

**MINUTES**

**MONTANA HOUSE OF REPRESENTATIVES  
54th LEGISLATURE - REGULAR SESSION**

**COMMITTEE ON BUSINESS & LABOR**

**Call to Order:** By **CHAIRMAN BRUCE T. SIMON**, on January 24, 1995,  
at 8:00 AM.

**ROLL CALL**

**Members Present:**

Rep. Bruce T. Simon, Chairman (R)  
Rep. Norm Mills, Vice Chairman (Majority) (R)  
Rep. Robert J. "Bob" Pavlovich, Vice Chairman (Minority) (D)  
Rep. Vicki Cocchiarella (D)  
Rep. Charles R. Devaney (R)  
Rep. Jon Ellingson (D)  
Rep. Alvin A. Ellis, Jr. (R)  
Rep. David Ewer (D)  
Rep. Rose Forbes (R)  
Rep. Jack R. Herron (R)  
Rep. Bob Keenan (R)  
Rep. Don Larson (D)  
Rep. Rod Marshall (R)  
Rep. Jeanette S. McKee (R)  
Rep. Karl Ohs (R)  
Rep. Paul Sliter (R)  
Rep. Carley Tuss (D)  
Rep. Joe Barnett (R)

**Members Excused:** None.

**Members Absent:** None.

**Staff Present:** Stephen Maly, Legislative Council  
Alberta Strachan, Committee Secretary

**Please Note:** These are summary minutes. Testimony and  
discussion are paraphrased and condensed.

**Committee Business Summary:**

Hearing: HB 255, HB 252, HB 264, SB 33,  
Executive Action: HB 255, HB 203, SB 21, SB 33, HB 200, HB  
252, HB 223

**HEARING ON HB 255**

**Opening Statement by Sponsor:**

**REP. JOE QUILICI, HD 36, Silver Bow County** said this bill was an  
act prohibiting the Public Service Commission from requiring or

receiving fees prior to filing annual reports or filing schedules or supplements and he wished to have this bill Tabled.

**EXECUTIVE ACTION ON HB 255**

**Motion:** REP. PAVLOVICH MOVED TO TABLE HB 255.

**Vote:** Motion carried to Table HB 255 17-1 with REP. LARSON voting no.

**HEARING ON HB 252**

**Opening Statement by Sponsor:**

REP. CAROLYN SQUIRES, HD 68, Missoula County said this bill was an act requiring a medical gas piping installation endorsement to install pipe used solely for transporting gases used for medical purposes.

**Proponents' Testimony:**

Duane Steinmetz, Billings Pipe and Industry Training Trust said several states had preceded Montana in adopting the medical gas certification. Inspections during the past few years have indicated that hospitals and medical facilities have been operating with faulty and potential hazardous pipe. A number of accidental deaths and mishaps have resulted in malpractice cases. These have been attributed to faulty medical piping systems. Information collected by these research groups has indicated piping complications. The commission that provides accreditation for hospitals has adopted this legislation which requires qualifications for medical gas installers.

Darrell Holzer, Montana State AFL-CIO said they strongly supported this bill. This proposal does not necessarily require any individual to necessarily also need a state plumbing license. The majority of this type of installation work is done by classification of people known as pipe fitters. These people have successfully participated and completed a five-year apprentice training program. Once the training is received and the certification is achieved, that is the start and stop of the process. They are issued a picture identification with a state endorsement. Those cards are transferrable from one end of the nation to the other. With a large ongoing medical facility, construction work is a very real problem. These people must have the training and must know what they are doing.

Carl Schweitzer, Montana Contractors Association said if one life is saved it is important.

**Opponents' Testimony:**

None.

**INFORMATIONAL TESTIMONY:**

**R. Scott Jussell, Medical Air Systems, Inc. EXHIBIT 1**

**Questions From Committee Members and Responses:**

**REP. MILLS** said he was mystified as to how the committee arrived at this bill because there should be architects and engineers who supervise construction who by their professional license should make the appropriate tests to make sure everything is working correctly. **REP. SQUIRES** said this was a part of the bid specifications that are going out into the construction of the building. It is becoming criteria that qualified personnel who will look at these particular units are installed into the system. It has been a problem in the past. She said a person would still need the individual who has the endorsement to do the proper brazing and putting together the materials. That is a special kind of training that comes through organizations that do certification.

**REP. MILLS** then asked if by doing this, is the engineer relieved of his responsibility and if this bill is not enacted it is not a part of the specifications. **REP. SQUIRES** said no. There are some people who are already endorsed within the state but this bill permits others to become a part of this endorsement policy. The monopoly of these people is in Billings and she said this monopoly should be spread around.

**REP. LARSON** asked how many other states require certification. **REP. SQUIRES** said there are seven states that require certification. They are Colorado, Texas, Louisiana, Utah and Alabama (she was only able to recall five).

**CHAIRMAN SIMON** said he was informed this would not require a plumbers' license but requires a special endorsement, yet it is under the Board of Plumbers. **REP. SQUIRES** said yes. Plumbers are licensed, pipefitters are not.

**CHAIRMAN SIMON** said a plumbers' license is not required here but an endorsement is and asked if this will create a problem in some of the rural areas where there might not be a trained individual to go in and take care of this situation. Will an individual be called in to do this? He asked if this was expected to be a fairly widespread endorsement so that trained technicians will be available in various areas of the state. **REP. SQUIRES** said they realize the significance as they came in as a part to support this bill. They will make sure they do have individuals who are able to do that.

**CHAIRMAN SIMON** asked for a definition of medical gas. What is the difference in the gas that goes into medical laboratories for the purposes of operating burners; is it in a different category? **REP. SQUIRES** said medical gases are the gasses that use an individual receipt through direct inhalation. The titles to those would be oxygen, florathane, or those gasses that an anesthesiologist combines together to make the gas that a patient receives through the process of surgery. That could be in a dental office as well as free-standing surgery centers that are now coming into being.

**REP. MARSHALL** asked how these people were going to be trained. **Mr. Steinmetz** said there are two major institutions that have been training people. The American Medical Gas Institute in Louisiana and EIPE in Northern California and Nevada. They require a 40-hour class prior to having the test. There must be four years experience in the industry prior to enrolling in the schools. There are on-site classes. The fee varies, and the cost of the test is \$60.

**Closing by Sponsor:**

Sponsor closes.

**HEARING ON HB 264**

**Opening Statement by Sponsor:**

**REP. ALVIN ELLIS, JR., HD 23, Carbon County** stated this bill was an act providing that a public employer's failure or refusal to grant a wage increase contained in an expired collective bargaining agreement does not constitute an unfair labor practice.

**Proponents' Testimony:**

**Debra Fulton, President, Montana School Boards Association** said as a volunteer public servant she supports this bill. This re-establishes the right of all public employers to bargain wages with their collective bargaining units. Step and lane increases are automatic in some areas but not in all public employees contracts.

**Michael Keedy, Montana School Boards Association** said this bill would make it legal for a public employer to decline to grant pay raises to its employees upon the expiration of a collective bargaining agreement and in the absence of a full negotiated successor or replacement. He also submitted a copy of Article VII and IX of the law. **EXHIBIT 2**

**LeRoy Schramm, Legal Counsel, University System** said this bill does not only apply to school districts. It applies most commonly to school districts because that is where the step and

lane kind of salary schedule is most common. This bill applies to all public employers.

**Gary Toothaker, Superintendent of Schools, Helena** said from 1990-93 was the time which laid the foundation for moving into a new form of negotiations. That was identified as collective bargaining. Both the association and trustees moved into discussions about how to set up the new process and it was agreed upon the collective bargaining process. It was based upon the win-win negotiating model. Time and effort was dedicated to the new process. There was a tentative agreement which was rejected by the membership after being voted upon by the trustees. They are now into formal collective bargaining. There was a tentative agreement that was a very conservative fiscal agreement. Had it not been for the automatic steps and lanes there would be an agreement today.

**Dan Waldron, Montana Rural Education Association** said this bill was discussed fully at their meeting in Billings which represented 156 school districts.

**Jacob Block, Superintendent of the Polson Schools** presented a salary schedule in reference to steps and lanes. **EXHIBIT 3**

**Rod Svee, Superintendent of Schools at Hardin** also presented a salary schedule for the Big Horn County schools. **EXHIBIT 4**

**Michael Dahlem, Staff Attorney, Montana School Board Association** presented a series of documents relating to the Smith Valley Teachers' Association vs. Smith Valley Elementary School District No. 89, Flathead County. **EXHIBIT 5**

#### Opponents' Testimony:

**George Hagerman, Director, Montana Counsel** said they rise to this bill and feel it is an attempt to the collective bargaining process. When something is agreed upon, it should be funded and what this bill tries to do is to say it was agreed upon in a contract but they want to take it back without negotiations.

