

1999 HOUSE INDUSTRY, BUSINESS AND LABOR

HB 1269

1999 HOUSE STANDING COMMITTEE MINUTES

BILL/RESOLUTION NO. HB 1269

House Industry, Business and Labor Committee

Conference Committee

Hearing Date 1-18-99

Tape Number	Side A	Side B	Meter #
2		x	1250 - end
3	x		0 - 617
3	x		1230 - 2467
Committee Clerk Signature <i>Lisa Horner</i>			

Minutes: Jim Fettig from NDATSS introduced bill 1269 relating to disqualification from unemployment compensation benefits. See written testimony.

Rep. Glassheim: If the person working is only temporary, do they even qualify for unemployment benefits?

Jim Fettig: Yes, we are like any other employer. We are required to pay worker's comp. and unemployment insurance.

Rep. Klein: When these people file for unemployment, doesn't Job Service contact you to find out if they are still working or not?

Jim Fettig: If they finish the job and go in and file for unemployment they are eligible for it.

Rep. Severson: If these people think they are currently unemployed, will this create a new problem for Job Service if they are going to have more contested unemployment applications, when in fact they are not unemployed?

Page 2

House Industry, Business and Labor Committee

Bill/Resolution Number Hb1269

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Jim Fettig: I think it will be just the opposite because we ask them currently to notify us upon assignment, so they would whether we would have another assignment for them or not.

Opposition to bill

David Kemnitz: President of AFL-CIO. Concerns with language and direction.

end tape 2 side B, start tape 3.

Further questions were asked of Job service.

Chairman Berg: Closed the hearing.

Rep. Johnson: Proposed and explanation of amendments to bill 1269.

Committee further discussed the bill.

A voice vote was taken on the amendments. 15 yea 0 nay. Motion carries.

Vice Chairman Kempenich made the motion for a Do Pass as Amended.

Rep. Johnson seconded the motion.

Vote was 12 yea 3 nay, motion carries.

Rep. Froseth will carry the bill.

FISCAL NOTE

(Return original and 10 copies)

Bill/Resolution No: **HB 1269**

Amendment To: _____

Requested by Legislative Council

Date of Request: **1-13-99**

1. Please estimate the fiscal impact (in dollar amounts) of the above measure for state general or special funds, counties, cities and school districts.

Narrative: House Bill 1269 would adopt "model" legislation related to voluntary leaving of employment by temporary employees of temporary help firm. The Special Fund is the unemployment insurance fund. Passage of House Bill 1269 is not anticipated to have a fiscal impact. The intent is to establish procedures for temporary workers in the claims filing process.

2. State fiscal effect in dollar amounts:

	1997-1999 Biennium		1999-2001 Biennium		2001-2003 Biennium	
	General Fund	Special Fund	General Fund	Special Fund	General Fund	Special Fund
Revenues:	0	0	0	0	0	0
Expenditures:	0	0	0	0	0	0

3. What, if any, is the effect of this measure on the appropriation for your agency of department.

a. For rest of 1997-99 biennium: 0
 b. For the 1999-2001 biennium: 0
 c. For the 2001-03 biennium: 0

4. County, City and School District fiscal effect in dollar amounts:

1997-99 Biennium			1999-2001 Biennium			2001-03 Biennium		
Counties	Cities	School Districts	Counties	Cities	School Districts	Counties	Cities	School Districts
"No impact"			"No impact"			"No impact"		

If additional space is needed, attach a supplemental sheet.

