

PUBLIC HEARING  
before  
ASSEMBLY LABOR COMMITTEE  
on  
UNEMPLOYMENT COMPENSATION

Held:  
April 8, 1980  
Labor Education Center  
New Brunswick, New Jersey

MEMBERS OF COMMITTEE PRESENT:

Assemblyman Joseph D. Patero (Chairman)  
Assemblyman James Zangari  
Assemblyman Thomas F. Cowan, Sr.

ALSO:

Henry Geller, New Jersey Department of Labor and Industry,  
Division of Unemployment Compensation

Daniel L. Ben-Asher, Research Associate  
Office of Legislative Services  
Aide, Assembly Labor Committee



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ASSEMBLYMAN JOSEPH D. PATERO (CHAIRMAN): May I have your attention. We're going to start the hearing. First, I have a prepared statement here.

Ladies and gentlemen, I would like to call this hearing to order. I am Assemblyman Joseph Patero, Chairman of the Assembly Labor Committee. Other members of the Committee here with us today are, on my far right, Assemblyman Jim Zangari, and to my right, Assemblyman Tom Cowan. To my left is Mr. Ben-Asher who is our staff member.

It is our intention today, at the fourth in our series of public hearings around the State, to obtain testimony from a sector of the work force with a special kind of unemployment problem shared by a few other groups. It is unemployment experienced by workers who rely on multiple employers for their livelihood, including those in the building trades, musicians, hotel and restaurant workers, theatrical and stage employees and so forth. We are interested, then, in hearing your suggestions for improving our state's program of providing short-term assistance to workers like yourselves during periods of involuntary joblessness.

When your name is called, please come up to give your testimony. It would be most helpful, for the purpose of assembling an official transcript of this hearing, if you have a written statement to present, that you furnish copies of it to the Committee members and the hearing stenographer. Anyone who has not already expressed a desire in speaking here today and wishes to do so can give his or her name and affiliation, if any, to Mr. Ben-Asher. If you do have a written statement to present which is of any significant length, please try to summarize it and the entire statement will be made part of the official record. Also, we ask you to try to limit your remarks to no more than five or ten minutes.

So, without further comment, I would like to start this hearing. But, before I start calling the first witness, we intended to have three public hearings throughout the State in regards to unemployment insurance. The President of the AFL-CIO, Charles Marciante, came up to me and expressed a concern about the trades and anyone that works for multiple employers for their livelihood, and explained that there were different problems involved with you people, as compared with the blue collar worker in the plant. So, that is the reason why this meeting was called for today and I'm glad to see so many of you people responding to be here today, because each problem is different. Each work force has a different problem and the Committee is here to see what problems affect you people and we're going to try to come up with a bill that will help. I'm not saying that the bill will do everything, but we can try to make some changes that will be helpful to everyone.

So, we will start off with our first witness, who is Mr. Charles Marciante, President of the AFL-CIO of New Jersey.

C H A R L E S M A R C I A N T E: Mr. Chairman, I would like to thank you and the members of the Committee for holding this hearing. The problems of the employees of multi-employers are quite a bit different, as you mentioned in your opening remarks. One of the big problems that we face is that presently we expect a downturn in the economy. With that downturn, we know that there's going to be a great deal of unemployment.

The unemployment benefits, at the present time, are inadequate. We can all rationalize that very quickly when we realize the spiraling inflation rate with which we live today.

The musicians, the construction trades, the stagehands, the hotel-restaurant workers all suffer, basically, the same problem of working, in many instances, for as many as twenty to thirty employers in the course of a year. We have, in many instances,

these people who are high hourly wage people and when they are out of work, which is frequent now, and unfortunately, it appears to be more frequent in the coming months.

We feel that you are holding these hearings to hear testimony from these people and that will do a great deal toward, hopefully, alleviating a great deal of pain that is inevitably going to result from what is happening in the economy today. I would like to thank you for holding the hearing and I would rather have the people themselves make the presentations as to what their particular problems are. Thank you.

ASSEMBLYMAN PATERO: Thank you very much, Charlie. It is frightening as to what's going to happen. I saw today that they are requesting that labor hold the line in regard to coming negotiations. So, I really don't know what's going to happen next.

MR. MARCIANTE: They always ask labor and unfortunately, the employers are always willing to hold the line.

ASSEMBLYMAN PATERO: It was in today's paper. That's why I mentioned it. We are in a serious problem. I hope we can do something. The Next witness is Mr. Chet Galdo, New Jersey 14th District, I.A.T.S.E.

C H E T G A L D O: Good morning Mr. Chairman and members of the Committee. I'm Chet Galdo and I.A.T.S.E. stands for the International Alliance of Theatrical and Stage Employees and Motion Picture Machine Operators of the United States and Canada. So, it is one heck of a handle. Try to give that backwards a few times.

I do believe, when you're talking about the multi-employer, as we are subject to it, and the shift situation, as we are subject to within our industry, we represent a vast gamut of that industry, which, now, is coming to the forefront here in this state. We represent the motion picture projectionist technician who operates the multi-cinema type situation on a shift basis. We represent the stage employees in this state, who are employed in the New Jersey Symphony, the New Jersey State Opera, the Garden State Ballet, the New Jersey Ballet, and the War Memorial Hall in Trenton. The reason I am listing this is because it is very common for us to be employed, within a weekly schedule, in a multitude of places. It is very common, for example, if I could cite a schedule of the average stagehand, working out of Newark in any one particular week, we could take this week, he would have a four hour call, and a four hour call is a minimum assignment for a guarantee of work or a work schedule. He could have a four hour call in the morning in symphony hall. He could be at the Papermill Playhouse for an evening performance and the next day, he could be on assignment at the Monmouth County Arts Center. He could be working under the State area, general working conditions, for I.A., receiving a universally standard rate agreed upon by locals, but he could be working for four or five different employers.

We have seen the art situation in the State come about and it is starting to blossom through efforts of people such as yourselves. There is money for stagehands, but the problem that we confront ourselves with is, yes, a stagehand, if you average it out over the month, has the possibility of working a forty hour week. But, he may work eighty hours one week and twelve hours the next week. He may work for five employers one week and one employer the following week. So, there is an injustice on that basis. We are fully aware that the laws, as they are written, are written for the manufacturing, the industry oriented type scheduling, but this is a unique situation. A lot of it has to do with the fact that the arts associations in the state, who are our employers, work under schedules through state appropriations on the one side of it. On the other side of it, a great deal is done through the projection booth. It is done through what we call shift scheduling or scheduling for what is the weekly booth boss. The average

theater, when you're talking about a multi-cinema type operation, like, right in this area, if you were to go along Route 18 here, you would see a number of multi-cinemas. If you were to go down towards Trenton, I sighted 18 screens in about four or five different buildings. They don't work a forty hour week. They work something like 70 and 90 hours per week. They utilize the service of between three and five men. Consequently, in a situation like that, in order for any of our locals--and there are some forty-four locals in this State--to see a forty hour week or to see the forty hour type of assignment so a man can have a decent living, he is required to work, possibly, for two or three common employers. There again, we find an injustice. It is true that the man has obtained a forty hour schedule of monies. But, he doesn't, in some respects, obtain what other people do working a standard forty hours a week, under the law.

So, I bring this to the Committee because, heretofore, in my running around the State representing the stage hands, we've never had the opportunity to let anyone really know what we do and to cite to them the multiple problems we encounter. We are in a gamut of situations that relate to leisure activities and those activities usually require a breakdown into a four or five hour shift, depending upon the scheduling in a particular theater or in a particular projection booth operation. As such, as a business agent of the local, I know it becomes very difficult for me, at times, to try to schedule a forty hour week. I can do it sometimes, but I will find that my men have worked for four or five different employers. While the problems of four or five different employers declaring these stagehands part-time or full-time, for the law, is bad enough for them, we feel that there has been an injustice in the fact that the hours and the credits that they are entitled to if they had worked a forty hour week with one employer may not, at times, apply to them because, in one respect, we are considered part-time.

That is the basis of my remarks. I am thankful that you allowed us the opportunity to explain one portion of the entertainment industry and their plight. Our scheduling for the theatrical and arts related situation is pretty much that of the musicians. They too have the same type of problem that we do. Thank you very much.