**Phil Campbell, Montana Education Association** said one would think the ruling of the Board of Personnel Appeals was that teachers get automatic salary increases. That is not the decision. The employer must maintain the working conditions without making unilateral changes until the bargaining process ends either with a new collective bargaining agreement or an impasse.

#### **TAPE 1, SIDE B**

**Thomas E. Schneider, Executive Director, Montana Public Employees Association** said they were opposing this bill because it tilts the table of collective bargaining in favor of management. This bill attempts to do by law what the Montana Board of Personnel

Appeals refused to do by Declaratory Ruling this past year.  
**EXHIBIT 6**

**Terry Minor, Montana Federation of Teachers/Montana Federation of State Employees** said they rise in strong opposition to this bill. This issue has not been decided on by the Supreme Court because the disputed contracts have been settled before the they can make a decision. This bill is not necessary. The collective bargaining process is working well.

**Vern Erickson, Montana State Firemens' Association** said by statute there is longevity pay and in some contracts this is mentioned. There is the fear that if a person was permanently disabled during the expiration time of the contract he would not realize this amount on his retirement check because retirement is figured on the last month's regular salary.

**Melissa Case, Hotel Employees and Restaurant Employees Union** said they oppose this bill.

**Darrell Holzer, Montana State AFL-CIO** also opposed this bill.

**Questions From Committee Members and Responses:**

**REP. KEENON** asked if there were any longevity pay or steps in his contract. **Mr. Campbell** said there was.

**REP. HERRON** asked if a school district had the insurance, is it ongoing. **Mr. Schneider** said if there was talk of wages they were also including health insurance. That is included in a salary package in a school district.

**REP. BARNETT** asked if the Helena schools would have had this written into their agreement like the Billings schools had done. **Mr. Toothaker** would not be specific with Helena.

**REP. LARSON** asked why the public employee negotiators are not here today and is this not a concern for these employers. **REP. ELLIS** said they have steps and lanes in their contracts. The state does pay for different levels but those levels are dependent upon responsibility and what the function is. They don't in most cases pay for steps either. He then said they do not have a master agreement which includes steps and lanes.

**REP. DEVANEY** asked if there were an expiration. Are all of these contracts? Does the Board of Personnel Appeals and the District Court decide the expiration date? **Mr. Dahlen** said there was an expiration date and that the board had said when a contract expires it is an unfair labor practice to make a unilateral change in the term of employment. The question then becomes what is a unilateral change.

**REP. COCCHIARELLA** asked who is impacted besides the teachers.

**Mr. Schneider** said they negotiate for state, counties and city school districts, and just about every type of public employer in the state. There are steps in all contracts. Steps are not iron clad. Within the last week, steps were removed from the local government contracts because the employer did not have the funds to pay for them. It is not a case of once they are there they are going to be there forever.

**REP. KEENAN** said in order to get this exclusion into the contract, will that cost money? **Mr. Dahlen** said the language in Billings was negotiated prior to the Forsyth ruling. The board said in regard to bargaining into the contract, it was not agreed into in the first place. Having to bargain a waiver of something which was never bargained before should not be the duty of the school district. That was a duty which was imposed by rule by the board. There was never an agreement or understanding.

**REP. COCCHIARELLA** suggested **Mr. Campbell** address the issues **Mr. Dahlen** had just discussed. **Mr. Campbell** said in the Lolo decision, this was not a teachers' contract decision. The language which was distributed was in the teachers' contract. The decision in Lolo was a classified contract which covered everybody other than teachers. They had steps and lanes. That language was put in there. That is the decision which was sent to the board. The district knew how to stop the lanes in advance and they put it into the teachers' contract. They knew how to do that. They did not put that in the classified contract. Therefore, they had to rule and they did. They must maintain the status quo which is the contract as it exists.

**CHAIRMAN SIMON** questioned the status quo issue. Is it current labor law that status exists if a contract expires then there is a freeze with the current contract as far as status quo is concerned? Does that continue until another bargaining agreement. **Mr. Dahlen** said both the board and the Labor Relations Board whose decisions the board relies upon for guidance, has held that once a contract has expired all provisions in collective bargaining which have regulated employee benefits or terms of employment are considered. Those provisions apply to wages and working conditions. What is a condition of law remains unaffected until a bargaining impasse has been declared. There is no effective definition of a bargaining impasse. Smith Valley made what it considers to be its last best and final offer on June 6 and said there was a bargaining impasse. The union had filed an unfair labor practice saying no real impasse had existed because they did not bargain in good faith and the board will need to hear that case.

**CHAIRMAN SIMON** asked if a contract was negotiated with a bargaining unit which extended for a three-year agreement which included steps and lanes, at the end of the agreement, would not part of the benefits be the steps and lanes. That is all a part of the contract. It seems that unilaterally they are selecting a

portion of that benefit and treating it differently than all of the rest of the benefits. **Mr. Dahlen** said this was a philosophical debate, whether increases that were contained in the expired contract was a part of the status quo as opposed to the wage in the expired contract.

**CHAIRMAN SIMON** said in looking at the salary schedule it appears that a person, as a result of going from step one to step two, would be entitled to a 3.85% increase. If the board was in a position whereby they had a downturn in the economy and maybe some major employer change and they were experiencing a shortfall, how does the board deal with that kind of situation if the employees basically say they would not sign a contract which will give them a 3.85% increase. The board has a financial crisis that says there is not the money to pay this. How does the board deal with this? **Mr. Block** said boards of trustees, whether it be just the steps and lanes or an increase in the base, has an effect on all of rest of the salaries. When the board has made that particular plea, the response typically from the unions has been it was the board's responsibility to find the money. Other areas in which reductions may be made, which do not affect either federal or state statute regulation or other laws or policies, those reductions are made. There will likely need to be some services, staff or programs in order to fund what is anticipated in terms of collective bargaining.

**CHAIRMAN SIMON** asked how many of the school boards in the state have the exclusion? How do those contracts spread? Is there a majority who have that clause in their contracts or a majority who do not have that clause? **Mr. Campbell** said the majority do not have that clause.

**CHAIRMAN SIMON** asked if there were any contracts where, since the Forsyth incident, that has been added to contracts. **Mr. Campbell** said the language has been added to the contract in all cases since the decision. **CHAIRMAN SIMON** then said that given the steps and lanes example which was given in Polson they were "sitting on their hands" and not coming to an agreement. Those employees would get almost a 4% raise. Does that take away the incentive to come to the bargaining table and try to negotiate when a school board might have a situation where their budget has been shrunk. They have a difficult time funding but yet the teachers can sit back and say "wait a minute, I don't even have to come to the bargaining table and I'll get a 4% raise." He was concerned about the balance of issue. **Mr. Campbell** said both parties have a legal obligation to come to the table to bargain in good faith. If the employer has noticed or the union has noticed the other side wants to bargain, then the parties have an obligation to come and bargain. If they come with no intention of settlement that is bad faith bargaining and there are rules for that type of situation.



**CHAIRMAN SIMON** said this bill was before the committee two years ago and was not successful. In the past two years are they aware of school boards which have negotiated the language like the Billings or Lolo language in their contract. **Mr. Campbell** said he did not know.

**REP. EWER** questioned the status quo phenomenon which has been with the public sector for 60 years. Is this a part of a national phenomenon status quo for all contracts for collective bargaining including the private sector? **John Andrew, Department of Labor** said this principal exists in federal labor law and has existed for some time. The Board of Personnel Appeals will look to the labor board in its decisions as precedent so the Board will rely upon federal precedent and apply it in the public sector when applicable. In the private sector it will be dealt with by the National Labor Relations Board.

**Closing by Sponsor:**

Sponsor closed and supplied a copy of the findings of fact; conclusions of law; and recommended order for the case involving the Lolo Education Association, Montana Education Association vs. Missoula County School District No. 7. **EXHIBIT 7**

**HEARING ON SB 33**

**Opening Statement by Sponsor:**

**SEN. THOMAS F. KEATING, SD 5, Yellowstone County** stated this bill was an act eliminating the requirement that a sole proprietor, a subchapter S corporation shareholder, a partner or a partnership, or a member or manager of a limited liability company pay the \$25 minimum old fund liability tax.

**TAPE 2, SIDE A**

**Proponents' Testimony:**

**Jim Tutweiler, Montana Chamber of Commerce** stated his support of this bill.

**Riley Johnson, National Federation** supports this legislation.

**Tom Harrison, Montana Society of CPA's** indicated their support of this bill.

**Lorna Frank** indicated her support of this bill.

**REPS. EWER, MILLS and COCCHIARELLA** support this bill.

**Opponents' Testimony:**

None.

