

MINUTES OF THE APPROPRIATIONS COMMITTEE  
HOUSE OF REPRESENTATIVES  
State Capitol, Room 225

April 7, 1977

The meeting of the House Appropriations Committee was called to order on the above date at 8:00 a.m. by Representative Bardanoue, Chairman. Roll call was taken with a quorum present; see attached roll call.

S.B. 80: To generally revise and clarify the laws relating to collective bargaining and public employment relations. Representative Carroll South, representing the Joint Select Committee on Employee Compensation, discussed this bill briefly, leaving a full explanation to be presented by the Chief Sponsor, Senator Joe Roberts. Representative South indicated this bill was drafted by the interim committee to monitor collective bargaining relative to the pay plan; they are not necessarily compatible. They feel this is a good compromise in the form of coalition bargaining.

Proponents:

Duane Johnson, Administrator of the Personnel Division, stated that the interim committee did extensive research on this issue and he felt they did a good job with this bill. He stated that the current pay plan is on a "collision course with disaster;" and this bill may save it. He said in searching for ways to retain all those things that the unions have held close to them and the difficult question of structure, he feels S.B. 80 represents a sensitive and detailed analysis of the problems and one of the only solutions to the problems. The bill requires bargaining for economic issues along occupational coalitions, which would require a number of different unions with workers in a single job grouping or coalition to sit down with management and bargain for economic issues. This is the only way to assure equal pay for equal work. The options to this bill would be to kill the pay plan and eliminate equity in the plan.

Representative South pointed out that the most significant amendment is a compromise on the ratification clause, which would be by mutual agreement rather than by a percentage basis as the bill was originally requiring and which the unions objected to.

Senator Joe Roberts, Chief Sponsor as Chairman of the Interim Select Committee on State Employee Pay, said that the most controversial part of this bill relates to the coalition bargaining issue, which is the heart of the bill (Section 8). This was established by the last legislature when there was concern over adopting a classification plan and how that would work with collective bargaining processes that also were established. There were some conflicts in finding a classification plan and allowing collective bargaining to go on with each bargaining unit. This bill is the answer to those concerns; this mandates coalition bargaining along occupational lines for economic issues. Non-economic issues would still be bargained for separately. The idea is to limit the amount of bargaining that is going on, in order to have an end result have some consistency in it and at the same time maintain the integrity of the pay plan for the state employees. The largest problem was assuring equity for all state employees and bargaining for

over 70 units in state government, including the university system. Senator Roberts read from a copy of his testimony presented to the Senate on February 4, 1977, as it relates to the coalition bargaining section of the bill. (See pages 10 through 12.)

Senator Roberts indicated that labor representatives have appeared against the provisions of this bill, have submitted amendments for consideration, and the committee has adopted every amendment they proposed except for making the coalitions voluntary. He briefly explained some of the amendments on the attached sheet that were made to the Select Committee on Employee Compensation. The committee tried to satisfy labor; they have gone more than half way yet preserved the basic concept of coalition bargaining which is in the best interests of the people of the state. This whole process will break down if we continue to proliferate the number of bargaining units in the state; it could end up with us getting out of the pay plan or losing collective bargaining. He concluded by stating that "coalition bargaining is a good bill, a good concept, and in the interest of the workers of this state."