ASSEMBLYMAN PATERO: Chet, I would like to say that I am grateful to Mr. Marciante for bringing this to our attention because this is something different. We never came across this before. Maybe these questions will sound a little silly to you, but this is something new which I would like to get from you. Actually, what is the setup, say, the symphony--

MR. GALDO: Okay. The New Jersey Symphony, in the course of a 34 week season of which 28 are in performance around the State, would require in a daily situation-- if you allow me to take the time to explain to you what a daily situation of manpower is, you can see what I refer to. For example, tomorrow morning they go into Newark Symphony Hall. Under contract to the New Jersey Symphony, in staff, are two full-time stagehands who get a 34 week season as staff personnel. When they move into Newark Symphony Hall, the local that I represent provides six stagehands to set up the rehearsal and the requirements, per se. They are guaranteed a four hour call. At the end of that rehearsal, they may now, again, load up their equipment and take off for Cherry Hill and set up in the Cherry Hill High School, where four more stagehands would be called.

ASSEMBLYMAN PATERO: Okay, Chet, stop right there. First of all, there are two full-time people.

MR. GALDO: Two full-time.

ASSEMBLYMAN PATERO: How do they get the other people, by going through you?

MR. GALDO: Yes, sir. What has happened, we have established a guideline of what is known as a yellow card notification and it is regionalized whereby they notify myself and then we submit to the various locals where they are going a notification of their arrival and what their manpower requirements are. So, there is a mushrooming or domino effect. The employment situation at the peak of the symphony could be 12 men in any one particular day that would receive employment. But, what do you do for the rest of the 27 weeks. That's the theory. It allows itself, the schedule that we have set up would allow for forty weeks, if you would take it on an average. That is to say, if a man has worked 55 hours one week or 70 hours one week and then when you average 34 into these, it would come out to a 40 or 45 hour week fully well. This is good for the staff man, but the fellow who is the addition or supplemental laborer, has the problem whereby he may only have the total of eight to ten weeks of employment. That's why we would rather not be put in a forty hour caliber. I classify it by saying that we're part-time, full-time employees, at times, when we talk about having the availability of manpower to meet these commitments and moving them. I would cite, right in Trenton, the situation when the New Jersey State Opera goes to the War Memorial. We move out of Newark with three staff members and we go into the War Memorial and the local down there might be required sometimes to come up with ten to twelve men for a week to ten day stand and they go out and they find them. Now, what happens when we leave town? What do you do with the other ten to twelve men who are full-time stagehands, if they are required, because of a situation, to do other things. So, the employer may consider him part-time.

So, what is happening now, because of people like yourself and others in the Legislature in Trenton, is that there is a new awareness of the arts and the art related organizations in this state and what used to be a three to four type thing made up of part-time firemen and carpenters unemployed in the winter months has now recycled itself to a full commitment of professional young people in the category of 20 to 30 years of age looking for full-time employment and we have been instrumental in being able to do this through the organization under our contract, but the problem lies in the fact that you may get, between October to February, an 80 hour work week and then comes the end of April or the Spring season in June, you may end up with a 12 hour work week. If you were to take it and average it out, maybe you would end up with 30 weeks, sometimes.

ASSEMBLYMAN PATERO: I just have two other short questions. When you say a four hour call, are they guaranteed so many hours?

MR. GALDO: Yes, sir and I'm glad you asked that. We have established, as a policy, a minimum call for any stagehand or theatrical oriented situation on stage of four hours. In the booth, it may be a five hour shift because of the scheduling processes that start in the early afternoon. It means, under no circumstances, will he receive less than four or five hours. What we have also done, going into the next four hour call, that can go up to a consecutive hour. We don't feel it is appropriate to take advantage of an employer who may only need a man for six or seven hours that particular day. However, we have drawn the line on the second four hour call if it goes into the eight or ten hour situation, where, then, it would be time and a half.

ASSEMBLYMAN PATERO: The last question, they do pay unemployment insurance?

MR. GALDO: Yes. I'm glad you brought that up. In the past four years, we have gotten this whole thing squared around. There was a time in this industry when there was a lot of cash passing hands and we have now gotten into a situation where most

of the locals that we employ or from whom our employers employ stagehands, we have a centralized computer payroll, now, coming out of Newark and that has been helpful along that line. But, the problem is that when they try to go and get unemployment against it, it is very minute. Thank you.

ASSEMBLYMAN PATERO: Anyone else? (No response) Thank you very much, Chet. Next, we have Frank Minarck, South Jersey District Council of Carpenters.

F R A N K M I N A R C K: Mr. Chairman, I'll make it brief. I think some of the other people may have something to say along the same lines. We are a multi-employer industry, also, very much so. If my history is correct, back in the thirties, the unemployment compensation was scheduled to be two thirds of the average pay at that time. Since then, we've gone backwards. I would like to recommend, if it is possible, and I know there's going to be opposition to it, that the average weekly pay goes to two thirds of the state average wage, for those making the state average wage or more, which, under present conditions, would be \$164.00.

Also, I know that there is some talk about penalizing people for more than six weeks if they get fired. I would say that if you take the six weeks, that's enough of a penalty. There was a case in the Star-Ledger where some woman quit, actually, and she wants \$3,000 in back pay because someone in Trenton put the pressure on that she owed this money. What I'm trying to say is that it is very, very easy for any employer or any contractor to make conditions such that you're going to ask to be fired or you're going to quit. So, I think the penalty that is already in the law would be enough for that.

Also, I would like to say that we do get harassment from the unemployment offices and I'm sure that the rest of the building trades in the state are contending with this problem where they have attempted in the past, and still do, to send our people out to a minimum wage job or following the newspapers or some company job that may appear in the classified ads. We strongly oppose this. This works against our organization. I think this is an attempt to weaken it. There is nobody that can find jobs easier and better within the rate schedule than we can. Some of us have a history of many years doing this. Except in the event of a major recession, where everybody is in the same situation, certainly, if we can't find jobs for our people in what they call a suitable category or suitable wage scale, I'm sure the unemployment office can't either.

Also, I would like to see unemployment forms mailed out to all building and construction trade hiring halls. I know there is a warehouse somewhere in Trenton, where old Route 1 ends, and I think there should be some ruling made that the various building trade agents should be able to go down to this warehouse and get the unemployment forms they may require or desire, and there are several different kinds, and they would pick them up and give them to their local membership at the local level. It may cut down the time. At the present time, they have to go to the information line. It may cut down their time some. I can't see why there would be any objection to this because somebody has to have the qualified employment time anyway in order to collect unemployment compensation. So, there is no way of filling out the form and getting the money for nothing, so to speak.

There has been some talk in the press and from people that I've talked to, I think, at a previous meeting you had here, that in order to compensate for the tremendous unemployment that we had during '74, '75 and '76, I would say, for some areas, that the New Jersey unemployment fund went bankrupt and we borrowed \$700 million or \$800 million from the federal government and now they want to tax employers for the next

five year period to build up the fund to pay back the federal government, and we see a recession coming again. So, where are we going to be at?

I would state categorically and very strongly that I think that the unemployment is caused by federal policies. State employers and contractors should not be penalized. There's always talk about keeping industry within the State of New Jersey instead of going to some competing Sunbelt state or someplace where benefits may be less. If we are going to tax employers more than they already are, it is going to be another reason for them to leave the state.

I would also be in favor of some kind of a dependency allowance. I would suggest \$10.00 for a spouse and \$5.00 for each dependant.

Our people are in favor of eliminating the waiting week. This statement galls me and it galls our people. Waiting for what? Somebody had an idea, I guess, way back, years ago that a guy is going to be goofing off and won't go look for a job or whatever and give him time to find a job. New Jersey became one of the states, I am told, where employees contribute to the fund. I think this waiting week is a farce and it should be eliminated, although I do know that they can collect it at the fourth week of unemployment and if there's any way a guy gets near this point, there may be a tendency, "Gee, I've been out of work this long, I want that extra check." I think it is really doing harm, if anything. Whereas, if he gets the unemployment check for the first week, second week, a job comes along, he's more likely to take it.