Questions From Committee Members and Responses:

None.

Closing by Sponsor:

Sponsor closes.

EXECUTIVE ACTION ON HB 203

Motion: REP. MCKEE MOVED THAT HB 203 DO PASS.

Discussion:

REP. JEANETTE MCKEE said she would agree the people involved in this issue really do not like each other. This has turned into a personal people thing. It is important to try to get away from that. This is a "not a public" necessity which is being controlled by an entity that also believes they should be controlled. The Public Service Commission says this is not a public necessity. The personalities issue has grown and grown. She said it was important to look at free enterprise.

REP. MARSHALL said he favors this bill because luxury should not be anything other than competitive items.

REP. TUSS supports this bill because the only thing it does is alter the entry requirements and does not in any way minimize or reduce safety requirement.

CHAIRMAN SIMON said the legislature should not be regulating a luxury service. He said he was disturbed by the fact that a number of people have spent a considerable amount of money to obtain their authorities and when a change is made in that regard we are saying to those people their investment has gone away. Someone else can get into the business. The state should never have been in the business of regulating this particular service. The fact remains we do. We are in a position of telling a number of people who have that authority and spent considerable money obtaining that authority that their investment will no longer be there. They will have added competition over those who have spent the money to obtain the authority and be competition against people who will have a competitive advantage. This is a difficult issue but one that does have two sides.

REP. ELLIS said some people who have authority bought authority and others who have authority merely applied and got it.

REP. MILLS said if someone bought their franchise and have had the advantage of and earned off of that franchises' capability until the present time, they are taking something away from that

individual. But, if it is not stopped now, the risk is run of doing what has been done with liquor licenses.

REP. LARSON said the federal government has de-regulated almost all of the transportation industry except in three areas. The

household goods area, passenger traffic area and garbage area are regulated.

**Vote:** Motion carried 14-4 with REPS. SIMON, LARSON, FORBES and DEVANEY voting no.

### HEARING ON SB 21

#### Opening Statement by Sponsor:

SEN. MIKE HALLIGAN, SB 34, Missoula County said this bill was an act correcting an enrolling error by clarifying that the use of classifications of employment adopted by the National Council on Compensation Insurance by the State Fund is permissive.

#### Proponents' Testimony:

Greg Pettish, Legislative Council said this bill puts into law what the legislature voted to do last session. This bill was a revision of Workers' Compensation laws and was an extremely controversial bill. In the course of the passage through the process the subsection in concern was put in and taken out of the bill several times. This section ultimately was reinserted. It was signed by the Governor with the error. Because there was no way to fix it, it became law.

Aiden Myhre, State Fund supports this bill.

#### Opponents' Testimony:

None.

#### Questions From Committee Members and Responses:

CHAIRMAN SIMON asked if an official classification had been established for the bark peelers? Ms. Myhre stated yes.

#### Closing by Sponsor:

Sponsor closed.

### EXECUTIVE ACTION ON SB 21

**Motion:** REP. MILLS MOVED SB 21 BE CONCURRED IN.

Discussion:

REP. ELLIS said George Woods had conversed with him and said he was opposed to this change. The change is being proposed because it did not get into the bill during the last session. He thinks "shall" is more appropriate.

CHAIRMAN SIMON said for those of the committee that were not here during the last session, there was a special bill that went through committee dealing with the Yew-Bark peelers. They were being classified as loggers. There was a special classification set up which would not be allowed and would be going back to being called loggers. They would be required to use the classification from NCCI.

REP. SLITER asked if there were any other classification changes because the Yew-Bark industry is no longer in operation.

REP. COCCHIARELLA said there are other classifications that have been established for the state. There are Christmas tree growers as one. They go through a process where they eventually are adopted by NCCI and put on the classification listing. The issue here is how the established rates are comprised. That is the flexibility which was asked for. We passed this bill last session and this bill simply corrects the law.

REP. EWER said Workers' Compensation has three categories of insurers: self employed, class 2 and State Fund. The State Fund has no choice but to underwrite. They are the insurer of last resort. They need some flexibility.

Vote: Motion carried on SB 21 BE CONCURRED IN by 17-1 with REP. ELLIS voting no. REP. ELLINGSON was requested to carry this bill on the House floor.

EXECUTIVE ACTION ON SB 33

Motion/Vote: REP SLITER MOVED SB 33 BE CONCURRED IN. Motion carried on SB 33 by 18-0. REP. EWER was requested to carry this bill on the floor.

EXECUTIVE ACTION ON HB 200

Motion: REP. MCKEE MOVED DO PASS ON HB 200. REP. MCKEE MOVED THE BERGMAN AMENDMENT.

Discussion:

Mr. Chuck Hunter, without objection from committee, said the amendment puts into compromise the Department of Labor and how they can handle situations where the insured sub-contractor was working on a job. They have 72 hours to be insured. If the

situation is not taken care of in 72 hours, the prime contractor must cease all operation.

**REP. MILLS** asked if the 72 hours was stated in the amendment.

**Mr. Hunter** said it occurs in the term "after three business days" and is the way it appears.

**Vote:** A vote was taken on the adoption of the Bergman amendment. Motion carried 18-0.

**Motion:** REP. KEENAN MOVED THE RACICOT AMENDMENT.

**Discussion:**

**REP. KEENAN** then explained this amendment would strike section 7 which would protect the general contractor or owner or consumer if there is an employee.

**Chris Racicot** said this amendment strikes section 7 and renumbers the subsequent sections. There is no language in that section that pertains to any of the sections. That section would do a number of things if it is passed into law. It is based upon a court decision which occurred recently. A contractors liability for an uninsured employee or an uninsured independent contractor which was injured could only go up one level. That was the court decision. What the Department of Labor would like to do is circumvent that and go up another level to an insured party. The Department of Labor and the state would have coverage. When a general contractor hires a sub he checks for Workers' Compensation coverage or an independent contractor exemption. If he has one of those, that general contractor is covered. That sub-contractor then not known to the general contractor, could bring on an employee. If that employee is uninsured and gets hurt, the liability goes up to the sub-contractor. If he does not have Worker's Compensation coverage for this incident, the general contractor is responsible. It promotes irresponsibility on the mid level sub-contractor. He knows he is not going to be responsible for this injury. He has no incentive to cover that employee. It also brings unknown liability to the general contractor because he does not know if he has made certain the sub-contractor, which he has hired, has current Workers' Compensation coverage.

**Chuck Hunter** said he does not concur on the amendment. The situation is when there is an independent contractor with another independent contract both uninsured or a general contractor and sub-contractor both uninsured; if there are two level uninsured, currently under the court decision in the Workers' Compensation Division, the state will be responsible for those costs. That would rise up in that chain of two uninsured to the level of the general. It is a matter of public policy whether the committee wants to see the state pick up the tab for that or whether the committee wants to see this cost goes to the insurer.

**REP. COCCHIARELLA** was opposed to the striking of section 7. The law would not be in place now. The new language in section 7 may be omitted but not the original language.

**Steven Maly** said striking the section of the bill would, in effect, leave the law as it reads today. The code remains the same. It is the bill that is changed and not the law.

**REP. EWER** said he had reservations about the amendment. The new wording in the bill will be omitted. Very few houses are built by the prime contractor anymore. The department has had many problems seeing that people are insured.

**REP. DEVANEY** said he opposes the amendment. He then requested a clarification of the independent contractors status.

**Mr. Hunter** said an independent contractor must be independently engaged in his own trade occupation or profession or business and be free from control or direction. If that definition is met the contractor could subsequently apply to the department for an exemption from Workers' Compensation.

**REP. ELLIS** said he agrees with **Mr. Racicot** in that sub-contractors were allowed to be irresponsible in their hiring practices. If the state does not want to be responsible in this case, somebody is being placed in responsibility without having to give notice. It is perfectly justified that they do not want that responsibility.

**REP. SLITER** stated there are people who act as their own general contractor. For them to become liable for one of their sub-contracted employees is not right.

**REP. TUSS** said when a hospital sub-contracts there are certain requirements which are reviewed by the hospital. Some of these items are safety, training, insurance. That is the responsibility of the hospital and the protection for the hospital. If one of the sub-contractors hires a second sub-contractor, just because of the hospital's interest, he is not acting responsibly.

**REP. MILLS** said he agreed with **REP. ELLIS**.

**REP. COCCHIARELLA** said the committee needs to know. If the self insurers make sure the sub-contractors have coverage all is well. If it is determined that someone has coverage to protect themselves, it is required that the sub-contractor provide to them a certification of insurance which comes from the State Fund or from their insurer.

