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Deanna D. Smith
Operator's Signature

10/21/03
Date

2003 SENATE INDUSTRY, BUSINESS AND LABOR

SB 2225

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Date

2003 SENATE STANDING COMMITTEE MINUTES

BILL/RESOLUTION NO. SB 2225

Senate Industry, Business, and Labor

☐ Conference Committee

Hearing Date 01/27/03

Tape Number	Side A	Side B	Meter #
Tape 1	x		0-3920
Committee Clerk Signature <i>Lisa VanBerkon</i>			

Minutes:

Senator Mutch opens SB 2225. All senators present.

Senator Joel Hetikamp introduces bill and states if you work in this industry where we are not able to find worker's very often.

In Support

Renee Pfenning, Dakota Building and Construction Trade Council, (testimony attached)

Questions:

Senator Krebsbach : Where is the information from Montana and Minnesota in the attached information?

Pfenning: It was not submitted.

Virgil Horst, Operating Engineers (testimony attached)

David Kemnitz, President of NDAFLCIO, We support the concept and would like to ask for a pass of SB 2225.

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10/21/03
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Senate Industry, Business, and Labor
Bill/Resolution Number SB 2225
Hearing Date 01/27/03

Senator Heitkamp: Last year when some of the crews that were putting in pipe couldn't find workers is that been problem state wide or is that something your running into with seasonal type workers?

Kemnitz: That is exactly it. Pipelines whether water or oil it gets late in the season with a lot to accomplish before the season ends and actually the contractor gets fine the workers know they are not going to have work.

Neutral testimony

John Graham, Job Service North Dakota (testimony attached)

Senator Heitkamp: I knew the federal government was watching, if this amendment is put on the bill would you still be in neutrality?

Graham: Yes

Senator Espgaard: Is there a fiscal note attached?

Senator Klein: Do you know what the fiscal note would actually be?

Graham: About \$1.25 million approximately


Senator Klein: Where does the fund stand now and how does it relate to where we should be?

Graham: the current fund balance excluding the reed attribution that was giving to us in March is 27.6 million. Through last week.

Senator Klein: Would we have to say there would be an increase to keep the fund balance growing the direction we need to ?

Graham: We anticipate the fund to grow by over \$7 million. We would still have impact of about \$625 to \$650 according to fiscal note.

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Senate Industry, Business, and Labor
Bill/Resolution Number SB 2225
Hearing Date 01/27/03

Senator Klein: you said that the fund balance was at \$27.6 million what do we pay out in a normal year?

Graham: In calendar 2002 we paid out \$ 42.6 million.

Senator Heitkamp: Who picks the targets for the solvency? Why the \$50 some million?

Graham: The target was selected by the 1999 legislature the target was based on something from the federal government on what is called average high cost multiplier for solvency targets. It takes the worst of 3 years of the last 20 and an average of them and say we should have enough money in the fund to pay o year of that.

Senator Heitkamp: Your debt takes a look at where jobs are needed. We had a major road and highway project and we never saw the road project done, are you seeing this state wide that we don't have enough workers to finish those.

Graham: We are seeing some sites where we can't meet employers needs.

Maron Dally, Executive Director Job Service saw more state highway projects then we have ever seen so there was more of a demand for contractors working on highways in such. We had a limited number of workers because some didn't want to put in any more overtime because they were just work out.

Senator Heitkamp: This would make it more attractive to keep some employees here throughout the off season.

Curt Peterson, ND Contractors Association, testifies in neutral of SB 2225. We can't afford to lose our trained individuals and we need to attract more employees. We can not have construction going year around obviously but the carpenters, ironworkers, etc. can work longer in the year than the highway workers. Hopefully in the next years our highway projects will be

Page 4
Senate Industry, Business, and Labor
Bill/Resolution Number SB 2225
Hearing Date 01/27/03

going up and that purposes the problem that there will be no workers for those projects. If we don't provide for them during the off months they are going to go somewhere else.

Senator Klein So you have stats on how many workers go to other states?

Peterson: I do not know but, I do know there is some attrition of our work force. this does not appeal a lot of 20 year olds, and that also is contributing to loss future employees.

Senator Mutch: Have you any determination on how much this would cost your people?