We're coming into another recession and I guess we're going to be hit, the fund which is left, \$650 million or something we owe the federal government, as I stated before. That has to be wiped out. I think the federal government should subsidize the states for this, especially the most industrialized states where we have the highest amount of unemployment. Of course, you see the Humphrey-Hawkins bill in Congress passed and there is no attempt to enforce it. So, if they want to cut down on unemployment compensation, if they support the Humphrey-Hawkins bill, I suppose that would help.

Gentlemen, that's all I have. Thank you for listening.

ASSEMBLYMAN PATERO: Thank you very much, Frank. Any questions? Mr. Geller?

MR. GELLER: I'm from the Labor and Industry Department. You indicated that some of the local offices harass your members. Can you give me evidence or some kind of indication of the type of harassment? One of the first things, we expect our people to be courteous to the claimant. In what way is your membership harassed?

MR. MINARCK: Well, these forms come from I don't know where, but they are legitimate forms, very real forms.

MR. GELLER: You indicated that you are harassed, you are abused.

MR. MINARCK: Yes, because they insist--there was a time in the recent past when they gave these forms out with ten spots. You had to come back and fill out ten different employers where you went to look for a job. Now, a carpenter is not going to go look for a job at minimum scale, for a contractor at \$3.10 or \$3.20. So, I would call the manager up or go down to the local office and say that this is not the way we operate and we have a hiring hall and usually, that would settle it. You have to keep going back. Now, the forms are out again. I have two on my desk. What I do now is no big hassle. I just write out in longhand that this carpenter came down to our hall for employment every morning and I sign it and send it in to the office.

MR. GELLER: There should be no problem because the claimant himself can write down the places where he sought work. I agree with you. It is very important that you, as leaders in labor, be in close contact with the managers, so, I'm sure,

that if you have any problems, the managers can resolve those problems. It is a vital thing and if you don't have results from the managers, we want to hear about it down in Trenton. Art O'Neill, our Assistant Commissioner, Joe Viviani, my boss, I'm Assistant Director, we want to know about it if you're having any problems.

MR, MINARCK: Well, I'm just asking, why the forms. We don't even need those.

MR. GELLER: The forms are required by the federal government. We have to have an E.R.P. program, Eligibility Review Program, to determine whether the claimant is doing the things that a prudent person would do to find a job. We're required to do that type of interview, so that if there is an indication that the person is not available for work, we will have to deny benefits. This protects the federal standard that we have to have, the Eligibility Review Program. This is part of that program.

MR, MINARCK: Well, we're complying with that by me signing it and saying that he is here every morning.

MR. GELLER: Well, we want to protect you, but we also want to protect the funds to do the things that are legally required by our program.

ASSEMBLYMAN PATERO: This is unusual. We usually don't have questions from the audience. Could you give your name?

MR. MARCIANTE: The idea of harassment is a constant thing. The managers of the offices, in all fairness, have been excellent, and during the recession suffered, they did a terrific job in processing claims. It is not a commonplace thing, but every once in a while, we run into clerks who are treating the unemployment compensation fund as if it were their money and they resent giving it to a construction worker or any of the multi-employer workers or anyone who is unemployed, really. There is a resentment on their part to make the money available. They don't ease the situation at all. It is an unpleasant thing, to begin with, to be going into the U.C. office and then to be harassed by the clerks, in this instance, and if you want, from this point forward, I will make it a practice of submitting to the Department, who the person was and ask our unions, if they are subjected to harassment, to report them to us and we'll report them on to you.

MR. GELLER: We'll appreciate it because we have two types of workers in our local offices. This is required also by the federal government. We're paid on a unit of work basis. There are so many minutes for an initial claim, so many minutes for a continued claim, a certain number of minutes for each issue case, voluntarily leaving, and fourthly, for every appeal. Now, therefore, we are limited in the number of people we can hire. We have a permanent staff and we have hourly workers whom we hire and fire depending on the height of the load or the lowering of the load. So, we're constantly training these people. We demand courtesy and if you don't get courtesy--of course, we expect courtesy on both sides--but if you don't get it, we want to know about it and we'll try to correct it.

ASSEMBLYMAN PATERO: You know, we're having a public hearing and it is being recorded. I would rather have you people speak personally rather than have questions from the audience. Normally, if it was a regular meeting in Trenton, I would say it was okay, but it is going to be very hard for the stenographer.

SPEAKER: It was along the same line, Mr. Chairman. That's why I figured if it came up now, it would be in the minutes at the same time.

ASSEMBLYMAN PATERO: Well, we have other people signed up. If you want to speak later, we're going to open it up again to people. I hope you can bear with us, please.

SPEAKER: I guess I'll have to.

ASSEMBLYMAN PATERO: Albert Beck, Hudson County District council of Carpenters?

A L B E R T J. B E C K: Mr. Chairman and members of the Committee, I am agent for the Hudson County District Council of Carpenters and President of the Hudson County Building Trades Council. I am going to repeat some of the testimony that I gave at the hearing in Jersey City for the benefit of some of the people here and I have some other testimony which I would like to put into the record.

ASSEMBLYMAN PATERO: Mr. Beck, do you have any other copies?

MR. BECK: This is the only one I have, but she can have it.

ASSEMBLYMAN PATERO: Okay, that's what I was thinking about.

MR. BECK: The objective of these hearings is to strengthen the unemployment compensation law, to improve administration and to correct weaknesses that have developed in the program.

The Hudson County District Council of Carpenters and Millwrights recognizes that a few recommendations cannot drastically change the present system. But, during the past forty years of unemployment administration, changes have taken place in society, and especially--as you may have noticed--in the economy of the United States. Thus, the Council recommends that in order to serve the citizens of New Jersey to their better interests, the Council will present these hearings and hopefully institute some changes for the program.

Inflation has risen to incredible proportions. Food and energy bills take a big chunk out of a consumer's paycheck. The present unemployment benefit law provides for benefits equal to 2/3 the individual's average weekly pay, subject under a maximum of one half the statewide average weekly wage. Under this formula, an individual who earns \$100.00 a week will be eligible for \$67.00 a week in benefits.

The Council recommends that the benefit formula be amended to provide for a 60% wage replacement, subject to a maximum of one half the statewide weekly wage.

Unemployment benefits must be raised to meet the standard living condition. An individual who works for \$100.00 per week, after taxes, cannot possibly live on \$67.00 a week, where he is expected to pay the gas, rent, heating, fuel, food and other bills and necessities and still live fairly comfortable.

The average married worker with three dependants had real spendable earnings of \$87.32 a week in December. That is 32¢ less than in November and \$4.65 less than a year earlier. Consumers can't go very far on \$87.32 weekly, especially at today's transportation, ownership and energy costs.

Runaway inflation makes present wages inadequate for today's living standard. President Carter identified inflation as the most significant domestic challenge the nation faces. One of the culprits in this inflation spiral is energy. Excessive oil markups, gasoline, home heating oil, and other oil products, are seen as adding another \$286 million to consumer bills.

The Bureau of Labor Statistics reported that American workers lost the struggle to keep up with rising prices in 1979, suffering a 5.3% decline in purchasing power over the year. The sharp drop in real spendable earnings, or take-home pay adjusted for the impact of inflation, resulted from a 13.4% increase in consumer prices. There seems to be little sign of any tapering off in the price surge in the months ahead. If consumers are to survive in a period of joblessness, benefits must meet inflationary costs and spirals. The Council believes that its recommendation of a 60% wage replacement with a dependancy allowance of \$8 for the first dependant and \$4 each for the next two dependants, with a maximum of three dependants, be accepted as a formula that addresses the current needs of the citizens of New Jersey.

The testimony of Chet Galdo fortifies the idea of retaining the alternative means of collecting unemployment, such as the \$2,100 section of the law. In other words, we feel that the 17 weeks that you need for eligibility now is not fair to the seasonal worker, the construction worker, or the stagehands or waitresses and waiters and it is really not acceptable to us. Our people who come to the hiring halls have to fill out forms stating that they have gone to various jobs, looking for work. Now, again, as the previous speaker has said, our people come to the hiring halls and look for jobs. If they're out looking for their own job, they won't get the jobs that come out of our hiring hall. Therefore, this form that we have to fill out is really a hardship for the construction worker.