**CHAIRMAN SIMON** said as he viewed this situation it is to create a situation where greater responsibility is placed upon the prime contractor to make sure all of the people that are sub-contracted actually have Workers' Compensation coverage. If that is

accomplished, then he is safe at having this chain come back up through him if the sub-contractors hire another sub-contractor below him. But, if he does not act diligently and hires a sub-contractor who is not covered by Workers' Compensation, then he does have the possibility of having it come on through the chain. The prime contractor can protect himself by insuring that every sub-contractor that he hires does have appropriate coverage.

That protects that prime contractor. He said he did not concur with Mr. Racicot's amendment.

Vote: Motion to adopt the Racicot amendment failed 15-3 with REPS. SLITER, MARSHALL and MILLS voting yes.

CHAIRMAN SIMON requested the chair be relinquished to REP. MILLS.

Motion: REP. SIMON MOVED THE SIMON AMENDMENT.

Discussion:

REP. SIMON said the words fiscal creates some confusion and the actual year is referred to and not the fiscal year which appears on line 6 and 7.

Vote: Motion to adopt the Simon amendment carried 18-0.

REP. MILLS relinquished the chair back to REP. SIMON.

MOTION/VOTE: REP. MCKEE MOVED HB 200 DO PASS AS AMENDED. Motion carried 18-0.

EXECUTIVE ACTION ON HB 252

Motion: REP. VICKI COCCHIARELLA MOVED DO PASS.

Discussion:

REP. HERRON asked about rulemaking in the language on line 17.

REP. MILLS said the committee had gone a long way to adding responsibility on top of responsibility. "Why not put the responsibility to the professionals who are licensed by the state to do those job?"

REP. TUSS said she supports the bill. When it was discussed on joint commission, that is the premier regulatory accrediting body for all health care institutions. Recently, that body has mandated review that is both qualitative and quantitative for medical gasses. Part of the reason that that mandate came through is embodied in the area of cross connections and various kinds of contamination. When an architect comes in, everything should be fine.

Vote: Motion carried 16-2 on HB 252 with REPS. ELLIS and KEENAN voting no.

EXECUTIVE ACTION ON HB 223

Motion: REP. LARSON MOVED DO NOT PASS. REP. EWER MADE A SUBSTITUTE MOTION TO TABLE.

Discussion:

CHAIRMAN SIMON stated that in looking at #10 on line 13, the people who proposed this legislation do not realize this bill does not do what is intended.

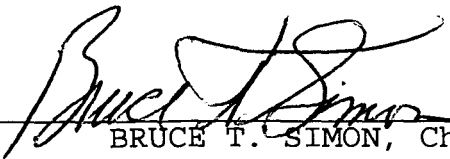
REP. COCCHIARELLA said some of the people testifying against this bill are the exact people that are hired by the District Court.

Motion/Vote: REP. EWER MADE A SUBSTITUTE MOTION TO TABLE HB 223. Motion carried 17-1 with REP. COCCHIARELLA voting no.



ADJOURNMENT

Adjournment: 11:25 AM.

  
\_\_\_\_\_  
BRUCE T. SIMON, Chairman

  
\_\_\_\_\_  
ALBERTA STRACHAN, Secretary

BTS/ajs

# HOUSE OF REPRESENTATIVES

## BUSINESS AND LABOR COMMITTEE

ROLL CALL

DATE 1-24-95

| NAME                                 | PRESENT | ABSENT | EXCUSED |
|--------------------------------------|---------|--------|---------|
| Rep. Bruce Simon, Chairman           | X       |        |         |
| Rep. Norm Mills, Vice Chair, Maj.    | X       |        |         |
| Rep. Bob Pavlovich, Vice Chair, Min. | X       |        |         |
| Rep. Joe Barnett                     | X       |        |         |
| Rep. Vicki Cocchiarella              | X       |        |         |
| Rep. Charles Devaney                 | X       |        |         |
| Rep. Jon Ellingson                   | X       |        |         |
| Rep. Alvin Ellis, Jr.                | X       |        |         |
| Rep. David Ewer                      | X       |        |         |
| Rep. Rose Forbes                     | X       |        |         |
| Rep. Jack Herron                     | X       |        |         |
| Rep. Bob Keenan                      | X       |        |         |
| Rep. Don Larson                      | X       |        |         |
| Rep. Rod Marshall                    | X       |        |         |
| Rep. Jeanette McKee                  | X       |        |         |
| Rep. Karl Ohs                        | X       |        |         |
| Rep. Paul Sliter                     | X       |        |         |
| Rep. Carley Tuss                     | X       |        |         |
|                                      |         |        |         |
|                                      |         |        |         |
|                                      |         |        |         |



## HOUSE STANDING COMMITTEE REPORT

January 24, 1995

Page 1 of 1

Mr. Speaker: We, the committee on **Business and Labor** report that **House Bill 200** (first reading copy -- white) **do pass as amended.**

Signed:   
Bruce Simon, Chair

And, that such amendments read:

1. Page 18, line 11.

Strike: "cease"

Insert: "cause"

Following: "operations"

Insert: "performed by the uninsured employer to cease at  
worksites controlled by the prime contractor"

2. Page 18, line 12.

Following: "plan."

Insert: "If after 3 business days following the order by the  
department the person, business, or other entity functioning  
as a prime contractor has not complied with the order, the  
department may order the prime contractor to cease all  
operations at the affected worksites."

3. Page 22, lines 6 and 7.

Strike: "fiscal"

4. Page 22, line 28.

Following: "45"

Strike: "20"

Insert: "25"

Committee Vote:

Yes 18, No 0.

201311SC.Hbk



## HOUSE STANDING COMMITTEE REPORT

January 24, 1995

Page 1 of 1

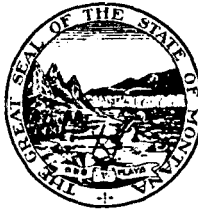
Mr. Speaker: We, the committee on **Business and Labor** report that **House Bill 203** (first reading copy -- white) **do pass**.

Signed: \_\_\_\_\_

  
Bruce Simon, Chair

Committee Vote:  
Yes 14, No 4.

201302SC.Hbk



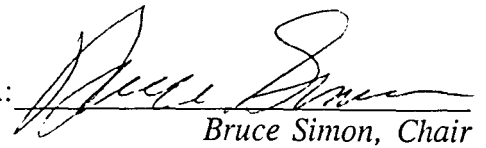
## HOUSE STANDING COMMITTEE REPORT

January 24, 1995

Page 1 of 1

Mr. Speaker: We, the committee on **Business and Labor** report that **Senate Bill 21** (third reading copy -- blue) **be concurred in.**

Signed:

  
Bruce Simon, Chair

**Carried by: Rep. Ellingson**

Committee Vote:  
Yes 17, No 1.

201306SC.Hbk



## HOUSE STANDING COMMITTEE REPORT

January 24, 1995

Page 1 of 1

Mr. Speaker: We, the committee on **Business and Labor** report that **House Bill 252** (first reading copy -- white) **do pass**.

Signed:   
Bruce Simon, Chair

Committee Vote:  
Yes 16, No 2.

201314SC.Hbk



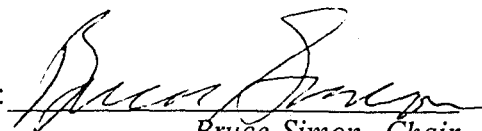
## HOUSE STANDING COMMITTEE REPORT

January 24, 1995

Page 1 of 1

Mr. Speaker: We, the committee on **Business and Labor** report that **Senate Bill 33** (third reading copy -- blue) be concurred in.

Signed:

  
Bruce Simon, Chair

Carried by: Rep. Ewer

Committee Vote:  
Yes 18, No 0.

201315SC.Hbk

EXHIBIT 1  
DATE 1-24-95  
HB 252



**MEDICAL AIR SYSTEMS, INC.**

519 Violet St. • Golden, CO 80401  
(303) 279-2491 • FAX (303) 279-7132

January 20, 1995

Bruce Simon - Chairman  
Capital Station  
Helena, MT 59620

Reference: HB252 - Medical Gas Installers Endorsement

Dear Mr. Simon:

My company is involved in independent, third party certification of medical gas piping systems in healthcare facilities. We support the proposed HB252, you are presently considering.

The hospital industry in your state, and the people of Montana will benefit from the training and testing those receiving the endorsement will be subjected to.

Also, it should be noted, that the Joint Commission that provides nationwide accreditation for hospitals, has adopted NFPA 99 (1993), and requires certain qualifications for installers of medical gas systems.