#### Opponents:

Don Judge, Field Representative for AFSCME, AFL-CIO, distributed the attached sheet of amendments to the committee members. He stated that the Select Committee did give them most of the amendments, but "we still feel like we are being hung with S.B. 80." Most of the amendments they offered were only housekeeping amendments to clarify the language, he said. During the interim committee study not one labor organization involved supported the concept of coalition bargaining; not one chose to recognize that this would be a necessity. If coalition bargaining was mandated, all interests would not be met; they need to have a choice to get out. They have proven, Mr. Judge stated, that voluntary coalition bargaining will work, if given a chance. There were no formal requests made during the interim committee to ask the unions to do it on a voluntary basis; to mandate them to do this without first asking them to give it a chance on a voluntary basis would be a mistake. They felt this bill should have gone to the Labor Committee in the House, not the Select Committee. Their intention is to have a pay plan, Mr. Judge said. Contracts were negotiated by tough negotiating; that is what negotiations are about - that is what they are suppose to be. The reason this bill is here is to give management's side an easier way to get in there and negotiate, not as often. He said that while he has not yet seen a fiscal note issued on this bill, there would be a fiscal impact because instead of dealing with 72 units they would be dealing with 7 or 8; this has not come out in hearings before. It is the union membership who is against this bill; they don't want to be forced to sit down with organizations and forced to negotiate. There were not abortions of the pay plan under the current laws; we do not need mandated coalition bargaining, he concluded.

Ernie Post, Staff Representative for the AFL-CIO gave a background of this bill saying that when it came to the House, it was sent to the "employers compensation" committee. Never once did Speaker Driscoll answer the letters from the AFL-CIO asking that this bill be sent to the House Labor Committee. They did offer many amendments, most of

which were to clean up a bad bill and make it more meaningful; but the big amendments were not even considered. "Chairman Roberts did not even ask for a vote for them as amendments. Joe Tropila raised them, but it was quietly shoved aside and no vote was taken on it. We have not been treated fairly. I am sure you have made up your minds. It was a top priority of the Governor's Office and the Department of Administration but it is in conflict with the Democratic Platform, as testified to." He further discussed the coalitions as set forth on page 13 of the bill, third reading copy, and stated that there is a problem with this because there is no definition of the occupational groups. This would mean, they feel, that the Department of Administration and the Personnel Division could put people wherever they wish. "This bill looks like one of those things that labor needs but doesn't want. Not one labor person has testified in support of the bill; we support coalitions but not mandated by management." They are in favor of coalition bargaining on a voluntary basis, Mr. Post emphasized. He pointed out that the state says it cannot handle bargaining with 50 units; but one local union negotiates with 88 contractors plus more than 200 sign-off agreements. He strongly recommended a DO NOT PASS and that the committee consider the amendments introduced by Don Judge.

Joe Rossman, for the Joint Council of Teamsters, said this bill is only attempting to preserve the concept of equal pay for equal work; they believe in that. He would like to see the unions go through negotiations and prove to the legislature that equal pay for equal work will not break down with voluntary coalitions. It will be tough for the negotiators, but that is only natural, he said. He recommended it be given a DO NOT PASS and that the unions be given two years to prove they can make it work.

Boulder Local 971 representatives stood in opposition; see Registry attached.

#### Closing Remarks:

The idea that the unions can effectuate coalition bargaining right now is true, Senator Roberts said; when AFSCME says that they bargain by representing all their various units, that it true. The problem is that those grades for the positions run the full gamut of the classification system and consequently, you still have the problem of arriving at different rates for different grades which is the real stress appearing on the pay plan. There is coalition bargaining going on right now voluntarily, that is true; but it does not address the problems addressed in S.B. 80. There is a need for coalition bargaining along occupational lines. Senator Roberts stated the committees have done "everything we could to accept amendments. Everytime we gave them something, they wanted more. We have given them about everything we could without throwing out the coalition bargaining." The committees have tried to make S.B. 80 palatable to labor. He felt it was an insult to the integrity of this legislature to say it is being treated fairly.

#### Questions:

Representative Lynch said that he agreed that it has been unfairly handled and asked Senator Roberts why the House Labor Committee did not

handle this bill. The response was that it went to the Senate Labor Committee but when it got to the House they assigned it to the Select Committee on Employee Compensation, which conducted a fair hearing. All the amendments were accepted except the one brought in today.

Representative Lynch asked about the accusation that they did not vote on the amendments after they were "raised by Joe Tropila." Senator Roberts indicated that he was shocked by that accusation. Mr. Post clarified that Rep Tropila did not make a motion; he just asked about the amendment but no motion was made on it. It was pointed out that a motion must be made before action can be taken.