In closing, I would like to recommend that the waiting week be dropped, as it serves no useful purpose, except to prolong the procedure for collecting unemployment. Also, the information form should be made available, as the previous speaker has said, to the employers and to the hiring halls. Now, it was stated at the Jersey City meeting by one of the people that when you're making out a new claim or you're opening up your old claim, that there are two different types of information forms or something to that effect. Now, we still feel that the unemployment claimant is intelligent enough to know whether he is going to make out a new claim or he's opening an old claim. Therefore, he would know the proper form to fill out, and we feel that this information form should be made available to the union halls and to the employers so that they can hand them out, these forms, at the time of layoff.

We also find it very difficult for out-of-state contractors to get unemployment ID numbers. Now, everybody seems to have different ideas on what the eligibility is for an employer to get an ID number. In other words, we have cases where a contractor comes from California and maybe he will hire two men for maybe two or three weeks. He doesn't pay unemployment on these two men. He gives them the money in their envelope. The time goes for them to get unemployment and they're not eligible for unemployment because if there are a couple of these contractors or employers, as you call them, he will not be eligible for unemployment, and there is no way he can get his unemployment without these contractors contributing. Now, I did have a case of my own where a contractor wanted an ID number. I took him to the local Jersey City office and I don't know whether I talked to the manager or not, but whoever I talked to tried to talk the guy out of getting an unemployment ID number. He said that he didn't have to get it, it wasn't necessary to get it because he didn't have the correct number of employees to contribute or he didn't have the job long enough, and that was a hassle. They are some of the hassles that the people have talked about when they say that they are being hassled by the unemployment people.

Finally, for the sake of good will between the public and the State of New Jersey Unemployment Office, I would certainly strongly urge that all Unemployment Compensation personnel and employees should be specifically trained in courtesy, consideration and understanding for the claimants, who, too many times, are treated with abuse and disdain through no fault of their own. Thank you.

ASSEMBLYMAN PATERO: Any questions? Assemblyman Cowan?

ASSEMBLYMAN COWAN: You mentioned the ID number concerning these out-of-state employers. I think this is a very important factor and I would like to hear Mr. Geller address that.

MR. GELLER: The New Jersey Unemployment Compensation Law provides that when an employing unit has a payroll of \$1,000 with one or more workers, that unit becomes an "employer", under New Jersey law. I can't understand the reaction of our field

auditor in that case because I don't know how long ago that occurred. But, I'm quoting the law as it now exists. So, if there is a \$1,000 payroll for one worker, immediately that employing unit becomes an employer. If you have any difficulty with the regional auditor, please, contact Warren Wilbur, the Chief Auditor and say, "What in the world is going on here?" You will get some prompt service.

MR. BECK: Well, I appreciate that information and we will most certainly use it. But, you have to remember that some of these contractors come in from out of state, they hire one or two men and we have the same type of problem as the stage-hands. They'll come in and maybe they'll use one or two men for two days. The payroll doesn't come to \$1,000. They don't have an ID number, but the hours mean a lot to the members. You know, you have this waiting week and everything else that you have to go through and this money really means a lot to the members, not the money, but the contribution means a lot to these guys.

MR. GELLER: In other words, he doesn't get the base week?

MR. BECK: Right.

MR. GELLER: I don't know the answer at this point, because we have what we call "the request method", which, in other states, they have wage records. So, as soon as the employer becomes subject, the employer has to submit on a quarterly basis, what the earnings were of these workers. We have no idea of what the workers earn until such time as the claimant files a claim and then we have to write to the employer to get the wages and how many weeks. May I correct, also, it is \$2,200 and it is also 20 weeks. Disability is 17 weeks. How the public knows all these technical points, I don't know, but that is the law.

MR. BECK: Well, you would be surprised at how well they know these technical points when they're out of work and they need the dough.

MR. GELLER: Well, that's our objective, to make the worker well informed. We have simplified our instructions to the nth degree.

MR. BECK: Well, I would like to congratulate on getting the employers to know what their rights are because they certainly know and they have made no bones about it and telling us about it.

ASSEMBLYMAN PATERO: Okay, Al. Thank you very much. Next is Mr. John Eichole, Operating Engineer?

J O H N E I C H O L E: Good morning. I am John Eichole, Operating Engineer. I would like to address my questions to the gentleman from Unemployment.

ASSEMBLYMAN PATERO: Mr. Geller, is that okay?

MR. GELLER: I will try.

MR. EICHOLE: I'm just a working stiff. I'm not a business agent or anything like that, but I filed for unemployment five weeks ago and, of course, the waiting week that was mentioned, I have a problem with that. I understand I won't get that waiting week, now, until my claim runs out. That's what I was told.

MR. GELLER: No, sir. When did you file your claim?

MR. EICHOLE: About five weeks ago.

MR. GELLER: When you have completed your fourth week, instead of getting one check, you should get two checks.

MR. EICHOLE: Okay, I'll tell them that down there.

MR. GELLER: They should know.

MR. EICHOLE: I was told that a week ago today, that I would probably get my waiting week at the end of my claim.

MR. GELLER: No, sir. The law provides that when you have been unemployed for four consecutive weeks and you have not earned more than the weekly benefit rate plus 20% in any one week--then, you would be considered employed--but, if you are unemployed for four consecutive weeks, when you collect your third week, you will get two checks, I mean the fourth week.

MR. EICHOLE: Okay. My question is that they handed me the form last Tuesday that I have to fill out and turn in next Tuesday, if I don't go back to work. It's Claimant's Pension Statement, Section 3304A. Are you familiar with it or should I read it out to you?

MR. GELLER: No. I know too much about it. When the federal law was amended, provision was made in that law, and that was several years ago, that all benefits would be reduced by pension received by the claimant. Right now, there is before the Congress one bill that has been passed by the House and another bill that has been passed by the Senate. One bill says that that should have taken effect January 1, 1980 and the other one says the law should take effect in either '81 or '82.

MR. EICHOLE: This one says March 31.

MR. GELLER: However, the original law says April 1, all benefits collected April 1 or thereafter. Again, I spoke of federal standards. In order that we give the employers the proper credit for making contributions to the federal government, because they pay taxes to the federal government, in order that they pay my salary and they pay the rent on the offices, we must comply, conform with federal standards, and the federal standard is that we must have a state law to reduce benefits by a weekly pension that a person gets. In other words, we have to determine, proportionately, what the pension is and we have to reduce the amount of money that you get by the amount of pension you have received on that week.

MR. EICHOLE: Is that any pension, State or federal?

MR. GELLER: It is any pension, even Social Security. That is the law. Now, it appeared to us that it was imminent, any moment, that the federal law would be changed. There has been no action on it by the federal government. So, New Jersey, like other states, must comply with that law.

MR. EICHOLE: So, Section 3304 pertains to pensions?

MR. GELLER: Yes, any pension.

MR. EICHOLE: Thank you, sir.

MR. GELLER: You are welcome.

ASSEMBLYMAN PATERO: Thank you very much, John. The next speaker is Phil Leshowitz, Hudson County District Council of Carpenters.

P H I L L E S H O W I T Z: Mr. Chairman, my name is Phil Leshowitz and I'm a carpenter from Local Union 289 and I work out of Hudson County District Council Carpenters. My feelings on unemployment are probably repetitious to what has already been heard here today, but, as an individual, I can give you the way I feel.

First of all, when I go to the unemployment office, if I file for a new claim, it covers a period of six months. That's no problem. I know what time it goes to and what point of the year it starts and ends. Where my problem starts is, when I take a job. First of all, if I take a two day job, I have to go back and get in the information line and get a form to reopen the claim, which causes a lot of time and a lot of hassle for me, as an individual. It's a harassment. Maybe I'm not going anywhere because I'm unemployed, but why should I have to spend hours at the office for a simple form that I know all about. I've been doing this now for twenty-two years.

If I have signed it and filled out a new claim, I have a waiting week. Now, they say you don't lose that waiting week. Basically, I don't want to wait until the end of my claim to get my waiting week. If you stay out of work, the way I understand it, and this gentleman here from unemployment can correct me, if I stay out of work for a period of four weeks in a row, then I could collect my waiting week. But, if I go back to work on a two day job, I lose that waiting week or it is tacked on at the end of my claim. Now, in the past, thank God, I've been fortunate in that my claim has not run out. So, the waiting week is actually lost. I want the waiting week, when I need it, not when I'm employed. I want it when I need the money, not at the end of my claim. It may be an extra week of collecting, but I can't wait four weeks to get one week's pay.