Respectfully,

MEDICAL AIR SYSTEMS, INC.



R. Scott Jussel  
President

RSJ/bem





One South Montana Ave.  
Helena, Montana 59601  
Telephone: 406/442-2180  
FAX: 406/442-2194

Robert L. Anderson, Executive Director

—MONTANA SCHOOL BOARDS ASSOCIATION—

EXHIBIT 2  
DATE 1-24-95  
HB 264

TESTIMONY OF MONTANA SCHOOL BOARDS ASSOCIATION  
IN SUPPORT OF HB 264--January 24, 1995

In Forsyth Education Association v. Rosebud County School District No. 14, ULP 37-81 (1983) and Lolo Education Association v. Missoula County School District No. 7, ULP 29-86 (1987), the Montana Board of Personnel Appeals held that a school district commits an unfair labor practice when it withholds an experience step under the terms of an expired collective bargaining agreement in the absence of a bargaining impasse.

The Board adopted its definition of impasse in Bigfork Area Education Association v. Board of Flathead and Lake County School District No. 38, ULP #20-78 (1979). In that case, the Board cited an NLRB holding in Taft Broadcasting Company, 163 NLRB 475, 478, 64 LRRM 1386 (1967), to define a bargaining impasse as a "deadlock reached by bargaining parties 'after good faith negotiations have exhausted the prospects of concluding an agreement.'"

In applying this definition, the Board held that it must consider the "bargaining history, the good faith of the parties in negotiations, the length of the negotiations, the importance of the issue or issues as to which there is disagreement, [and] the contemporaneous understanding of the parties as to the state of negotiations...." before determining if a bona fide impasse permits an employer to implement a unilateral change in a mandatory subject of bargaining. As a practical matter this standard has made it nearly impossible for school districts to withhold step and lane increases at the beginning of a school year without violating the law. Because each case must be judged by the totality of circumstances, a district cannot reasonably determine in advance whether or not its actions are legal under Montana law.

We believe that the rule of law articulated in Forsyth and Lolo should be overturned by the Montana Legislature because it has undermined the fundamental purpose of collective bargaining--that decisions about wages and other terms and conditions of employment should be made at a bargaining table.

In NLRB v. Citizens Hotel, 326 F.2d 501, 55 LRRM 2135 (5th Cir. 1964), the Fifth Circuit Court of Appeals noted the problem associated with a rule like the one adopted by the Board of Personnel Appeals. In that case, the Court stated: "[A]n employer may make changes without the approval of the union as the bargaining agent. The union has no absolute veto power under the Act. Nor do negotiations necessarily have to exhaust themselves to the point of the so-called impasse." Id. at 2137.

In maintaining the rule of law first announced in Forsyth, the Board has provided an incentive for labor organizations to delay negotiations and to expand the scope of bargaining in order to avail themselves of the automatic wage increases provided under the terms of an expired contract. It has also provided school districts with an incentive to limit the scope of bargaining in order to reach impasse prior to the time they must grant the automatic increases.

Both of these results are inconsistent with the purpose of collective bargaining. It is a cardinal principle of collective bargaining that the terms and conditions of employment should represent the intent of the parties. Under the present impasse rule, a district may be required to provide a wage increase as a matter of law even though it has never agreed to do so. Such a rule does more to disrupt the status quo than to preserve it.

The MSBA also notes a glaring inconsistency in the manner in which the Forsyth rule has been applied. It is well known that state employees have never been afforded the rights under Forsyth that have been afforded to school district employees. Longevity step increases on the state employee pay plan have been withheld on several occasions by legislative action without any requirement that the State of Montana bargain to impasse with state employee unions. In addition, employees of the Montana University System have been routinely denied longevity step increases on their salary schedules in the absence of a negotiated agreement. This inconsistency of treatment is unfair both to state and university system employees and to the school districts which have had little choice but to grant the increases or face an unfair labor practice charge.

If HB 264 is adopted by this Legislature, no harm will be done to the collective bargaining process. A school district will still be required to bargain in good faith with employee unions over wages and other terms and conditions of employment. While step and lane increases will not automatically accrue, they will remain a mandatory subject of bargaining which may be granted retroactively to the beginning of the school year if agreement is reached with the union. If no agreement is reached, the union retains its right to request mediation and fact finding, to engage in concerted activity and, if the district agrees, to submit the dispute to binding arbitration.

In addition, HB 264 only addresses those situations where the contract is silent regarding the intent of the parties. Nothing in this bill would prevent a union and an employer from negotiating a contract provision which provides for step and lane increases after the expiration of an agreement in the absence of a bargaining impasse.

It is our position that HB 264 will better preserve the status quo than the Board's rule in Forsyth. We believe that the Forsyth rule has caused labor organizations to change their bargaining strategies in order to avail themselves of benefits of the rule. We doubt very much that labor unions would so vociferously oppose this bill if the Forsyth rule did not provide with them a decided advantage. HB 264 would eliminate this advantage by removing any incentive to stall or to unnecessarily expand the scope of bargaining in order to avoid impasse. It would better serve the interests of collective bargaining by making the terms and conditions of employment the product of agreements reached at

EXHIBIT 2  
DATE 1-24-95  
HB 264

the bargaining table.

Restoring balance to the bargaining process is particularly important when school funding per ANB is declining. This decline has forced many school districts to reduce educational services and to lay off school employees. Given this fiscal reality, elected school trustees want to assert their right to bargain over step and lane increases with school employee unions. Passage of this bill will grant them that right.

---

Michael Keedy  
Montana School Boards Association

Page 1

94-95 Teacher

EXHIBIT 341  
DATE 1-24-95  
HB 264

SCHOOL DISTRICTS 17-H & 1  
BIG HORN COUNTY-HARDIN, MT  
1994-95 TEACHER SALARY SCHEDULE

ATTAINMENT LEVEL 3.75  
\$18,225  
BASE

|    | BA    | BA+1  | BA+2  | BA+3  | MA    | MA+1  | MA+2  |
|----|-------|-------|-------|-------|-------|-------|-------|
| 0  | 18225 | 18808 | 19410 | 19701 | 19992 | 20585 | 21168 |
| 1  | 18899 | 19546 | 20203 | 20525 | 20849 | 21497 | 22143 |
| 2  | 19574 | 20284 | 20995 | 21350 | 21706 | 22407 | 23118 |
| 3  | 20248 | 21022 | 21787 | 22175 | 22563 | 23319 | 24093 |
| 4  | 20922 | 21760 | 22580 | 23000 | 23419 | 24230 | 25068 |
| 5  | 21597 | 22499 | 23373 | 23825 | 24275 | 25142 | 26044 |
| 6  | 22271 | 23237 | 24166 | 24649 | 25132 | 26052 | 27018 |
| 7  | 22945 | 23974 | 24959 | 25474 | 25989 | 26964 | 27994 |
| 8  | 23620 | 24712 | 25752 | 26298 | 26845 | 27875 | 28968 |
| 9  | 24294 | 25451 | 26545 | 27123 | 27702 | 28786 | 29943 |
| 10 | 24968 | 26189 | 27338 | 27948 | 28559 | 29697 | 30919 |
| 11 |       | 26927 | 28130 | 28772 | 29414 | 30608 | 31893 |
| 12 |       | 27666 | 28923 | 29597 | 30271 | 31520 | 32869 |
| 13 |       |       |       | 30422 | 31128 | 32432 | 33843 |
| 14 |       |       |       | 31247 | 31985 | 33343 | 34818 |
| 15 |       |       |       |       |       |       | 35794 |

94-95 TEACHRS as of 12/20/94

| NO. | DEGREE | AMOUNT   |
|-----|--------|----------|
| 3   | BA-0   | \$54,675 |
| 5   | BA-1   | \$94,497 |
| 3   | BA-2   | \$58,721 |
| 1   | BA-3   | \$20,248 |
| 2   | BA-4   | \$41,845 |
| 3   | BA-5   | \$64,790 |
| 1   | BA-6   | \$22,271 |
| 1   | BA-8   | \$23,620 |
| 0   | BA-9   | \$0      |
| 2   | BA-11  | \$49,937 |
| 0   | BA1-1  | \$0      |
| 0   | BA1-2  | \$0      |
| 2   | BA1-3  | \$42,045 |
| 3   | BA1-4  | \$65,281 |
| 1   | BA1-5  | \$22,499 |
| 0   | BA1-6  | \$0      |
| 0   | BA1-7  | \$0      |
| 0   | BA1-8  | \$0      |
| 1   | BA1-9  | \$25,451 |
| 1   | BA1-10 | \$26,189 |
| 1   | BA1-11 | \$26,927 |
| 1   | BA1-12 | \$27,666 |
| 1   | BA1-13 | \$27,666 |
| 0   | BA1-14 | \$0      |
| 1   | BA1-17 | \$27,666 |
| 0   | BA1-18 | \$0      |
| 1   | BA1-21 | \$27,666 |
| 0   | BA1-22 | \$0      |