Peterson: We've got to have people to do the work. Unless, we get something done we won't get these projects done.

senator Nething: Everyone of your members would have to plug this into their bids. so it seems to me we are passing the cost through. so we balance that off with trying to keep workers here. Is there anything else that could be hidden?

Peterson: No I don't believe so the bids would probably go up.

Senator heitkamp: I don't remember ever having to find people to work, are you having problems finding people to do the specific work out there?

Peterson: That is exactly right.


Senator Klein: we haven't gotten any better, or have we gotten worse?

Peterson: Not better at all.

Senator Nething: plus, we don't have young people coming into the state.

Dave MacIver, Bis-Man Camber of Commerce testifies in a neutral position. We have members that would and would not like to see this. the rate limits allowing the rate to only go up at the rate of 30% a year.

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Senate Industry, Business, and Labor

Bill/Resolution Number SB 2225

Hearing Date 01/27/03

this year the rate limiters went off and I am seeing people calling in and saying that they have seen rate increases of 300% . The fact that you have two sides to this issue; the negative side really would like to see this because it helps maintain employee base. the positive balance employers will cause the push rates higher.

Senator Heitkamp: Have any smaller employers calculated if it we to get done earlier?

MacIver: I would expect that it would have saved some people a lot.

Closed 2225

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10/21/03
Date

2003 SENATE STANDING COMMITTEE MINUTES

BILL/RESOLUTION NO. 2225

Senate Industry, Business and Labor Committee

☐ Conference Committee

Hearing Date 02-11-03

Tape Number	Side A	Side B	Meter #
2	xxx		3,500
Committee Clerk Signature <i>Lisa VanBerkom</i>			

Minutes: Chairman Mutch opened the discussion on SB 2225. All Senators were present.

SB 2225 relates to unemployment compensation benefit amounts and maximum potential benefits.

There was brief discussion among committee members.

Senator Klein moved to adopt amendments. Senator Nething seconded.

Roll Call Vote: 7 yes. 0 no. 0 absent.

Senator Heitkamp moved a DO PASS AS AMENDED. Senator Every seconded.

Roll Call Vote: 4 yes. 3 no. 0 absent.

Carrier: Senator Heitkamp

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Deanna Wall
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10/21/03
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FISCAL NOTE
Requested by Legislative Council
02/15/2003

Amendment to: SB 2225

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.

	2001-2003 Biennium		2003-2005 Biennium		2005-2007 Biennium	
	General Fund	Other Funds	General Fund	Other Funds	General Fund	Other Funds
Revenues	\$0	\$0	\$0	\$0	\$0	\$0
Expenditures	\$0	\$0	\$0	\$0	\$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.

2001-2003 Biennium			2003-2005 Biennium			2005-2007 Biennium		
Counties	Cities	School Districts	Counties	Cities	School Districts	Counties	Cities	School Districts
\$0	\$0	\$0	\$4,150	\$4,150	\$11,000	\$4,350	\$4,350	\$11,500

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

The bill will reduce the monetary requirements to qualify for unemployment insurance benefits. Consequently, more individuals will be eligible for benefits. This will increase the amount of benefits that will be paid from the Unemployment Insurance Trust Fund.

The amounts presented only reflect what can be determined from the data we have in our system. Therefore, we expect the full impact of the change to be greater, however, we cannot determine that amount. Our system only has records for those individuals who had completed an application for unemployment insurance. In many cases when individuals are made aware that they are not monetarily eligible, they choose not to complete the application or in other cases individuals are familiar with the program requirements and do not attempt to apply.

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.

Current claimant monetary determination is based on the individual's base period wage ratio (total base period wages/highest quarter wages), which currently must be 1.50 or more. With this bill, a base period wage ratio of 1.0 or more monetarily qualify the individual. Using an older database (July 1992 to June 1993) where the base period wage ratio for eligibility was 1.30 or more, we determined the percentage of claimants that had a ratio of 1.30 to 1.49. Ineligible claimants with base period wage ratios of 1.00 to 1.29 may not be included. Benefit payout increase from this bill is calculated at 1.3%; resulting in an impact to the Unemployment Insurance Trust Fund of an additional payout of \$1,252,000 for the 2003-2005 biennium and \$1,311,000 for the 2005-2007 biennium. The projected additional cost to state governmental entities is \$14,100 for the 2003-2005 biennium and \$14,800 for the 2005-2007 biennium.