Second of all, I find that if I have a two day job, it doesn't really pay, sometimes, for me to keep a two day job. What they're doing is they are actually provoking unemployment because, if I take a two day job, the two day job, after taxes and everything else, ends up less than what I can get out of unemployment and I have to go through all the hassle of reopening a claim again. So, basically, I would say, "Why should I take a two day job?" I have to go through all that hassle, all that waste of time and I end up with less money.

Next, I think they should raise the unemployment benefits completely. I know if you work a day and you make so much money, then you can get a partial check for that week period. In our case, nine out of ten times, we work one day and we make over the amount that your allowed to make in order to collect a partial check. So, again, you turn around and say, "Why should I work a two day period?" So, I feel that the partial check should be raised also so if a man works a day or two, and especially at today's prices, a day or two is nothing, I feel a man should get a little bit more on the partial check and should be raised with the rate of the unemployment benefits, if they are raised.

Last of all, I don't like to bring this up, but it should be brought to the attention of you people, in my area where I collect, there are a lot of minorities, people who cannot speak English, the Spanish speaking race, When they go up to the unemployment, they sit down and they fill out their forms for them. They seem to cater to these people. When I go out there, they hand me a form and if I make one mistake, I'm sent to the back of the line or I'm told, "Fillit out right, what's the matter with you." But, these people actually have their forms filled out for them and I don't think that's right. Thank you.

ASSEMBLYMAN PATERO: Thank you, sir. Fred Lutz, Hudson County Building Trades?

F R E D L U T Z: Mr. Chairman, I'm Fred Lutz and I'm the secretary of the Hudson County Building Trades and also business agent for the Hudson County District Council of Carpenters.

There are a few things I want to say. One of the main things is that the man on the end here said that it is government rules, government forms. I think the federal government has thousands of applications. I can't see why they can't have a special application just for construction workers or seasonal workers. Like Phil said, there are a lot of problems with men going to work for one day. Nobody wants to work for one day, when you make less money. I feel that if it is going to be done where you're going to have to lose some money, it should be on the third and fourth day of the week, not the first and second. At least that way, when you have a one day stand or a two day stand, the men will want to work and the only ones that will work are the men that just finished work because they didn't go up to unemployment yet.

They're going to get all the money and the guy that has been out of work for weeks and weeks can't get any of these one or two day stands because it isn't worth it to him. So, I feel that it should be done on the third and fourth day.

Now, I don't like to say they abuse the people, but they do because I know myself, many times over the years, they have red lines on the floor and if you step over the red line, they treat you like a baby. "If you don't get back, I'm not going to process your thing today." I think we're all grown up people and I think these people should understand that. That is the main thing I have to say and I feel that there should be a lot of changes made in the E.S. reporting and everything else.

ASSEMBLYMAN PATERO: Okay, Fred, thank you. Oh, Mr. Geller?

MR. GELLER: The presence of the red line is to provide space and privacy to the claimant ahead of you and also, if the line surges forward toward the counter, the people have problems in serving the claimants. The objective is to keep a three foot area free so that the privacy of the claimant in front of you can be maintained and also that the workers have breathing space. They shouldn't be discourteous, but we would appreciate it if you stayed on the other side of the line. It is in the interest of the claimant more than anything else.

MR. LUTZ: Well, when it is raining, sometimes, the line is so long and everybody is pushing to get inside. On rainy days, they ought to be a little courteous and let you get up a little closer.

MR. GELLER: Every day. I feel that courtesy is a basic right.

ASSEMBLYMAN PATERO: Mr. Geller, what amount can they make on the scale?

MR. GELLER: All right. Let's take a person whose benefit rate is \$100. Then, we add 20% to that, which gives you the partial rate. So that anything you earn, the \$120, it is the difference between the \$120 and whatever you earn. If you earn \$60, you get a \$60 check.

ASSEMBLYMAN PATERO: Now, the person would not have to reopen his claim if he is making less than, say, \$120?

MR. GELLER: No. The person just reports that he has earned \$60 and there is no additional claim or no other requirement of a form that has to be prepared. Then, again, the fact that you collected partial unemployment--for example, let's go back to the same case, where the person's partial rate is \$120. If that individual earned \$119, he would still get credit for being unemployed for that week.

ASSEMBLYMAN PATERO: But, like Phil had said before, suppose he made \$125?

MR. GELLER: Then, he has been employed for that week and he is not eligible for his waiting week at the end of the four weeks. However, I think all these persons who spoke know the law very well and I don't have to tell them anything. But, that doesn't mean that at the end of his claim, they still can collect the same money. They don't lose the money because if they remain unemployed for a sufficiently long period of time and they are still in the benefit year, they still get their entitlement. Whatever these people said is true, but that is the law as it now reads.

ASSEMBLYMAN PATERO: I think that's one thing, then, that we could look into about changing. The wages today, one day or two days, it could be way above that.

MR. GELLER: You can choose any formula you wish. However, the big problem is that you have X dollars in the trust fund. When you pay out more money, in order to keep the thing in balance, you have to have more taxes to provide the money to pay out. Somebody has to give. There's no free lunch. So, you have to bear in mind, when you increase the benefits, some way has to be provided to increase the income.

ASSEMBLYMAN PATERO: Okay, we have one more speaker.

MR. LESHOWITZ: I just forgot one thing that I would like to bring up. The one thing that I forgot to bring up, my day to report is 9:30 on Tuesday morning. I am to report to the union hall for a job between eight and ten. I get a hassle every time I go down to Unemployment on a Tuesday. I usually go there right after the hall. I get there around eleven or eleven thirty. I've made it clear to them many times that I work out of the union hall and I have to report at nine thirty on Tuesday morning, but I have to report to the union hall and I can't be two places at once. I asked if I could change it. Now, I know that it is a federal law or a state law and they go by your last four numbers and that's the day that is picked and that's the day you must come. Well, what has happened in the past, so far, they have been a little lenient, but in the past, sometimes, I had to go through a hearing and I had to fill out all kinds of forms because I didn't get there, that particular day, I was sent out on a job. I was sent to a job. The job didn't come thorough and I had to go from Hudson County somewhere down near New Brunswick or somewhere in this area for the job and the job did not pan out. I reported it the next day, after the union hall, and I told them what had transpired. I had to go through a hearing, which I don't think was fair. Now, it would be very simple if they scheduled me for one o'clock in the afternoon on a Tuesday rather than on Tuesday morning at nine thirty, when I have to be at the union hall. Thank you.

MR. GELLER: Actually, we have over 150,000 people collecting benefits and I pointed out that we a limited amount of offices and a limited number of workers. If people would come whenever they wished to the local office, you would have all the people reporting on Monday morning at nine o'clock and there would be hell to pay. Therefore, "mea culpa", I'm guilty. One of the things that I started way back was to find a means of distributing the reporting of the people in such a manner as to minimize this. Now, the road to hell is paved with good intentions. It doesn't always work because arithmetically, the four digits don't rotate the right way. But, most of the time, it does minimize the length of the line and the time that you have to wait. So, whenever you have a problem--if all people were honest, this would be a beautiful world. We could take your word for it. You would say, "I'm sorry. I couldn't make it," and we would have to take your word for it. But, there are people who abuse that. Unfortunately, therefore, all of us suffer. In our whole social scheme, this is what happens. So, we have to have some rules to maintain some order and some regularity and unfortunately, it serves as a disadvantage to you as an individual, but you have to consider the total picture and where you have a problem and there is a conflict between your shaping up and the local office's assigned reporting time, speak to the manager. Speak to the supervisor and tell him what your problem is and I think you will get consideration. I think you have. You indicated that the thing has improved. Is that correct?

MR. LESHOWITZ: Yes.