Signed Wayne G. Kindem
 Typed Name WAYNE G. KINDEM
 Department JOB SERVICE
 Date Prepared: 1-15-99 Phone Number 328-3033

Amendments to HOUSE BILL NO. 1269

Page 1, line 6 : Strike ~~he~~ and replace with the individual and strike ~~his~~ and replace with the individual's

Page 1, line 7 : Strike ~~he~~ and replace with the individual

Page 1, line 8 : Strike ~~he~~ and replace with the individual

Page 1, line 9 : Strike ~~his~~ and replace with the individual's

Page 1, line 11 : Strike ~~his~~ and replace with the individual's

Page 2, line 31 : Strike ~~his~~ and replace with the individual's

Date: 1-18-99
 Roll Call Vote #: 1

1999 HOUSE STANDING COMMITTEE ROLL CALL VOTES
BILL/RESOLUTION NO. 1269

House Industry, Business and Labor Committee

Subcommittee on _____
 or
 Conference Committee

Legislative Council Amendment Number _____

Action Taken do pass as amended

Motion Made By Kempenich Seconded By N. Johnson

Representatives	Yes	No	Representatives	Yes	No
Chair - Berg	/		Rep. Thorpe		/
Vice Chair - Kempenich	/				
Rep. Brekke	/				
Rep. Eckstrom		/			
Rep. Froseth	/				
Rep. Glassheim	/				
Rep. Johnson	/				
Rep. Keiser	/				
Rep. Klein	/				
Rep. Koppang	/				
Rep. Lemieux	/				
Rep. Martinson	/				
Rep. Severson	/				
Rep. Stefonowicz	/	/			

Total (Yes) 12 No 3

Absent 0

Floor Assignment Froseth

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

REPORT OF STANDING COMMITTEE

HB 1269: Industry, Business and Labor Committee (Rep. Berg, Chairman) recommends **AMENDMENTS AS FOLLOWS** and when so amended, recommends **DO PASS** (12 YEAS, 3 NAYS, 0 ABSENT AND NOT VOTING). HB 1269 was placed on the Eleventh order on the calendar.

Page 1, line 6, overstrike "he" and insert immediately thereafter "the individual" and overstrike "his" and insert immediately thereafter "the individual's"

Page 1, line 7, overstrike "he" and insert immediately thereafter "the individual"

Page 1, line 8, overstrike "he" and insert immediately thereafter "the individual"

Page 1, line 9, overstrike "his" and insert immediately thereafter "the individual's"

Page 1, line 11, overstrike "his" and insert immediately thereafter "the individual's"

Page 2, line 31, overstrike "his" and insert immediately thereafter "the individual's"

Renumber accordingly

1999 SENATE INDUSTRY, BUSINESS AND LABOR

HB 1269

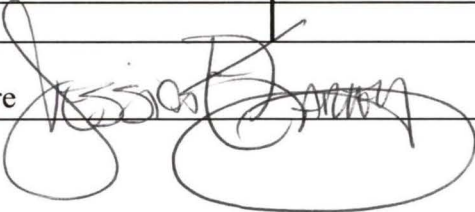
1999 SENATE STANDING COMMITTEE MINUTES

BILL/RESOLUTION NO. HB1269

Senate Industry, Business and Labor Committee

Conference Committee

Hearing Date March 2, 1999

Tape Number	Side A	Side B	Meter #
1	x		0-2080
Committee Clerk Signature 			

Minutes:

Senator Mutch opened the hearing on HB1269. All senators were present.

Tom Smith introduced the bill to the committee. He said that this bill would make it so that the temporary help must go back to the temporary help firm before they can collect unemployment benefits. Senator Mathern asked him if this has been a problem. Mr. Smith told her that there has been instances in which the temporary employee has left the place to which they were assigned and collected unemployment benefits. Senator Sand asked Mr. Smith whose account they would apply against. Mr. Smith told him that they are supposed to file against the temporary employment firm. Senator Thompson asked if the employees contracts with the firm were written or verbal. According to Mr. Smith they can be done either way.

Jim Fettig, President of the North Dakota Association of Temporary and Staffing Services, testified in support of HB1269. His testimony is included. Senator Heitkamp asked him if an employee working for his firm would receive benefits. Mr. Fettig told Senator Heitkamp that they do receive paid vacations and holidays but anything beyond that would be to difficult. Senator Mathern asked him if the new temp would be working in a field that they are familiar with. He said that they try to accommodate them with the same type of a job that they are qualified for. He said that the employees have an opportunity to list preferences when they are applying.