With respect to political subdivision impact, unemployment insurance records do not differentiate an account's ownership as City or County, they are grouped together as "local government". Consequently, the additional costs can only be projected for "local government". The amounts for City and County in section 1B are an even division of the

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projected increase for "local government".

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:	John Graham	Agency:	Job Service
Phone Number:	328-2843	Date Prepared:	02/18/2003

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Date

FISCAL NOTE
Requested by Legislative Council
01/17/2003

Bill/Resolution No.: SB 2225

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.

	2001-2003 Biennium		2003-2005 Biennium		2005-2007 Biennium	
	General Fund	Other Funds	General Fund	Other Funds	General Fund	Other Funds
Revenues	\$0	\$0	\$0	\$0	\$0	\$0
Expenditures	\$0	\$0	\$0	\$0	\$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.

2001-2003 Biennium			2003-2005 Biennium			2005-2007 Biennium		
Counties	Cities	School Districts	Counties	Cities	School Districts	Counties	Cities	School Districts
\$0	\$0	\$0	\$4,150	\$4,150	\$11,000	\$4,350	\$4,350	\$11,500

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

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The amounts presented only reflect what can be determined from the data we have in our system. Therefore, we expect the full impact of the change to be greater, however, we cannot determine that amount. Our system only has records for those individuals who had completed an application for unemployment insurance. In many cases when individuals are made aware that they are not monetarily eligible, they choose not to complete the application or in other cases individuals are familiar with the program requirements and do not attempt to apply.

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Operator's Signature Diana D. Ball

Date 10/21/03

The projected additional cost to state governmental entities is \$14,100 for the 2003-2005 biennium and \$14,800 for the 2005-2007 biennium.

With respect to political subdivision impact, unemployment insurance records do not differentiate an account's ownership as City or County, they are grouped together as "local government". Consequently, the additional costs can only be projected for "local government". The amounts for City and County in section 1B are an even division of the projected increase for "local government".

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:	John Graham	Agency:	Job Service
Phone Number:	328-2843	Date Prepared:	01/22/2003

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Deanne D. Hall
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10/21/03
Date

30590.0101
Title.0200

Adopted by the Industry, Business and Labor
Committee

February 12, 2003

JC3
2-12-03

PROPOSED AMENDMENTS TO SENATE BILL NO. 2225

Page 1, line 1, replace the second "section" with "sections" and after "52-06-05" insert "and 52-07.1-05"

Page 1, line 3, replace "and" with a comma and after "benefits" insert ", and eligibility for extended benefits"

Page 3, after line 8, insert:

"SECTION 3. AMENDMENT. Section 52-07.1-05 of the North Dakota Century Code is amended and reenacted as follows:

52-07.1-05. Eligibility requirements for extended benefits.

1. An individual is eligible to receive extended benefits with respect to any week of unemployment in the individual's eligibility period only if the bureau finds that with respect to such week:
4. a. The individual is an "exhaustee" as defined in subsection 3 of section 52-07.1-03; and
2. b. The individual has satisfied the requirement of this chapter for the receipt of regular benefits that are applicable to individuals claiming extended benefits, including not being subject to a disqualification for the receipt of benefits.
2. To qualify for extended benefits, an individual must have been paid wages for insured work in at least two calendar quarters of the individual's base period totaling not less than one and one-half times the individual's total wages paid during the quarter of the individual's base period in which the individual's wages were the highest.

Renumber accordingly

Date: 2-11-03
Roll Call Vote #: 1

2003 SENATE STANDING COMMITTEE ROLL CALL VOTES
BILL/RESOLUTION NO. 2225

Senate _____ Committee _____

☐ Check here for Conference Committee

Legislative Council Amendment Number _____

Action Taken move to adopt Amendments

Motion Made By Klein Seconded By Nething

Senators	Yes	No	Senators	Yes	No
Sen. Jerry Klein, Vice Chairman	X				
Sen. Karen Krebsbach	X				
Sen. Dave Nething	X				
Sen. Joel Heitkamp	X				
Sen. Mike Every	X				
Sen. Duane Espgaard	X				
Sen. Duane Mutch, Chairman	X				

Total (Yes) 7 No 0

Absent 0

Floor Assignment _____

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

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Dianne Wallerth
Operator's Signature