MR. GELLER: Well, they're ahead of me. They've corrected it. But, don't hesitate to speak up. If you are courteous and you ask for it in a manner in which you don't get them upset--they're just as sensitive as you are, because they have this pressure all day long. It is not an easy job. I have repeatedly offered people in groups such as this, in fact, right now, we have labor interns down in Trenton and we're trying to orient them to our problems. I would like to have you stand behind that counter for seven hours a day and if you are not ready to hit somebody in the eye at the end of the day, I'll treat you to lunch. It's rough. So, please, consider the position of those persons behind the counter. I used to do it myself.

ASSEMBLYMAN PATERO: Thank you, Mr. Geller.

MR. LUTZ: On the same thing, you ought to come to a union hall when there are two or three hundred men out of work.

MR. GELLER: Sir, I have. Then, you should appreciate our problem because I was the manager up in Paterson, and this is a few years ago, back in '45 and '46, and the people in the various textile trades, they're well organized and they know their rights, and I went to the union halls and I've been to union halls and I know your problems. But, if you give us the information and there are problems, we will try to correct them.

ASSEMBLYMAN PATERO: Thank you, Mr. Geller. That's all the witnesses we have. Is there anyone else that would like to speak?

SPEAKER: I signed my name up there, Rakoski?

ASSEMBLYMAN PATERO: Oh, I'm sorry. We have one more. John Rakoski.

J O H N R A K O S K I: I'm John Rakoski, member of the Hudson County Carpenters. This is in regard to what happened yesterday at the Hoboken Unemployment Office. I got there at ten minutes after two and went through the information line. At five to four, I got there. There were seven people in front of me. I had to go for this form, BC4R-8-74, to reopen a claim. This is five minutes to four. They rescheduled me for Wednesday. I told them, "Well, I have thirty-five minutes left." So, I went to the information line anyway. There were eight people behind me in line one. At twelve minutes after four, the whole office was empty, except for myself. I went up to the desk and they refused to take my case. I went over to see the manager, Mr. Hartman, and he said that he could not do anything for me. He said that I would have to come back, that I was rescheduled. I asked him why and he said, "That's just the way it is." This is a personal case. It happened just yesterday.

ASSEMBLYMAN PATERO: Excuse me. What are their office hours, do you know?

MR. RAKOSKI: They close at four thirty, sir.

ASSEMBLYMAN PATERO: And, it was twelve after four, you said?

MR. RAKOSKI: Twelve after four. He kept talking to me until twenty after and then we went back over to the line and they still refused to take me.

ASSEMBLYMAN PATERO: And, that was yesterday?

MR. RAKOSKI: Yes, sir.

ASSEMBLYMAN PATERO: Can we check that out, Mr. Geller?

MR. GELLER: Give me the case. I want to know why. By the way, I appreciate--

MR. RAKOSKI: There's one other thing.

MR. GELLER: In all fairness, we have to listen to the other side and I will see to it that the manager and you get together and the district supervisor. Over each cluster of offices, there is a district supervisor and if this has been abuse, we want to correct it and I will see to it. I want to know your name and your social security number and more details of this case.

MR. RAKOSKI: Now, I have to go back there tomorrow and I'll probably be harassed for the difficulty I gave them yesterday.

MR. GELLER: I'll tell you what I'm going to do. I'm going to call them right now.

ASSEMBLYMAN PATERO: After your testimony just come over here.

MR. RAKOSKI: I'm finished. That's all.

ASSEMBLYMAN PATERO: Okay. I saw some other hands here. What we'll do is we'll start--okay, you raised your hand before. Come to the microphone and give your name.

D O N J O H N S O N: My name is Don Johnson, Organized Local 2018, Carpenters, Ocean County. I have just one point and that was the point on the form that is given to our people asking where they have looked for work. Our local union runs a strict referral system. The only way that man can get a job is through the hall. He cannot solicit his own work. He can only get it through the business agent who sends him the work. Now, when they get this form, they are told, "Put down where you have solicited work." We have told them to just put down Local Union 2018 three times or how many times, and that's it. Now, this morning, I called Mr. Lyman, who is the manager of the Toms River Office and I asked him why they had started this system. I said that we have had the problem in the past and we have discussed it with the man who is down there and they said, "no problem." Anybody who is a union member and who is paid up will not have to go through this. They realize that he has to solicit his work through his union and that's the only place he could obtain his work. Mr. Lyman informed me, today, on the phone, that after nine weeks of unemployment, that that man or woman is required to fill out this form and if he has not solicited work where there is work, meaning outside of the union hall, then he will be disqualified. I said, "Fine, let me get in touch with Trenton." I called your office. I spoke to, I think, a Mr. Milick and Mr. Milick is going to look into this. I told him that it was in violation of our strict referral rule. If this man did take a job on a non-union basis, it could jeopardize his pension, his welfare and everything else. Now, how can the Unemployment Commission require this man to violate part of his union rules, which is exactly what they are doing, because he said, point-blank, "If this man doesn't look someplace else, after nine weeks of unemployment, then he is going to be disqualified." That's what blew my stack. I said, "Fine, I'll go a little higher than you."

ASSEMBLYMAN PATERO: But, it was going to be checked, you said?

MR. JOHNSON: Mr. Melick said that he was going to check into it, but it was something that I wanted to bring out because, before, somebody had mentioned this point, that you have to show where you have solicited work. Our people can't show where they've solicited work because there is only one place that they can solicit work and that is the union hall. Their name is placed on a list and when their name is reached to go to work, they go to work. When they're out of work, they come back and put their name on the list. Thank you.

MR. GELLER: Fred Milick is an assistant to Assistant Director John L. Sullivan, who has responsibility for the operation of, on a day to day basis, all the local offices. So, I can assure you that Fred will investigate this and will come back to you.

ASSEMBLYMAN PATERO: Yes, sir? Will you come up here and give your name and affiliation?

M I K E B A R N E: My name is Mike Barne, Operating Engineers. You were looking for incidents of harassment.

MR. GELLER: I'm not looking for them.

MR. BARNE: I just want to point out a couple. In the twelve years that I have collected unemployment, every time I had to reopen a claim with the short form, they always gave me a couple extra. You have two lines that you have to wait in, Information line and line one. The information is with people who don't know what they are doing there and it takes forever. Line one is bad enough, but information is ridiculous. Now, they always gave them to me, until I just went to reopen a claim, I think, in January. They said that Trenton will not allow them to give me the short form anymore. They said that it cuts down on their time too. They wished they could give them out, but they can't give them out anymore. I just want to know why.

MR. GELLER: Let me check that out.

MR. BARNE: Now, this is the Red Bank Office. They said that someone asked, they wanted them up at the union halls and this was a a whole big commotion, and I don't see any reason why they couldn't come up the union hall either. It is just a matter of the short form. I might have a one day stand today and I come in to sign up again. The next day, I might have another one day stand. I have to go back again. Now, if I have to wait in the information line, it takes a good hour and a half, anyway, just going down on your normal line. But, information and line one, again, you're talking about two, three or four hours. You never know how long it is going to be.

MR. GELLER: Let me explain one thing. The building trades and these other people who work for multi-employers and have short-term jobs of all types, really, are in the minority and you are well-informed. Many of the people, who, as you pointed out, are in the information line are ~~nt~~ well-informed. So, we do have problems where we give out the forms and the person comes up with the form and it is incorrectly completed. Then, we have a hassle again because the person says, "Hey, look, I filled out the form." So, we're damned either way, because, in the majority, people don't know which form to fill out. In other words, when you have a benefit year in existence, the 364 days haven't expired, the additional payments are acceptable. If the benefit year has expired, then you have to file a new claim. So, in that case, we have to know where you worked so we can write to the employers. Now, there are many claimants and most claimants don't know the difference. You do. You're the exception. So, we have to be very cautious about it. Let me check it out.

MR. BARNE: Maybe we should have a separate line because we would slip right through that line.

MR. GELLER: The only thing is, if you have a separate line, you have to have a separate person to man the line. If you don't have the person to man the line, you're still in trouble.

MR. BARNE: I've been there so many times, I could go back there and do it myself.

MR. GELLER: By the way, I'll tell you a little story. Fred Milick, the fellow who spoke to this gentleman over here, is a former claimant. Don't underestimate the intelligence of the claimant. We hired him because he knew the job so well. He was going to college at the time and he was working. So, we hired him and he is a damn good worker. You ready to go to work?

MR. BARNE: Who me? Certainly, if you pay me what I want. You pay the rate, I'll go to work.