Dave Kemnitz, President of the North Dakota AFL-CIO, testified in opposition to HB1269. He said that the employee goes to Job Service and they determine if the employee will receive benefits. It is not a choice, but a system.

Senator Mutch closed the hearing on HB1269.

Senator Heitkamp motioned for a do pass committee recommendation on HB1269. Senator Sand seconded his motion. The motion carried with a 6-0-1 vote.

Senator Heitkamp will carry the bill.

SR 383948

Date: 3/2

Roll Call Vote #: 1

1999 SENATE STANDING COMMITTEE ROLL CALL VOTES

HOUSE BILL/RESOLUTION NO. 1269

Senate INDUSTRY, BUSINESS AND LABOR COMMITTEE Committee

Subcommittee on _____

or

Conference Committee

Legislative Council Amendment Number _____

Action Taken DO PASS

Motion Made By HEITKAMP Seconded By SAND

Senators	Yes	No	Senators	Yes	No
Senator Mutch	X				
Senator Sand	X				
Senator Krebsbach	X				
Senator Klein	X				
Senator Mathern	X				
Senator Heitkamp	X				
Senator Thompson		X			

Total (Yes) 6 No 0

Absent 1

Floor Assignment HEITKAMP

REPORT OF STANDING COMMITTEE (410)
March 3, 1999 1:53 p.m.

Module No: SR-38-3948
Carrier: Heitkamp
Insert LC: . Title: .

REPORT OF STANDING COMMITTEE

HB 1269, as engrossed: Industry, Business and Labor Committee (Sen. Mutch, Chairman) recommends **DO PASS** (6 YEAS, 0 NAYS, 1 ABSENT AND NOT VOTING). Engrossed HB 1269 was placed on the Fourteenth order on the calendar.

1999 TESTIMONY

HB 1269

**Statement of Jim Fettig, President of the North Dakota Association of Temporary
and Staffing Services
Regarding H.B. 1269, before the House Business Industry and Labor Committee
Monday, January 18, 1999**

Mr. Chairman and members of the committee, my name is Jim Fettig from Bismarck. The North Dakota Association of Temporary and Staffing Services urges the committee to adopt H.B. 1269.

Over the years, temporary help and staffing companies have been faced with the problem of temporary employees who, upon completion of a temporary assignment, immediately file for unemployment insurance benefits without ever checking to see whether additional suitable work is available. This is a serious, ongoing problem for our industry and for the U.I. system. The purpose of this bill is to prevent the filing of frivolous claims. In so doing, the bill will achieve substantial savings to the unemployment system without imposing an unreasonable burden on temporary workers.

The bill simply provides that a temporary employee must contact the temporary help firm for reassignment upon completion of an assignment, or be deemed to have voluntary quit. Of course, if employees contact the firm and no work is available, they may be entitled to benefits assuming they are otherwise eligible.

Thirteen states have adopted this bill by statute, and ten states have adopted it by administrative rule. Similar provisions in Minnesota and Colorado have proven to cut down on frivolous claims. Finally, the North Dakota Unemployment Department has indicated that this is a legitimate objective and has stated they have no problem with our approach.

We urge you to adopt H.B. 1269, and we thank you for the opportunity to testify before this committee.

BACKGROUND INFORMATION ON NATSS MODEL UI BILL

Q: What is the purpose of this bill?

A: The bill is designed to ensure that temporary employees who voluntarily quit their employment do not unlawfully collect unemployment insurance benefits. It simply provides that a temporary employee must contact the temporary help firm for reassignment upon completion of an assignment or be deemed to have voluntarily quit.

Q: Why is the bill necessary?