10/21/03
Date

Date 2-11-03
Roll Call Vote #: 2

2003 SENATE STANDING COMMITTEE ROLL CALL VOTES
BILL/RESOLUTION NO. 2225

Senate _____ Committee _____

☐ Check here for Conference Committee

Legislative Council Amendment Number _____

Action Taken Do Pass As Amended

Motion Made By Heitkamp Seconded By Every

Senators	Yes	No	Senators	Yes	No
Sen. Jerry Klein, Vice Chairman		X			
Sen. Karen Krebsbach		X			
Sen. Dave Nething	X				
Sen. Joel Heitkamp	X				
Sen. Mike Every	X				
Sen. Duane Espegard	X				
Sen. Duane Mutch, Chairman		X			

Total (Yes) 4 No 3

Absent 0

Floor Assignment Heitkamp

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

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Deanna Waller

Date

10/21/03

REPORT OF STANDING COMMITTEE (410)
February 13, 2003 8:35 a.m.

Module No: SR-28-2521
Carrier: Heltkamp
Insert LC: 30590.0101 Title: .0200

REPORT OF STANDING COMMITTEE

SB 2225: Industry, Business and Labor Committee (Sen. Mutoh, Chairman) recommends AMENDMENTS AS FOLLOWS and when so amended, recommends DO PASS (4 YEAS, 3 NAYS, 0 ABSENT AND NOT VOTING). SB 2225 was placed on the Sixth order on the calendar.

Page 1, line 1, replace the second "section" with "sections" and after "52-06-05" insert "and 52-07.1-05"

Page 1, line 3, replace "and" with a comma and after "benefits" insert ", and eligibility for extended benefits"

Page 3, after line 8, insert:

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1. An individual is eligible to receive extended benefits with respect to any week of unemployment in the individual's eligibility period only if the bureau finds that with respect to such week:
 1. a. The individual is an "exhaustee" as defined in subsection 3 of section 52-07.1-03; and
 2. b. The individual has satisfied the requirement of this chapter for the receipt of regular benefits that are applicable to individuals claiming extended benefits, including not being subject to a disqualification for the receipt of benefits.
2. To qualify for extended benefits, an individual must have been paid wages for insured work in at least two calendar quarters of the individual's base period totaling not less than one and one-half times the individual's total wages paid during the quarter of the individual's base period in which the individual's wages were the highest.

Renumber accordingly

2003 TESTIMONY

SB 2225

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10/21/03
Date

SB 2225
SENATE INDUSTRY, BUSINESS AND LABOR COMMITTEE

Chairman Mutch, members of the Committee. For the record my name is Renee Pfenning, I am here to testify in support of Senate Bill 2225 on behalf of the North Dakota Building and Construction Trades Council.

Senate Bill 2225 proposes an amendment to Section 52-02-04 subsection 2 and Section 52-06-05. That amendment provides an opportunity for individuals whose total base period wages are less than one and one-half times their high quarter earnings to qualify for 12 weeks of benefits if their base period earnings were at least 20 times the average weekly wage in the state.

Senate Bill 2225 will help people who earn the majority of their wages during a relatively short timeframe, such as in highway construction. In industries like highway construction the weather determines the length of the season. When the weather permits people employed in the industry are required to work long hours.

Attachment 1 illustrates how the proposed changes in Senate Bill 2225 would work.

In our examples we assumed people would work about two weeks in April to June quarters, earning \$13 per hour for 60 hours per week, or \$2,340 during that quarter. We also assumed these people would be paid for an average of 73 hours per week during the July to September quarters for a total of \$11,635 for that quarter. We then assumed the people would again work 2 weeks at \$13 per hour for 60 hours per week during the October to December quarter for a total of \$2,340 with no employment during the January - March quarter. The first two examples are for claims filed on October 15th.

Example 1 - A person who has been in the industry for a number of years.

Example 2 - A person who started working in the industry in 2002.

Example 3 - The same person in example 2 and what would happen if that person's claim was refilled in January.

Often times the 1.5 times high quarter earnings requirement creates a delay in benefit eligibility for people who become unemployed in October or November until new quarters start in January or April (sometimes they never qualify). Unfortunately, these people are left without income during the months when their heating bills are the highest.

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Renee Pfenning
Operator's Signature

10/21/03
Date

Attachment 2 lists the 32 states that provide the ability for unemployed people to qualify for Job Insurance benefits without meeting the 1.5 times the high quarter requirement.