MR. GELLER: If I could get your rate, I would go to work for you.

MR. BARNE: Another thing is, you talk about the problem between the person who waits on you and you. They redid the whole office down there real nice and they put these personal plexi-glass things with a little hole that you talk through and that, right there, creates a problem. That is not all personal, where you have to look through this little hole to talk to a person. They can't hear you, half the time, what you are saying and you can't hear them.

MR. GELLER: I'm laughing, not really laughing. I'm crying because the Red Bank situation is an experiment to try to minimize waiting time. In other words, what you have there is a pay order and a stub on it. So, instead of going through the hassle of waiting to make out a pay order and finding it in the file, you have it. When you get your check, you have the stub for the next report. This is a device that we've been experimenting with. Red Bank is the test office for that system. But, some guy

who designed the office made the hole so small that the people behind the counter are unhappy with it. But, we have limited money. I think we ought to get one of you good carpenters who know how to lay this thing out, although John Sullivan is damn good. So, there is a problem.

MR. BARNE: I just can't understand why Trenton would tell them that we can't have the form. If we're intelligent enough to ask for it, I'm sure we know what to do with it. It would save us a lot of time and save them a lot of time.

MR. GELLER: Let me study it and look at it.

MR. BARNE: Also, it seems as though they laid off all the people who knew what they were doing and are re-training people on the information line. That's the slowest line in the joint.

MR. GELLER: We also have a problem there with Civil Service. We can't keep workers more than X number of hours and if they work that number of hours, then they have to be laid off. That's another problem, because they don't want to have people working without having passed the examination. So, that is a limitation on the number of hours that these hourly workers may be employed. So, we have to re-train these people when they come back.

MR. BARNE: Thank you.

ASSEMBLYMAN PATERO: Is there anyone else? Yes, sir?

B I L L D E R O S A: My name is Bill DeRosa and I am President of the Hudson County District Council. I would like to know why it takes so long up at unemployment to process an out-of-state claim. I've waited as much as seven or eight weeks because I had some employment in Jersey and I had some employment in New York. I've waited as much as seven weeks before I got my very first check. I must say, after the process went through, I got one or two checks and then I got a lump of checks all the way back. But, in the interim, going without any money whatsoever, it is tough.

MR. GELLER: I sympathize with you. I can't deny what you are saying because that's a combined wage claim. A combined wage claim is one that a claimant can get if he doesn't get a maximum entitlement in the state where he files the claim. So, in your case, you haven't made enough money in New Jersey to get 26 weeks at \$123. So, we had to write to the employer in the other state to get the information and get a certification that you earned money there, so that we could combine the wages earned in the other state with the wages earned in New Jersey to give you a maximum entitlement. It is a slow process. We've met nationally on this subject and we tried to devise a scheme to work it out. Our Constitution in New Jersey, for example, would prohibit our paying monies, benefits to you on the basis of earnings in California or Texas or Pennsylvania. We can't do it right now. That would require that all 53 jurisdictions agree to that. The idea of combined wage claim is relatively new. At one time, you'd be stuck. You would only get the monies that you would be entitled to in New Jersey. You wouldn't be able to get the benefit of that experience. So, the process is slow. We're trying to improve it and I can't see the answer at this point, but we're trying.

MR. DEROSA: I have another question as far as this harassment type of thing. I can't understand why they schedule people, for instance, to be at the unemployment office, let's say, at eleven thirty in the morning and yet when it comes to twelve o'clock, they shut that office down and everybody goes to lunch. There are some people in the office, but claims are not being processed. Yet, people that are left over from eleven thirty are sitting there waiting and they have to wait for these people to

come back from lunch. Now, there are other people scheduled for one o'clock. I think that the lunch hour or whatever could be kind of filtered out.

MR. GELLER: There is an answer to that question too. What we have is a computer and we have decentralized our operations. So, there is a traffic flow that goes into the computer and at certain times, every time you file a claim, we have to put that into the computer at the local office and there is a defined period when that input can take place. In order to give you the best service when you reach the line, we have to shut down operations during the lunch time so that they can input the information with regard to your new claim into the system. So, that's the only way to get optimum results from the computer. By the way, when you get a computer, you have to live by the computer in order to get the maximum results. That is the reason why. The traffic is so set up that we can input the information without lousing up the system.

MR. DEROSA: The point is, the claimant has to understand this and he has to accept this, right?

MR. GELLER: That's why I'm here. Now, actually, I've got a pile of work on my desk. Joe Viviani was supposed to be here and he had to go somewhere else. So, I've been following Joe Patero around and the purpose of my being here, you are the representatives of labor. We need your help to convey this picture to the people, to your membership so that they know that we're not playing games. We're trying to do the best job possible and the only way to do the best job possible is that we make optimum use of the computer.

MR. DEROSA: Well, like I'm saying, we, as claimants that are going to sign up at unemployment, we have to understand this, for instance, the computer business, and by the same token, as one of our other members pointed out, it would also be kind of nice if the clerk could understand that a person could not be there at nine thirty because the union hall calls out jobs at nine thirty. That's a relatively simple thing and it don't take a big deal. So, the guy got there about eleven o'clock. That's no big problem.

MR. GELLER: I feel like Ed Koch now. I'm turning the tables on you. You are an executive in the labor movement. Do you know the manager? Have you met him?

MR. DEROSA: No.

MR. GELLER: He would like to meet you. If you talk with him and tell him what your problems are, sometimes he will listen. Most of the time, he will listen. Tell him your problem.

MR. DEROSA: Thank you.

ASSEMBLYMAN PATERO: Yes, sir? Please give your name and affiliation.

L O U I S M E L I A: My name is Lou Melia and I'm from the New Jersey Conference of Musicians. I would like to direct my questions, if I can, to Mr. Geller. I'm sure that you are aware of all the statistics in your department and a thought just hit me that unemployment is very rampant among musicians. We live with that every day. Can you tell me, if you can, how many musicians receive unemployment? Is there any way?

MR. GELLER: I have no idea. We keep statistics with respect to the industries. In other words, we can tell you how many people are unemployed in the chemical industry. Musicians, only if you are registered to work in the local employment service. Then, we would have some idea as to the number of persons unemployed.

MR. MELIA: Can you tell me, even as far as the industry is concerned, the musicians' industry?

MR. GELLER: No, I know a lot of facts and figures, but I don't know that one.

MR. MELIA: Is there such a thing as no record of that even being in existence?

MR. GELLER: Unless a special survey were made, you in the labor movement would probably have a better source than anybody down in Trenton.

MR. MELIA: I have never seen anything like that. I have never seen any record at all of any musicians in the State of New Jersey receiving unemployment.

MR. GELLER: I'm guessing, but possibly in the current census, there might be an indication. I'm not kidding. It is very possible that there is some breakdown on a sampling basis. On a complete basis, I doubt it.

MR. MELIA: Can you suggest to me where I can get that information?

MR. GELLER: I would have to check.

MR. MELIA: If there is anyplace.

MR. GELLER: Our current Assistant Commissioner used to be in charge of our statistics. Call John Sinton. He is in charge of that, but my guess is that he doesn't know the answer.

MR. MELIA: Mr. Chairman, I was not aware of this meeting because the letter came late to the office that we have. I'm very pleased that some attention is being paid to the people who are transient workers like ourselves and I hope, someday, maybe the musicians might be thought of. Thank you.

ASSEMBLYMAN PATERO: Well, to be honest with you, like I said, we didn't even know about this until Mr. Marciante brought this to our attention and I'm learning something today and I guess the rest of the members of the Committee are too.

MR. MELIA: Thank you very much.

GEORGE CLARK: Mr. Chairman, my name is George Clark and I am the business agent for Carpenters and Millwrights in Somerset County. Before I start, I would like to state that I'm here by mistake. I am looking for another meeting, but this is very important and I would like to also make a few statements as far as my membership and the other trades in Somerset and Middlesex County, which I also represent, Mr. Chairman.