EXHIBIT 4  
DATE 1-24-95  
HB 264

|   |        |          |
|---|--------|----------|
| 1 | BA2-1  | \$20,203 |
| 2 | BA2-2  | \$41,991 |
| 2 | BA2-4  | \$46,747 |
| 1 | BA2-6  | \$24,166 |
| 2 | BA2-7  | \$51,504 |
| 0 | BA2-9  | \$0      |
| 1 | BA2-10 | \$27,338 |
| 2 | BA2-11 | \$56,259 |
| 1 | BA2-12 | \$28,923 |
| 2 | BA2-13 | \$57,845 |
| 1 | BA2-14 | \$28,923 |
| 1 | BA2-15 | \$28,923 |
| 0 | BA2-16 | \$0      |
| 1 | BA2-18 | \$28,923 |
| 1 | BA2-19 | \$28,923 |
| 1 | BA2-20 | \$28,923 |
| 0 | BA2-21 | \$0      |
| 1 | BA2-26 | \$28,923 |
| 1 | BA2-37 | \$28,923 |
| 1 | BA3-1  | \$20,525 |
| 0 | BA3-3  | \$0      |
| 2 | BA3-4  | \$46,000 |
| 1 | BA3-6  | \$24,649 |
| 1 | BA3-7  | \$25,474 |
| 0 | BA3-9  | \$0      |
| 2 | BA3-10 | \$55,896 |
| 1 | BA3-11 | \$28,772 |
| 1 | BA3-12 | \$29,597 |
| 3 | BA3-13 | \$91,266 |
| 0 | BA3-14 | \$0      |

|   |        |           |
|---|--------|-----------|
| 2 | BA3-15 | \$62,494  |
| 1 | BA3-16 | \$31,247  |
| 3 | BA3-17 | \$93,741  |
| 1 | BA3-21 | \$31,247  |
| 1 | BA4-5  | \$24,275  |
| 1 | BA4-6  | \$25,132  |
| 1 | BA4-8  | \$26,845  |
| 1 | BA4-10 | \$28,559  |
| 1 | BA4-11 | \$29,414  |
| 1 | BA4-12 | \$30,271  |
| 1 | BA4-16 | \$31,985  |
| 1 | BA4-17 | \$31,985  |
| 1 | BA4-18 | \$31,985  |
| 1 | BA4-19 | \$31,985  |
| 1 | BA4-20 | \$31,985  |
| 0 | BA4-21 | \$0       |
| 1 | BA4-29 | \$31,985  |
| 1 | BA5-10 | \$29,697  |
| 2 | BA5-14 | \$64,864  |
| 3 | BA5-17 | \$100,028 |
| 1 | BA5-18 | \$33,343  |
| 1 | BA5-25 | \$33,343  |
| 1 | BA6-5  | \$26,044  |
| 1 | BA6-14 | \$34,818  |
| 1 | BA6-20 | \$35,794  |
| 1 | BA6-23 | \$35,794  |
| 1 | BA6-25 | \$35,794  |
| 1 | BA6-26 | \$35,794  |



EXHIBIT

4

DATE

1-24-95

HB 264

|   |        |           |
|---|--------|-----------|
| 1 | MA-5   | \$24,275  |
| 0 | MA-8   | \$0       |
| 2 | MA-12  | \$62,256  |
| 0 | MA-14  | \$0       |
| 1 | MA-16  | \$31,985  |
| 1 | MA-24  | \$31,985  |
| 0 | MA1-4  | \$0       |
| 1 | MA1-6  | \$26,052  |
| 0 | MA1-8  | \$0       |
| 0 | MA1-10 | \$0       |
| 0 | MA1-12 | \$0       |
| 1 | MA1-13 | \$32,432  |
| 1 | MA1-15 | \$33,343  |
| 1 | MA1-16 | \$33,343  |
| 0 | MA1-17 | \$0       |
| 1 | MA1-21 | \$33,343  |
| 1 | MA1-29 | \$33,343  |
| 2 | MA2-10 | \$61,838  |
| 0 | MA2-12 | \$0       |
| 2 | MA2-13 | \$67,686  |
| 1 | MA2-14 | \$34,818  |
| 1 | MA2-16 | \$35,794  |
| 1 | MA2-17 | \$35,794  |
| 2 | MA2-18 | \$71,588  |
| 2 | MA2-19 | \$71,588  |
| 3 | MA2-20 | \$107,381 |
| 1 | MA2-21 | \$35,794  |
| 0 | MA2-22 | \$0       |
| 1 | MA2-35 | \$35,794  |

|     |        |             |
|-----|--------|-------------|
| 1   | MA3-13 | \$33,843    |
| 1   | MA3-16 | \$35,794    |
| 1   | MA3-20 | \$35,794    |
| 1   | MA3-21 | \$35,794    |
| 1   | MA3-24 | \$35,794    |
| 132 |        | \$3,747,164 |

MT. SCHOOL BOARDS  
ASSOCIATION

STATE OF MONTANA  
BEFORE THE BOARD OF PERSONNEL APPEALS  
IN THE MATTER OF UNFAIR LABOR PRACTICE CHARGE NO. 61-94:

SMITH VALLEY TEACHERS' ASSOCIATION, )  
MEA/NEA )

Complainant, )

-vs- )

SUMMONS

SMITH VALLEY ELEMENTARY SCHOOL )  
DISTRICT NO. 89, FLATHEAD COUNTY )  
Defendant. )

\* \* \* \* \*

TO: CARSON DUNK, SUPERINTENDENT  
SMITH VALLEY ELEMENTARY SCHOOL  
DISTRICT NO. 89  
600 BATAVIA LANE  
KALISPELL MT 59901

\* \* \* \* \*

You are hereby served with an unfair labor practice charge against the Smith Valley Elementary School District No. 89, Flathead County, Montana, which has been filed by the Smith Valley Teachers' Association, affiliated with the Montana Education Association, NEA of Missoula, Montana.

Section 24.26.680 ARM requires that you file a response to the charges within ten (10) days after receipt of the charges. A response is a letter setting forth in detail facts relevant to the complaint which the Respondent wishes to bring to the Board's attention including a specific reply to each factual allegation made in the complaint.

After receipt of the response, I will investigate the alleged unfair labor practice and issue a determination whether it has probable merit, pursuant to section 39-31-405 MCA.

Serve one copy of the response upon the Complainant and file the original response, with proof of service, with the Board of Personnel Appeals.

If you fail to file a timely response, the Board may consider such failure an admission of material facts and waiver of a hearing.

If you have any questions regarding this matter, contact this office.

DATED this 7th day of September, 1994.

BOARD OF PERSONNEL APPEALS

BY Paul Melvin  
Paul Melvin  
Labor Mediator

cc: Tom Gigstad  
Karl J. Englund  
Mike Dahlem

**RECEIVED**

SEP - 7 1994

Date Filed 9/7/94  
Case No. ULP-61-94.

BOARD OF PERSONNEL APPEALS

STATE OF MONTANA  
DEPARTMENT OF LABOR AND INDUSTRY  
BOARD OF PERSONNEL APPEALS

UNFAIR LABOR PRACTICE CHARGE

1. NAME OF CHARGING PARTY (COMPLAINANT):

Smith Valley Teachers' Association

2. AFFILIATION (IF ANY):

Montana Education Association (NEA)

3. ADDRESS OF COMPLAINANT (street, city, zip and phone):

3700 S. Russell #C119  
Missoula MT 59801  
(406) 721-2928

4. NAME OF PARTIES AGAINST WHOM THE CHARGES ARE MADE  
(DEFENDANT):

Smith Valley Elementary School District No. 89, Flathead  
County, Montana

5. AFFILIATION (IF ANY):

NA

6. ADDRESS OF DEFENDANT (street, city, zip and phone):

600 Batavia Lane  
Kalispell, Montana 59901  
(406) 756-4536

7. DETAILS OF CHARGES:

The Complainant and the Defendant are parties to a collective bargaining agreement covering the certified staff employed by the Defendant. The latest collective bargaining agreement covered the term of 1992-1994. Since March, 1994, the parties have been negotiating for a successor agreement.

