerk for unemployment. Sees this differently.

Rep. Glassheim: On page 3, line 20, the bill says the plan has to be approved by the collective bargaining agent by each collective bargaining agreement that covers the affected employee in the union. If there was a union involved and they didn't want it, then it wouldn't go into effect.

Rep. Koppelman: If a worker is placed on this system, and a month later, the employee had to lay the employee off, they would not be entitled to unemployment?

Rick Berg: You would be eligible for the maximum amount of unemployment benefits.

Tried to further explain the union contracts and lay off conflicts.

Rep. Wentz: Motion to reconsider previous action. Seconded by Rep. Koppelman.

Vote on Motion : 9 yes, 10 no, 2 absent and not voting. Motion fails.

Rep. Gulleon: Motion to reconsider previous action. Seconded by Rep. Thoreson.

Vote on Motion : 11 yes, 8 no, 2 absent and not voting. Motion passes.

Chairman Timm: We have the bill before us.

Rep. Wald: Moves to amend to add a sunset clause, and limit to employers with 100 employees. Seconded by Rep. Byerly.

Rep. Gulleon: Would like to reconsider the employers who have less than 50 employees. Moves a substitute motion to add a sunset clause and minimum employees of 50. Seconded by Rep. Kempenich.

Chairman Timm: This is going to be a pilot program for a couple years.

(further discussion)

Rep. Byerly: Moves DO NOT PASS AS AMENDED. Seconded by Rep. Skarphol.

Vote on Do Not Pass as Amended : 11 yes, 9 no, 1 absent and not voting. Motion passes.

Rep. Delzer is assigned to carry the bill to the floor.

Date: 3/27/01
Roll Call Vote #: 1

2001 HOUSE STANDING COMMITTEE ROLL CALL VOTES
BILL/RESOLUTION NO. SB 2337

House APPROPRIATIONS Committee

Subcommittee on _____
or
 Conference Committee

Legislative Council Amendment Number _____

Action Taken DO NOT PASS

Motion Made By WALD Seconded By Byerly

Representatives	Yes	No	Representatives	Yes	No
Timm - Chairman	✓				
Wald - Vice Chairman	✓				
Rep - Aarsvold		✓	Rep - Koppelman	✓	
Rep - Boehm	✓		Rep - Martinson	✓	
Rep - Byerly	✓		Rep - Monson	✓	
Rep - Carlisle	✓		Rep - Skarphol	✓	
Rep - Delzer	✓		Rep - Svedjan	✓	
Rep - Glassheim		✓	Rep - Thoreson	✓	
Rep - Gulleason		✓	Rep - Warner	✓	
Rep - Huether		✓	Rep - Wentz		✓
Rep - Kempenich	✓				
Rep - Kerzman					
Rep - Kliniske	✓				

Total (Yes) 15 No 5

Absent 1

Floor Assignment WALD

If the vote is on an amendment, briefly indicate intent:

Date: 3-28-01
 Roll Call Vote #: 1

2001 HOUSE STANDING COMMITTEE ROLL CALL VOTES
 BILL/RESOLUTION NO. SB 337

House APPROPRIATIONS Committee

Subcommittee on _____
 or
 Conference Committee

Legislative Council Amendment Number _____

Action Taken Motion to reconsider previous action

Motion Made By Rep. Wentz Seconded By Rep. Koppelman

Representatives	Yes	No	Representatives	Yes	No
Timm - Chairman	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>			
Wald - Vice Chairman		<input checked="" type="checkbox"/>			
Rep - Aarsvold	<input checked="" type="checkbox"/>		Rep - Koppelman	<input checked="" type="checkbox"/>	
Rep - Boehm	<input checked="" type="checkbox"/>		Rep - Martinson		<input checked="" type="checkbox"/>
Rep - Byerly		<input checked="" type="checkbox"/>	Rep - Monson		<input checked="" type="checkbox"/>
Rep - Carlisle		<input checked="" type="checkbox"/>	Rep - Skarphol		<input checked="" type="checkbox"/>
Rep - Delzer		<input checked="" type="checkbox"/>	Rep - Svedjan		
Rep - Glassheim	<input checked="" type="checkbox"/>		Rep - Thoreson	<input checked="" type="checkbox"/>	
Rep - Gulleeson	<input checked="" type="checkbox"/>		Rep - Warner		
Rep - Huether	<input checked="" type="checkbox"/>		Rep - Wentz	<input checked="" type="checkbox"/>	
Rep - Kempenich		<input checked="" type="checkbox"/>			
Rep - Kerzman	<input checked="" type="checkbox"/>				
Rep - Kliniske		<input checked="" type="checkbox"/>			

Total (Yes) ~~10~~ 9 No ~~10~~ 10

Absent 2

Floor Assignment _____

If the vote is on an amendment, briefly indicate intent:

Date: 3-28-01
 Roll Call Vote #: 2

2001 HOUSE STANDING COMMITTEE ROLL CALL VOTES
 BILL/RESOLUTION NO. SB 2337

House APPROPRIATIONS Committee

- Subcommittee on _____
 or
 Conference Committee

Legislative Council Amendment Number _____

Action Taken Motion to reconsider

Motion Made By Rep. Gullerson Seconded By Rep. Thoreson

Representatives	Yes	No	Representatives	Yes	No
Timm - Chairman	✓				
Wald - Vice Chairman	✓				
Rep - Aarsvold	✓		Rep - Koppelman	✓	
Rep - Boehm	✓		Rep - Martinson		✓
Rep - Byerly		✓	Rep - Monson		✓
Rep - Carlisle		✓	Rep - Skarphol		✓
Rep - Delzer		✓	Rep - Svedjan		
Rep - Glassheim	✓		Rep - Thoreson	✓	
Rep - Gullerson	✓		Rep - Warner		
Rep - Huether	✓		Rep - Wentz	✓	
Rep - Kempenich		✓			
Rep - Kerzman	✓				
Rep - Kliniske		✓			

Total (Yes) 11 No 8

Absent 2

Floor Assignment _____

If the vote is on an amendment, briefly indicate intent:

EBAR

VK
3/29/01
R

HOUSE AMENDMENTS TO ENGROSSED SB 2337 HOUSE APP 03-29-01

In addition to the amendments adopted by the House as printed on pages 984 and 985 of the House Journal, Engrossed Senate Bill No. 2337 is further amended as follows:

Page 1, line 2, after "program" insert "; and to provide an expiration date"

HOUSE AMENDMENTS TO ENGROSSED SB 2337 HOUSE APP 03-29-01

Page 3, line 24, after the period insert "To qualify, the employer must have and maintain at least fifty full-time employees.

4."

Page 3, line 29, replace "4" with "5"

HOUSE AMENDMENTS TO ENGROSSED SB 2337 HOUSE APP 03-29-01

Page 4, line 3, replace "5" with "6"

Page 4, line 10, replace "6" with "7"

Page 4, line 13, replace "7" with "8"

Page 4, line 17, replace "8" with "9"

Page 4, line 28, replace "6" with "7"

Page 4, line 29, replace "9" with "10"

HOUSE AMENDMENTS TO ENGROSSED SB 2337 HOUSE APP 03-29-01

Page 7, after line 10, insert:

"SECTION 2. EXPIRATION DATE. This Act is effective through June 30, 2003, and after that date is ineffective."

Renumber accordingly

Date: 3-28-01
Roll Call Vote #: 3

2001 HOUSE STANDING COMMITTEE ROLL CALL VOTES
BILL/RESOLUTION NO. SB 2337

House APPROPRIATIONS Committee

Subcommittee on _____
or
 Conference Committee

Legislative Council Amendment Number 10501.0202

Action Taken Substitute motion to amend.

Motion Made By Rep. Gullekson Seconded By Rep. Kempenich

Representatives	Yes	No	Representatives	Yes	No
Timm - Chairman					
Wald - Vice Chairman					
Rep - Aarsvold			Rep - Koppelman		
Rep - Boehm			Rep - Martinson		
Rep - Byerly			Rep - Monson		
Rep - Carlisle			Rep - Skarphol		
Rep - Delzer			Rep - Svedjan		
Rep - Glassheim			Rep - Thoreson		
Rep - Gullekson			Rep - Warner		
Rep - Huether			Rep - Wentz		
Rep - Kempenich					
Rep - Kerzman					
Rep - Kliniske					

Total (Yes) _____ No _____

Absent _____

Floor Assignment Rep.

If the vote is on an amendment, briefly indicate intent:

add subset clause
add min employees to 50

PASSAGE

Date: 3-28-01
 Roll Call Vote #: 4

2001 HOUSE STANDING COMMITTEE ROLL CALL VOTES
 BILL/RESOLUTION NO. SB 2337

House APPROPRIATIONS Committee

Subcommittee on _____
 or
 Conference Committee

Legislative Council Amendment Number 10501.0202

Action Taken Do not pass as amended.