A: When an individual becomes employed by a temporary help company they are informed that they are responsible for notifying the company at the completion of each work assignment to request a new assignment. The employee is also informed that if they fail to request a new assignment, the company will assume that the employee has voluntarily quit their employment. In several states, however, it is currently possible for a temporary employee to draw unemployment benefits even though the temporary help companies continue to have suitable work available.

Q: Will enactment of this bill adversely affect a temporary employee's eligibility to draw U.I. benefits?

A: No, if the temporary help company does not have another assignment available for the temporary employee, it will be determined that the employee was separated from employment due to a "lack of work" and if normal eligibility criteria have been met, benefits will be paid. State law then governs the situation, like it does any other employer.

Q: Are the provisions of the bill consistent with the Federal Unemployment Tax Act (FUTA)?

A: Yes, the Director of the Unemployment Insurance Service for the U.S. Department of Labor has reviewed the bill and determined it is consistent with federal law requirements.

Q: What other states have adopted the Model U.I. Bill?

A: As of January of 1999, the Model Bill has been adopted as statutory law in Colorado, Delaware, Florida, Georgia, Kansas, Michigan, Nebraska, Oklahoma, and Texas. It has been adopted as rule or policy in Arizona, Montana, New Jersey, Virginia and Wisconsin. Modified versions of the bill have been adopted as statutory law by Connecticut and as rule or policy in California, Illinois, Maryland, Minnesota and South Dakota.

Q: What has been the experience in those states?

A: Experience in Colorado, where the bill was enacted in 1990, and elsewhere indicates that states can experience significant savings as a result in a decrease in the number of claims filed by individuals who are not legally entitled to benefits. Temporary help employers save money because they are not unfairly required to pay benefits to individuals who choose not to work. States also benefit when such individuals continue to work and pay taxes instead of staying at home and drawing welfare benefits.

**STATES THAT HAVE ADOPTED
THE NATSS MODEL UNEMPLOYMENT INSURANCE PROVISIONS¹**

STATE	STATUTE	RULE OR POLICY	YEAR ENACTED OR ADOPTED	VOLUNTARY QUIT	UNAVAILABLE FOR WORK
Arizona		X	1981	X	
Arkansas ²	X		1997	X	
California		X	1995		X
Colorado	X		1990	X	
Connecticut	X		1995	See footnote ³	
Delaware	X		1994	X	
Florida	X		1993	X	
Georgia	X		1995	X	
Illinois		X	1993		X
Iowa	X		1997	X	
Kansas	X		1995	X	
Maryland		X	1995		X ⁴
Michigan	X		1995	X	
Minnesota		X	1989		X
Montana		X	1993	X	
Nebraska	X		1995	X	
New Jersey		X	1996	X	
Oklahoma	X		1995	X	
Rhode Island	X		1997	X	
South Dakota		X	1995		X
Texas	X		1993	X	
Virginia		X	1993	X	
Wisconsin		X	1993	X	

¹ According to a 1994 survey conducted by the Frick Company, the states of Kentucky, Maine, Pennsylvania, and Vermont indicated that they also follow the principles set forth in the NATSS Model U.I. provisions even though they have not adopted the provisions by statute, regulation, or policy. In Oregon, some firms have a policy, explained in their contracts, of denying claims from employees who have refused a new assignment. The state has approved these denials.

² The provisions have been followed as administrative policy since 1993.

³ The statute provides that an employee who "refuses to accept suitable employment when it is offered to him by a temporary help service upon completion of an assignment" is ineligible for U.I. benefits "until he has earned at least six times his benefit rate." However, it does not require the employee to contact the staffing firm for a new assignment. It also leaves open the issue of whether the new assignment offered is "suitable," which is often hard for staffing firms to establish in Connecticut.

**Statement of Jim Fettig, President of the North Dakota Association of Temporary
and Staffing Services
Regarding H.B. 1269, before the Senate Business Industry and Labor Committee
Tuesday, March 2, 1999**

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