During the course of negotiations, the Defendant has violated Montana Code Annotated §§ 39-31-401 (1) and (5) by:

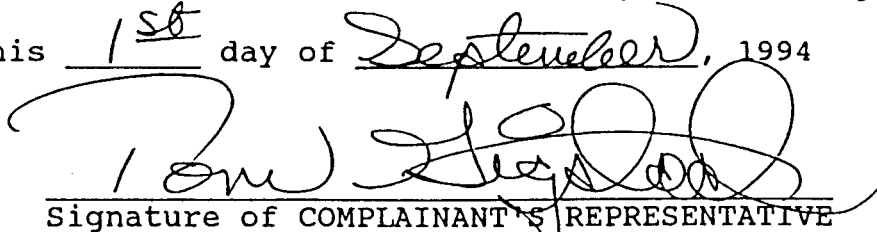
1. Engaging in surface bargaining and regressive bargaining. In illustration of these tactics -
  - a. The District has attached arbitrary deadlines for acceptance of its proposals under threat of withdrawing same. For example on May 2, 1994, the District gave the Association until just May 9, 1994, to accept in toto a new District offer of that date or it would be withdrawn.
  - b. The District has raised a major new issue at an advanced stage of bargaining. On May 2, 1994, for the first time in nearly two months of bargaining, the District demanded that language be placed in the Agreement which would allow the District to make unilateral changes in both benefits and salary.
  - c. On June 6, 1994, the District made a regressive proposal in the form of a modified two year total salary freeze after having proposed just a one year freeze in its previous proposal.
2. The Defendant has presented individual contracts to the members of the unit indicating that it does not intend to pay the automatic wage increases based on years of service and college credits contained in the expired collective bargaining agreement.
8. If the charges allege a violation of Section 39-31-401(5), MCA, or Section 39-31-402(2), MCA, has the charging party requested the Board of Personnel Appeals to provide mediation assistance, pursuant to ARM 24.26.695 of the Board's rules? (Yes or No):

No, but the Defendant school district has requested mediation.

STATE OF MONTANA                    )  
                                          ) SS.  
County of Missoula                )

Tom Gigstad, BEING DULY SWORN, DEPOSES AND SAYS, that he/she is the representative of the charging party above named, that he/she has read the above charges including attached additional page(s), is familiar with the contents thereof and the same are true to the best of his/her knowledge.

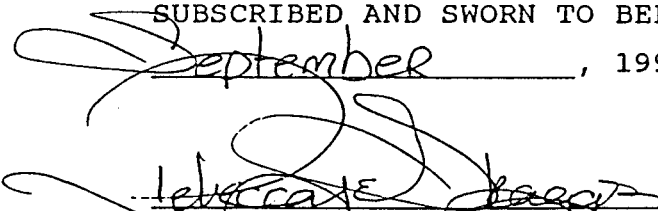
Dated this 1<sup>st</sup> day of September, 1994

  
Signature of COMPLAINANT'S REPRESENTATIVE

ATTORNEY FOR CHARGING PARTY:  
Karl J. Englund  
Box 8142  
Missoula MT 59807  
(406) 721-2729

[NOTARIAL SEAL]

SUBSCRIBED AND SWORN TO BEFORE ME THIS 1<sup>st</sup> DAY OF September, 1994.

  
NOTARY PUBLIC FOR THE STATE OF MONTANA.  
RESIDING IN MISSOULA, MONTANA

My Commission expires 7/3, 1995.

Michael Dahlem  
Staff Attorney  
Montana Schools Boards Association  
1 South Montana Avenue  
Helena, MT 59601  
(406) 442-2180  
Attorney for Defendant

BEFORE THE BOARD OF PERSONNEL APPEALS  
DEPARTMENT OF LABOR AND INDUSTRY  
STATE OF MONTANA

IN THE MATTER OF UNFAIR LABOR PRACTICE CHARGE NO. 61-94:

|                                    |   |                          |
|------------------------------------|---|--------------------------|
| SMITH VALLEY TEACHERS ASSOCIATION, | ) |                          |
| MEA/NEA,                           | ) |                          |
|                                    | ) |                          |
| Complainant,                       | ) |                          |
|                                    | ) |                          |
| -vs-                               | ) | RESPONSE TO UNFAIR LABOR |
|                                    | ) | PRACTICE CHARGE          |
| SMITH VALLEY ELEMENTARY SCHOOL     | ) |                          |
| DISTRICT NO. 89, FLATHEAD COUNTY   | ) |                          |
|                                    | ) |                          |
| Defendant.                         | ) |                          |

Pursuant to ARM 24.26.680B, the Board of Trustees,  
Smith Valley Elementary School District No. 89 hereby submits  
this response in the above-captioned matter.

The Defendant Board admits that the information  
contained in items nos. 1 through 6 in the complaint are correct.

With respect to item no. 7, the Board admits that it is  
party to a collective bargaining agreement covering its certified  
staff for the term from 1992-1994. It admits that the parties  
began formal negotiations on March 7, 1994. However, the Board  
first requested negotiations on January 18, 1994. The Board made  
several requests to begin negotiations prior to March 7, 1994.  
Each of these requests was rejected by the Association. On

1 February 17, 1994 the Board proposed a two-year wage and benefit  
2 freeze to the Association. (See correspondence marked Exhibit A.)

3 The Board denies that it has engaged in surface or  
4 regressive bargaining. It denies that its conditional offer of  
5 May 2, 1994, including its proposed Article 10.2, was in any way  
6 impermissible. That proposal was offered as part of a package  
7 and was subsequently withdrawn when rejected by the Association.  
8 The Board denies that its June 6, 1994 proposal was regressive.  
9 The Board merely reinstated an offer made before the Association  
10 rejected the conditional offer made on May 2, 1994.

11 On June 6, 1994, the Board presented the Association  
12 with a last, best and final offer. Because that offer was  
13 rejected by the Association, the parties are at an impasse and  
14 the Board is free to implement the terms of that offer without  
15 committing an unfair labor practice. (See Exhibits B and C.)

16 The Board denies the allegation that teachers are  
17 entitled to "automatic" step and lane increases under Montana  
18 law. The Board also states that no teacher is eligible for a lane  
19 change during the 1994-95 school year.

20 Even though the parties have been at impasse since June  
21 6, 1994, the Board made a unilateral request for mediation on  
22 June 20, 1994 in an attempt to obtain a settlement. To date,  
23 mediation efforts have not been successful. (See Exhibits D and  
24 E.)

25 For all of the above reasons, the Board of Trustees  
26 respectfully requests that the agent find that this charge is  
27  
28



1 without probable merit.

2 Submitted this 22nd day of September, 1994.

3  
4 Michael Dahlem

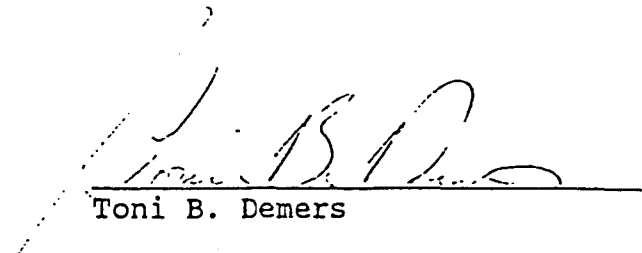
5 Michael Dahlem  
6 Attorney for Defendant  
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28

CERTIFICATE OF SERVICE

I hereby certify that on this 22nd day of September, 1994, a true and correct copy of the foregoing has been mailed postage prepaid to the following:

Tom Gigstad  
3700 Russell #C119  
Missoula, MT 59801

Karl Englund  
Attorney at Law  
Box 8142  
Missoula, MT 59807



Toni B. Demers

STATE OF MONTANA  
BEFORE THE BOARD OF PERSONNEL APPEALS

IN THE MATTER OF UNFAIR LABOR PRACTICE CHARGE NO. 61-94

SMITH VALLEY TEACHERS' )  
ASSOCIATION, MEA/NEA )  
Complainant, )  
-vs- )  
SMITH VALLEY ELEMENTARY SCHOOL )  
DISTRICT NO. 89, FLATHEAD CO. )  
Defendant. )

INVESTIGATION REPORT  
AND  
DETERMINATION

\* \* \* \* \*

I. INTRODUCTION

On September 7, 1994, the Smith Valley Teacher's Association filed an unfair labor practice charge with this Board alleging that the Smith Valley Elementary School District No. 89, Flathead County, Montana was violating Section 39-31-402 (1) and (5), MCA. The Defendant denied any violation of the above cited law.

II. DISCUSSION

An investigation was conducted which included a review of the documentation provided by all parties involved. The Complainant alleges that the Defendant has: 1.) engaged in surface and regressive bargaining, and 2.) does not intend to pay the automatic wage increases based on years of service and college credits contained in the expired collective bargaining agreement.