In response to another question by Representative Lynch, Mr. Johnson said they have 4 negotiators on the Labor Relations staff to work with 7 units and all the people. They have asked for an additional FTE for the coming year. He felt that the issue raised by labor that this would be easier for management does not relate to the bill at all. It would require more manhours for them and he doubts that anything would be made easier by S.B. 80.

Mr. Johnson stated that S.B. 80 does not erode a single right to bargain under the law. In many ways, and looking at it as a person who spent 20 years in the labor unions, many things would be considerably strengthened under S.B. 80. Representative Lynch explained that they oppose the mandated coalitions. Mr. Johnson responded that he understands it is a touchy issue and he understands their argument. But mandatory coalitions is imposed in every bargaining unit that is created; there are always certain people that vote for and against representation by the union. When the issue is settled, the coalition is imposed. That is not in contradiction to the labor organizations.

Representative Marks asked Mr. Judge if he feels their position would be hurt by this bill and why. Mr. Judge responded he definitely does feel it would hurt. It would be to the benefit of their membership to have a coalition bargaining for the institutions where they would have the majority. Those organizations involved could never get to the table. The unions could not negotiate with each other before they get to the table. He gave an example of some negotiable items (uniforms for nurses and cooks, for example) that could not be negotiated by individual institutions.

Representative Bardanouve asked if there would be problems in defining the bargaining units. Mr. Johnson said that for the majority of positions it would not be, but there would be about 10% that would be difficult to decide. The board of personnel appeals acts as the arbitrator when a decision can't be reached or agreed upon.

There was a brief discussion of the coalition bargaining laws in other states. Mr. Post indicated that labor feels Montana has the best law in the nation and would like to see it remain. The number of units vary from about 110 in some states to 7 units in others.

In comparing the state situation to private industry, Representative Bardanouve asked if the state isn't unique because they have the laws that state there shall be equal pay for equal work. But Mr. Post said

that private industry does have similar laws. The example he gave was the construction industry has the Davis-Bacon Act.

Senator Roberts said that Section 9 was a matter of quite a bit of discussion by the interim committee. The question was how does the traditional privacy of collective bargaining negotiations in the private sector fit in with the right-to-know provision of the state constitution and how does it effect that in the private sector. The initial demands and proposals they felt had to be open to the public but the actual negotiating sessions would be closed. Because of the right-to-know provision they struck the word "not" in that section. Representative Bardanouve asked if there would be problems with the mechanics of the operation; but Senator Roberts did not think there would be. Dick Hargesheimer of the Legislative Council, who worked with the interim committee, said he did not see any problems and recalled some testimony that indicated that in the private sector the demands and counter-proposals are generally public or become public knowledge.

There was a brief discussion of the classification system for the employees of the university system. It was pointed out that the Select Committee did make amendments to the bill to allow for them. See attached amendments. Representative Bardanouve asked if that one branch of government (the University system) is not necessarily getting equal pay for equal work when one is getting more under a new system. Senator Roberts responded that it does have that potential. They recognized it and wished they could do something about it. There is the power of the "purse string", he stated and added that the education subcommittee appropriated the amounts of money from the state pay plan for the people in the university system. If they want to negotiate above that, they will have the problem themselves.

MOTION: Representative Lynch moved that the amendments on the attached sheet from Don Judge be adopted. ROLL CALL VOTE: The motion failed with a vote of 3-12, with 1 absent and 1 abstaining.

MOTION: Representative Moore moved that S.B. 80 BE CONCURRED IN. ROLL CALL VOTE: The motion carried with a vote of 11-4, 1 absent, and 1 abstaining. Representative Estenson explained that she abstained from voting due to the fact that her husband works for the Department of Administration. She also stated that she wished that all labor people would not have voted.

The meeting adjoured at 9:30 a.m.

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Francis Bardanouve, Chairman

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