As you are aware, in my home area, we have had a tremendous amount of unemployment in the last four years. If I can address a few questions to Mr. Geller, in regards to and in conjunction with a few of the statements made by a few of the previous speakers from both North Jersey and South Jersey, in Somerset County, we're having, more or less, a lot of the same treatment of our men. This new system of signing in and having to report back to the unemployment office with a list of where you have tried to procure work. In the last couple years, I've had hundreds of my members continually going through that line because we have had several small jobs and the attitude in the unemployment office and their attitude towards our people is not, I do not believe it is excellent at times. They are very short with our people. I have people that go to Plainfield, Somerville, Morristown and Flemington, the unemployment offices. We have had several younger members, they go down, they report, they are given a slip and when it comes time for their interview, after the ninth week, I think it is, they are told in the interview that they will lose their benefits if they don't try to procure work in other fields. In my opinion, statements like this coming from the unemployment compensation office--this is brand new. I don't know of any time in the past that they have been trying to, more or less, coerce our members to go out and try to find work in other industries or for non-union contractors. They would make statements like, "Well, you would be better off making five or six dollars an hour and working all year round, than you are making ten and eleven dollars an hour and working four months." To me, this is very

important. I don't believe that the State, any bureau of the State should come out and try to tell people, "If you don't get other work, you're going to run out of your benefits or you're going to have to go to a hearing board." While on the subject of unemployment, in the same office is--I don't know if this is the proper time--is disability. Some of my brothers go down, they get injured and it is atrocious. These fellows are out of work for eight, ten, twelve weeks before they get any money sent to them. By the time a lot of them receive the money, they're back to work. They need the money when they're unemployed and with all the computer systems that we have today, for the State disability to take months to send the money out, that's terrible. I've talked to the Commissioner about it and it seems, in certain cases, once we do get involved in it, the checks come through for them, but it is a long, long period of time and if anything could be done by yourself or your Division to try to expedite these claims for our members, it would be appreciated. Thank you.

ASSEMBLYMAN PATERO: Mr. Geller?

MR. GELLER: Are we clear as to whether this is workers compensation or temporary disability?

MR. CLARK: Well, I just threw that in, hoping that you could do something. It's in the same office.

MR. GELLER: Excuse me, I want to correct a misunderstanding. The disability that we are responsible for is disability through illness or accident off the job.

MR. CLARK: I'm aware of that. I'm not talking about workmen's compensation. I'm talking about a sickness or accident where a man can not go to work.

MR. GELLER: The local office has nothing to do with a disability claim. This is a mail order business and there are many things that happen. Sid Clark is our Assistant Director for Disability Insurance and they whip these claims out pretty darn fast, unless there is a problem with getting, first, the certification by the physician or the hospital, wherever the person has received medical treatment. That's the number one problem. The second problem is getting wages from the employer. Now, these are the two areas that might delay the payment of benefits. The statistics that I see show that people are getting paid promptly. Now, if they are not getting paid promptly, then we want to know about it and we want to know why. Maybe we can find what the problem is and maybe you can help to get the employer to provide the information or to educate the worker to make sure that he or she files that claim promptly and gets it into our agency. So, it is a two way street here. If you have any specific claims, let me know about them or what you can do, you can send these to Joe Viviani, our Director, and he will assign it to Sid Clark or to me or whoever is responsible for that kind of thing. So, if you have a problem, send a little note to Joe Viviani, our Director, pointing out what the problem is. It is the Labor and Industry Building, Trenton, New Jersey 08625. We'll be happy to look into and we'll find out the reason why and if any corrective action is necessary, we will take it.

MR. CLARK: If I may, I have one more question for, I guess, our Assembly representatives here and the Chairman. I'm not up on it, at the present time, the income tax being paid. Now, we have several members who file joint returns. Thier wives work and if these fellows could get employment, they certainly wouldn't be on unemployment. Now, several members of my union are going to have to pay taxes, because they file joint returns, from what I understand, on unemployment compensation they received during the year because they have gone over the maximum amount. Can you enlighten me on that a little bit?

ASSEMBLYMAN PATERO: Well, somebody else called me up and I found out that that is true. They have to pay, I think, Mr. Geller, what is it, up to \$20,000?

MR. GELLER: Here's the rule and this is a federal law over which we have no control whatsoever. The law was passed toward the end of 1979 and we had a heck of a job to provide the 1099 forms which show you had received benefits during the calendar year, 1979. So, we got those out. We have nothing to do with that. Joe Patero and the Assembly have nothing to do with that. This is a federal law and the federal law provides for the payment of income tax on benefits. Now, here is how it reads. If a married couple files a joint return and their earnings are more than \$25,000, they will have to pay taxes on the benefits received in calendar '79 and calendar '80 and so forth. However, if they file individual returns, there is no exemption. They have to pay taxes on the total amount. If a single person makes \$20,000, he has to pay taxes on the benefits received. So, these are things that are beyond our control. We have to provide the information to the I.R.S. and, unfortunately, you have to pay the taxes. This is something new in all the history that we have been paying benefits, since 1939, and here, forty-one years later, the Congress changes its mind.

MR. CLARK: Thank you.

ASSEMBLYMAN PATERO: We do have a meeting arranged with Senator Bradley. Okay, it is twelve o'clock now. We're going to close this session and I see President Marciante would like to make a last statement.

MR. MARCIANTE: Mr. Chairman, I would like to thank you and the members of the Committee, Mr. Cowan and Mr. Zangari, and certainly, Mr. Geller for, probably, the most informative hearing that I have attended in many, many years. I think the problems that were addressed today was the first time that they have had a good public airing with the Department itself. I would like to make a request through you, Mr. Chairman, of Mr. Geller and of the Department of supplying to you, so that we can disseminate the information to our county organizations and the AFL-CIO, plus the building trade councils, the names of the district directors so that we could have joint meetings of our labor people in those areas and they could develop a relationship with them because, unfortunately, as we see it, there is going to be a great deal of contact and we would like to minimize problems all the way around and expedite claims. Unfortunately, we're going to be headed into a period of high unemployment and if we can avoid the harassment and smooth it over now, we just won't have to face the problem later on.

On another matter, Mr. Chairman, with regard to brother Clark's statement about the joint returns and the taxes being paid on unemployment compensation on amounts in excess of \$25,000 for joint claims, you can say for the rest of the United States, with the exception of three states, where the workers pay into the unemployment compensation fund themselves, they are, in fact, buying insurance. They're paying for it and in three other states, we pay for it, but in the remainder of the states, they don't. It is given to them without any payments being taken out of their wages. Since we are paying for this insurance, it doesn't add up that we in New Jersey, because we are unique with the other three states, should be taxed on those amounts of money that are earned on joint returns in excess of \$25,000 or single persons over \$20,000. I don't know this could be resolved. The idea of Senator Bradley was that there was going to be a meeting held. I think that it is a legal point that possibly the Department could look into or the Committee could look into to make a determination because the idea of us paying into the U.C. fund, where other states don't pay in, and what we're doing is buying insurance. Why should we then pay taxes on our unemployment compensation in excess of amounts of money that we earn on \$25,000 plus?

Again, Mr. Chairman, I would like to thank you and the members of the Committee, and Mr. Geller for giving us the opportunity to express these points of view. Like I said,

it has been one of the most informative hearings that I've ever had the privilege of attending. Thank you.

ASSEMBLYMAN PATERO: Charlie, excuse me one minute. Are you saying that the county directors should meet county-wide or how would that be?

MR. MARCIANTE: If we could get a listing of the county directors, we would then forward that to our county organizations, the construction trades councils, the county AFL-CIO organizations and many of the state associations and let them arrange a meeting with that particular district director to bring to that district director's attention what the problems are and how they can possibly be resolved before they develop.

MR. GELLER: Charlie, I think John Horn and all of us would be happy to get this type of relationship established so that we could have better understanding. This is a three or four way situation. We've got labor organizations. We've got employers. The employers have been asking for this type of a meeting. In recent years, we have had very little request from the labor movement to have these meetings, which we find is a good way of educating the people and keeping them informed. I think this would be very fine.

ASSEMBLYMAN PATERO: One other thing. Charlie, since you're doing that, since we are going into serious times, if you could get back to the legislators in the districts so that they know what is happening, that would be good.

MR. MARCIANTE: That's an excellent suggestion, Mr. Chairman.

ASSEMBLYMAN PATERO: Thank you very much. I now call this hearing closed.

(Hearing Concluded)