The benefit eligibility requirement of 1.5 times their high quarter earnings creates one more obstacle to overcome for workers employed in the Highway and heavy construction industry. People who work on Highway and heavy construction projects must be willing to work long hours, usually out of town and away from their families.

Unemployment is a reality in heavy construction. The pool is continually shrinking of qualified people who can and will do this work. There are few choices for people who cannot make a living from the combination of wages earned in heavy construction, other off-season employment and Job Insurance benefits. They are forced to either leave the industry or leave the state. Senate Bill 2225 will provide much needed assistance for workers in heavy construction who want to continue living and working in North Dakota.

This concludes my testimony on Senate Bill 2225 and I am available to answer any questions.

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12/21/03
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DETERMINING WEEKS OF BENEFIT ELIGIBILITY

Benefit eligibility is based on earnings during the first 4 of the last 5 completed calendar quarters. Examples are for a Job Insurance claim filed **October 15, 2002**

Current quarter	Lag Quarter	First four of the last five completed calendar quarters				Base period Earnings
Oct-Dec 2002 Example 1	July-Sept 2002 \$11,635	Apr-Jun 2002 \$2,340	Jan-Mar 2002 \$0	Oct-Dec 2001 \$2,340	Jul-Sep 2001 \$11,635	\$16,315
Example 2 & 3	\$11,635	\$2,340	\$0	\$0	\$0	\$2,340

Example 1

Base Period Earnings = $\frac{\$16,315}{3}$

High Qtr Earnings = $\frac{\$11,635}{1}$

Weeks of Eligibility = $\frac{\text{Base Period Earnings}}{\text{High Quarter Earnings}}$

= $\frac{\$16,315}{\$11,635}$

Must be at least 1.5 = $\frac{1.4}{\text{Not eligible}}$

Example 2

Base Period Earnings = $\frac{\$2,340}{3}$

High Qtr Earnings = $\frac{\$2,340}{1}$

Weeks of Eligibility = $\frac{\text{Base Period Earnings}}{\text{High Quarter Earnings}}$

= $\frac{\$2,340}{\$2,340}$

= $\frac{1.0}{\text{Not eligible}}$

Example 3

Base Period Earnings = $\frac{\$13,975}{3}$

High Qtr Earnings = $\frac{\$11,635}{1}$

Weeks of Eligibility = $\frac{\text{Base Period Earnings}}{\text{High Quarter Earnings}}$

= $\frac{\$13,975}{\$11,635}$

= $\frac{1.2}{\text{Not eligible}}$

Average Weekly Wage = 487 X 20 = \$9,740

*Eligible for 12 Weeks
Weekly Benefit Amount = $\frac{\text{High } 2\frac{1}{2} \text{ Quarters}}{62}$

= $\frac{\$15,145}{62}$

= \$244

*Not eligible
Weekly Benefit Amount = $\frac{\text{High } 2\frac{1}{2} \text{ Quarters}}{62}$

= $\frac{\$2,340}{62}$

= \$38

*Eligible for 12 Weeks
Weekly Benefit Amount = $\frac{\text{High } 2\frac{1}{2} \text{ Quarters}}{62}$

= $\frac{\$13,975}{62}$

= \$224

Senate Bill 2225

Comparison of States whose minimum qualifying requirement is less than 1.5 times the high quarter earnings during the base period.

1. Alaska: _____ \$1,000 with wages in 2 quarters
2. Arizona: _____ Wages in 2 quarters and either 1.5 times high quarter wages or high quarter wages sufficient to qualify for maximum Weekly Benefit Amount and total Base Period wages equal to or greater than the taxable wage base \$7,000
3. Arkansas: _____ Wages in 2 quarters and Base Period earnings of 27 times the claimant's weekly benefit amount
4. California: _____ \$1,300 in high quarter or \$900 in high quarter and 1.25 times high quarter earnings in the Base Period
5. Colorado: _____ 40 times the claimant's weekly benefit amount or \$2,500 whichever is greater
6. Connecticut: _____ 40 times the claimant's weekly benefit amount in 2 quarters or 1.5 times high quarter earnings
7. Delaware: _____ 36 times the claimant's weekly benefit amount
8. Hawaii: _____ 26 times the claimant's weekly benefit amount with wages in 2 quarters
9. Idaho: _____ 1.25 times the high quarter with wages in 2 quarters
10. Illinois: _____ \$1,600 with \$440 in a quarter outside the high quarter
11. Indiana: _____ 1.25 times the high quarter with \$1,650 in last 2 quarters and \$2,750 in base period wages
12. Iowa: _____ 1.25 times high quarter wages and the claimant's wages in the high quarter must be at least 3.5% of the statewide average annual wage
13. Kansas: _____ 30 times the claimant's weekly benefit amount with wages in 2 quarters
14. Maine: _____ 2 times Annual Average Weekly Wage in each of 2 different quarters with total wages of 6 times the Average Weekly Wage
15. Massachusetts: _____ 30 times the claimant's weekly benefit amount