Motion Made By Rep. Byerly Seconded By Rep. Skarphol

Representatives	Yes	No	Representatives	Yes	No
Timm - Chairman	✓				
Wald - Vice Chairman	✓				
Rep - Aarsvold		✓	Rep - Koppelman		✓
Rep - Boehm	✓		Rep - Martinson	✓	
Rep - Byerly	✓		Rep - Monson	✓	
Rep - Carlisle	✓		Rep - Skarphol	✓	
Rep - Delzer	✓		Rep - Svedjan		
Rep - Glassheim		✓	Rep - Thoreson		✓
Rep - Gulleason		✓	Rep - Warner		✓
Rep - Huether		✓	Rep - Wentz		✓
Rep - Kempenich	✓	✓			
Rep - Kerzman		✓			
Rep - Kliniske	✓				

Total (Yes) 11 No 9

Absent 1

Floor Assignment Rep. Delzer

If the vote is on an amendment, briefly indicate intent:

2001 TESTIMONY

SB 2337

Mr. Chairman and members of the committee. My name is Judy Lee and I represent District 13 West Fargo in the Senate.

I am appearing before you today to introduce SB 2337 which would set up a system in which shared work unemployment compensation plans would be acceptable, if approved by the bureau. It would allow businesses to keep employees on the payroll, rather than laying them off, due to lack of work for a short period of time.

The bill includes the criteria for being considered a qualified plan and establishes the parameters within which the program can work.

I have had 2 employers in my district discuss with me the need for some arrangement of this type, because they do not want to lay off skilled employees and have figured out how to make it work adversely affecting the unemployment program.

Other people who will testify on this bill will be able to provide you with additional information about it, and I encourage your committee to give Sb 2337 a favorable review and a "do pass" recommendation.

January 31, 2001

Prepared by Job Service
North Dakota for Senate
Industry, Business, and Labor
Committee

PROPOSED AMENDMENTS TO SENATE BILL NO. 2337

Page 6, line 15, replace "August 5, 2001" with "July 7, 2002"

Renumber accordingly



CASE CORPORATION

3401 FIRST AVENUE NORTH
PO BOX 6006
FARGO, NORTH DAKOTA 58108
(701) 293-4400
FAX (701) 293-4650

February 6, 2001

Mr. John Kramer
Fargo Cass County
Economic Development Corp.
51 Broadway, Suite 400
Fargo, ND 58102

RE: Senate Bill 2337

Dear John:

The reason that I approached you for some sort of Kansas-style extended short work week and unemployment compensation plan for North Dakota was three-fold:

- 1) Every business and industry is cyclical, some more so than others. The agricultural and construction equipment industry is probably one of the most volatile, with little ability for companies in that sector to control the amplitude of those cycles. In order to give companies such as CNH some control of the work force in this environment, this Bill would allow us to better flex production ups and downs, without having to permanently lay off employees. Being able to adjust production by mutually sharing in the down cycle, with less work hours supplemented by unemployment compensation, and the utilization of overtime in the up cycle, is a great positive. This gives employees a stable, secure income, and CNH a reliable and trained work force.
- 2) This bill will also give CNH the flexibility that it needs to deal with the volume demand of both its dealers and retail customers. As the industries are cyclical, product demand throughout the year also has peaks and valleys. This Bill would help CNH deal with this more economically by

being better able to control plant inventories. As you are well aware, the investment in inventory for our product is significant.

- 3) The ability to adjust production schedules for temporary periods of time with shutdown days, rather than permanent layoffs, gives us great flexibility. It also saves us significant dollars on training that is avoided when we do not have to move people around to new jobs, caused by daily production rate reductions and permanent layoffs.

I believe this Bill will give all North Dakota companies a greater amount of flexibility and, therefore, a more competitive advantage. Most importantly, it will provide a reliable income and stable employment for the workers that make it all possible. I also believe a program like this is a selling point to recruit and retain workers in North Dakota.

Please feel free to contact me if I can be of any more assistance in supporting this Bill.

Sincerely,



Erik A. Olson
General Plant Manager
CNH Tractor Plant

CO

NT

NEXT FIGHE

PROPOSED AMENDMENTS TO SENATE BILL NO. 2337

Page 3, remove lines 9 through 10

Page 3, line 11, overstrike "e" and insert immediately thereafter "d"

Page 3, line 15, overstrike "f" and insert immediately thereafter "e"

Page 3, line 19, overstrike "g" and insert immediately thereafter "f"

Page 3, line 22, overstrike "h" and insert immediately thereafter "g"

Renumber accordingly

FACT SHEET

**Senate Bill 2337
(Shared Work Unemployment Compensation)**

Explanation: This bill was developed to allow North Dakota the opportunity in down times in the economy not to lay off qualified people.

- This program would provide an alternative for companies who are forced into laying off critical people. The alternative would allow employees to be employed on part-time basis in a shared work agreement between Job Service, the company and the employees.
- This program does not cost the state anything. It simply gives the employer the opportunity to retain valuable employees, who they have provided extensive training.
- The employee that is not laid off is not forced to seek other employment opportunities or move out of the area where they are presently living.
- Several other states have enacted this concept. It is an excellent tool to assist companies who go through down turns because of economic conditions beyond their control.