Deanna Waller
Operator's Signature

12/21/03
Date

Senate Bill 2225

Comparison of States whose minimum qualifying requirement is less than 1.5 times the high quarter earnings during the base period.

16. Michigan: _____ 1.5 times high quarter wages or Alternative flat-amount requirement of 14 weeks employment and Base Period wages equal to 20 times the state average weekly wage
17. Minnesota: _____ \$1,000 in High quarter and \$250 in remaining 3 quarters
18. Mississippi: _____ 40 times claimant's weekly benefit amount with wages in 2 quarters
19. Nebraska: _____ \$1,600 with \$800 in each of 2 quarters
20. Nevada: _____ 1.5 times high quarter wages or wages in at least 3 of 4 base period quarters
21. New Hampshire: _____ \$2,800 with \$1,400 in each of 2 quarters
22. New Mexico: _____ 1.25 times high quarter wages
23. Ohio: _____ 20 weeks; Weeks of employment with wages of 27.5% of the state average weekly wage
24. Oklahoma: _____ 1.5 times high quarter wages; alternative flat-amount requirement \$10,500 in base period
25. Oregon: _____ 1.5 times high quarter wages; alternative flat-amount requirement 500 hrs. of employment in the base period
26. Pennsylvania: _____ 16 weeks of employment with wages 37-40 times the claimants weekly benefit amount
27. Texas: _____ 37 times the weekly benefit amount and wages in 2 quarters
28. Vermont: _____ \$1,231 in a quarter and Base Period Wages of at least 40 percent (1.4 times) of high quarter wages
29. Virginia: _____ 50 times claimant's weekly benefit amount with wages in 2 quarters
30. West Virginia: _____ \$2,200 with wages in 2 quarters
31. Wisconsin: _____ 30 times the weekly benefit amount with wages of 4 times the weekly benefit amount outside the high quarter
32. Wyoming: _____ 1.4 times high quarter wages

To: Chairman Mutch
Members of the Industry, Business and Labor Committee

Subject: SB 2225 - Unemployment Compensation

My name is Virgil Horst. I am a business agent for the Operating Engineers. On behalf of seasonal workers working in the construction industry in North Dakota, I would ask that you support SB 2225.

Unemployment was put in place as a means to keep the seasonal worker in the labor force. In North Dakota we experience severe weather conditions, forcing our contractors to complete the work as quickly as possible before the ground freezes requiring our labor force to work beyond the normal 40-hour week. January, February, March, and most often April produce no work. A late spring due to rainy weather and late load restrictions can delay the start of work season until May or June. In July, August, and September a seasonal employee can average 40 to 60 hours per week. Weather permitting October and November seasonal workers may work as many as 60 to 80 hours per week so contractors can complete projects and meet deadlines. Usually in late November and December Mother Nature sets in. This creates a problem for two individuals earning the same annual income. One may not even qualify for unemployment benefits and it may affect the number of weeks he receives because of working excessive hours in uneven quarters. Why is this individual who worked in uneven quarters penalized through no fault of his own because his total annual earnings are less than one and one half times his high quarters due to the fact he worked a lot of overtime.

In closing, North Dakota continues to experience an out-migration of its work force. It is simple to understand why they would consider locating to another state not only to qualify for higher unemployment benefits, but also an increase in wages.

We ask that you support the passage of SB 2225.

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Deanna Ballantyne
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10/21/03
Date

OUT OF TOWN EXPENSES

MOTELS: \$35-\$50 PER NIGHT

$\$35.00 \times 6 = \$210.00 \text{ PER WEEK} \times 4 =$ $\$840.00 \text{ PER MONTH}$

MEALS: $\$6.00 = \text{BREAKFAST}$
 $\$6.00 = \text{LUNCH}$
 $10.00 = \text{SUPPER}$

$\$22.00 \text{ PER DAY FOOD EXPENSES} \times 6 =$
 $\$132.00 \times 4 =$ $\$528.00 \text{ PER MONTH}$

ROOM AND BOARD TOTAL **\$1,368.00 PER MONTH**

GAS: $.36 \text{ CENTS PER MILE}$
(AS IRS CALCULATION)

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Date

SENATE BILL 2225
Testimony Before the Senate Committee On
Industry, Business and Labor
Senator Duane Mutch, Chairman
January 27, 2003

Mr. Chairman and members of the committee, I am John Graham with Job Service North Dakota. I am not speaking in favor of or against the proposed legislation. I am here to provide information on other considerations arising in regard to this Bill, and to answer any questions the Committee might have.

A state can adopt monetary eligibility criteria for regular unemployment in any manner it chooses, so there is no issue with the proposed legislation from that position. However, the Federal-State Extended Unemployment Compensation program (EB program) has special provisions which would cause our Agency to have to deny extended benefits to a Unemployment Compensation claimant who was receiving benefits under the provisions of the eligibility expansion created by this Bill. We would have to do so in order to remain in compliance with Federal law.

The primary purpose of the EB program is to allow individuals who have exhausted their benefits during a period of high unemployment to receive additional payments. Funding for the EB program is normally shared 50 percent by the State and 50 percent by the federal government. The Federal extended benefit law (Extended Unemployment Compensation Act of 1970) requires that, "an individual shall not be eligible for extended compensation unless" in the base period of the regular benefits the individual had:

- Total wages that were 1 ½ times the highest quarter wages (referred to as base period wage ratio)
- Forty times the most recent weekly benefit amount using the weekly benefit amount payable for a week of total unemployment, before any reduction because of earnings, pensions, or other requirements
- 20 weeks of full-time insured employment

North Dakota Century Code Chapter 52-07.1 states that the provisions of chapter 52-06 which apply to claims for regular benefits shall apply to claims for extended benefits. Since currently individuals qualify for regular benefits if they have a base period wage ratio of 1.5 this also meet the requirements for extended benefits.

Deanne Waller
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10/21/03
Date

Senate Bill 2225 proposes an alternative, which does not meet any of the three required extended benefit criteria. Consequently, should EB trigger on after this Bill had passed, a claimant would be eligible for regular benefits, but would not be eligible for extended benefits. EB has not triggered on in North Dakota since June, 1983.

In order to make the Extended Benefits chapter conform to Federal requirements, I am attaching an amendment to this testimony which would amend Section 52-07.1-05 to provide that, in order to be eligible for extended benefits, a person would have to have a high quarter to base period earnings ratio of 1.5.

Mr. Chairman this concludes my testimony. I would be happy to answer the Committee's questions. Thank you.

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Deanna D. Smith
Operator's Signature

10/21/03
Date

Graham Amendment

PROPOSED AMENDMENTS TO SENATE BILL NO. 2225

Page 1, line 1, delete the word "and" and substitute a comma, and in the same line after "52-06-05" insert:
"and 52-07.1-05"

Page 1, line 3, delete the word "and" and substitute a comma, and in the same line after the word
"benefits" insert: "and relating to eligibility for extended benefits"

Page 3, after line 8, insert:

"SECTION 3. AMENDMENT. Section 52-07.1-05 of the North Dakota Century Code is amended and reenacted as follows:

52-07.1-05. Eligibility requirements for extended benefits. An individual is eligible to receive extended benefits with respect to any week of unemployment in the individual's eligibility period only if the bureau finds that with respect to such week:

1. The individual is an "exhaustee" as defined in subsection 3 of section 52-07.1-03; and
2. The individual has satisfied the requirements of this chapter for the receipt of regular benefits that are applicable to individuals claiming extended benefits, including not being subject to a disqualification for the receipt of benefits.

In order to qualify for extended benefits, an individual must have been paid wages for insured work in at least two calendar quarters of the individual's base period totaling not less than one and one-half times the individual's total wages paid during the quarter of the individual's base period in which the individual's wages were the highest."

Renumber accordingly