The Defendant responded to the Complainant's illustrations of surface and regressive bargaining by pointing out that the proposals offered by the School Board were part of a package, and

1 were subsequently withdrawn when rejected by the Association. The  
2 Defendant also specifically denies that its conditional offer of  
3 May 2, 1994 was in any way impermissible. Further, the Defendant  
4 attests: "On June 6, 1994, the Board presented the Association  
5 with a last, best and final offer. Because that offer was rejected  
6 by the Association, the parties are at an impasse and the Board is  
7 free to implement the terms of that offer without committing an  
8 unfair labor practice."  
9

10 The Complainant additionally charges that "The Defendant has  
11 presented individual contracts to the members of the unit  
12 indicating that it does not intend to pay the automatic wage  
13 increases based on years of service and college credits contained  
14 in the expired collective bargaining agreement." The Defendant  
15 "...denies the allegation that teachers are entitled to 'automatic'  
16 step and lane increases under Montana law. The Board also states  
17 that no teacher is eligible for a lane change during the 1994-95  
18 school year."  
19

20 The Board of Personnel Appeals (BOPA) dealt with the issue of  
21 continuation of contract terms after expiration of the collective  
22 bargaining agreement when deciding ULP #37-81, Forsyth Education  
23 Association, MEA, NEA vs. Rosebud County School District No. 14,  
24 Forsyth, Montana. The BOPA ruled that:

25 "Wages, however stated or paid, are a mandatory subject  
26 of bargaining. Therefore, a unilateral change in wages,  
27 even following expiration of a collective bargaining  
28 agreement, is a violation of 39-31-401(5), MCA. ... To  
not pay a teacher according to the contract's stated  
method of placement on the pay matrix and in accord with  
the truth as to how many years experience and college  
credits that a given teacher actually has, is a

1 unilateral change in a mandatory subject of bargaining.  
2 ... [T]he Forsyth school district's failure to pay  
3 returning teachers in the fall of 1981 the automatic step  
4 increase to which they were entitled was a violation of  
5 39-31-401(1) and (5) MCA."

6 In the same ruling, BOPA also noted that "[I]f during  
7 negotiations impasse occurs, then the employer is free to  
8 unilaterally implement its last, best, final offer." The Montana  
9 Supreme Court stated in its 1985 review of ULP #37-81 that the  
10 Board of Personnel Appeals "simply ordered that, in the absence of  
11 an 'impasse', the provisions of the expired contract may not be  
12 unilaterally changed by the employer."

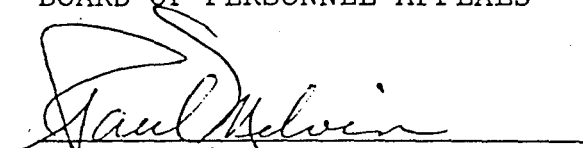
13 The Complainant alleges that collective bargaining with the  
14 Defendant has not occurred in "good faith", and therefore true  
15 impasse does not exist. The facts stated by one party do not agree  
16 with those offered by the other.

17 III. DETERMINATION

18 Accordingly, pursuant to Section 39-31-405 MCA, we find that  
19 there is probable merit for the charges filed and will issue a  
20 notice of hearing.

21  
22 DATED this 21<sup>st</sup> day of October, 1994.

23  
24 BOARD OF PERSONNEL APPEALS

25  
26 By: 

27 Paul Melvin  
28 Investigator

1  
2  
3 NOTICE

4 ARM 24.26.680B (6) provides: As provided for in 39-31-405  
5 (4), MCA, if a finding of probable merit is made, the person or  
6 entity against whom the charge is filed shall file an answer to the  
7 complaint. The answer shall be filed within ten (10) days with the  
8 Investigator at P.O. Box 1728, Helena, MT 59624.

9 \* \* \* \* \*

10 CERTIFICATE OF MAILING

11 I, Jennifer Jacobson do hereby certify that a true  
12 and correct copy of this document was mailed to the following on  
the 21<sup>st</sup> day of October, 1994:

13 Carson Dunk, Superintendent  
14 Smith Valley Elementary School  
15 District No. 89  
600 Batavia Lane  
Kalispell, MT 59901

16 Tom Gigstad, Uniserv Director  
17 Montana Education Association, NEA  
3700 South Russell #C119  
Missoula, MT 59801

18 Karl J. Englund, Attorney at Law  
19 P.O. Box 8142  
Missoula, MT 59807

20 Michael Dahlem, Staff Attorney  
21 Montana School Boards Association  
22 One South Montana Avenue  
Helena, MT 59601

Billing<sup>3</sup>

EXHIBIT 5  
DATE 1-24-95  
HB 264

representative of the BEA will be present at this conference if the teacher so elects. A teacher volunteering for this additional period shall not be entitled to overload pay.

- (4) A teacher assigned to a sixth period of structured classroom teaching in place of the assigned period, shall be compensated at the rate of one-seventh (1/7th) of the BA base salary per year for this sixth period assignment. If the assignment is for a portion of the sixth period, the extra stipend will be prorated.
- (5) If a teacher is assigned a seventh period structured classroom teaching in place of the preparation period, the teacher shall be compensated an amount in addition to the stipend required by (4) above. This additional stipend shall be at the rate of one-seventh (1/7th) of the teacher's regular base pay for this seventh period. If the assignment is for a portion of the seventh period this extra stipend shall be prorated.

Subd. 3. Preparation time is available to teachers teaching half time or more.

## ARTICLE VII COMPENSATION

### Section 1. Basic Salary:

Subd. 1. 1993-94 School Year: The salary reflected in Appendix B attached hereto, shall be a part of this Agreement for the 1993-94 school year. The teacher, if eligible, will advance one step on the salary schedule for the 1993-94 school year.

Subd. 2. If a session of the Montana Legislature reduces funds available to the School District during the term of this Agreement, the School District may give notice to the Association within sixty (60) calendar days after such reduction is final of the District's intention to renegotiate the salaries reflected in Appendix B attached hereto. If a session of the Montana Legislature increases funds available to the School District during the term of this Agreement, the Association may give notice to the School District within sixty (60) calendar days after such increase is final of its intention to renegotiate the salaries reflected in Appendix B attached hereto.

Section 2. Step Merger: The parties have agreed to merge the eleventh, twelfth and thirteenth experience steps of the salary schedule in the 1993-94 contract year. Teachers placed on the consolidated "10-11-12" step in 1992-93, will move to the consolidated "11-12-13" step in 1993-94. No other teachers working under this Agreement are affected by the above described step mergers.

Section 3. Status of Salary Schedules: The 1993-94 salary schedule shall not be construed to continue beyond the duration of this Agreement and a teacher shall have no right to either increment or lane advancement after the expiration of this Agreement.

### Section 4. Salary Schedule Guidelines:

Subd. 1. Placement: All teachers, including those in Federal and other special programs, will be placed on the salary schedule at a level that they qualify for under these guidelines. Newly employed teachers shall have one year from the date of initial salary schedule placement to challenge said placement based on the guidelines herein.

Subd. 2. Part-time Teachers: Less than full time teachers shall be placed on and shall advance on

1 The Association recognizes that the Board's ability to fund the economic benefits and  
2 programs contained herein is dependent upon the financial resources of the School  
3 District. Should there be a substantial decrease in revenue which impairs the ability  
4 of the Board to fund economic and other benefits contained herein, or a significant  
5 increase in funding the two parties shall immediately reopen the Agreement to  
6 negotiate the provisions herein that are affected by the economic impact.  
7

8 20.7 RENEWAL AND REOPENING OF AGREEMENT  
9

10 { The 1993-95 Salary Schedule shall not be construed to continue beyond this  
11 Agreement and a teacher will have no right to either increment (step) or lane  
12 advancement after the expiration of this Agreement.



Terry

**Section 2. Building Hours:** The specific hours at any individual building may vary according to the needs of the educational program of the School District. The specific hours for each building will be designated by the School District.

**Section 3. Additional Activities:** Upon mutual consideration, teachers shall also be required to perform additional duties beyond the basic duty day, as is required by the School District, to attend to those matters requiring their attention, including consultations with parents, faculty meetings, open houses, supervisory activities, curriculum meetings, parent conferences and other professional responsibilities not scheduled during the regular duty day.

**Section 4. Noon Duty:** Noon duty teacher will be given free lunch.

EXHIBIT 5  
DATE 1-24-95  
HB 264

## ARTICLE IX BASIC COMPENSATION

### Section 1. Basic Compensation:

**Subd. 1 1994-95, 1995-96 Rate of Pay:** The wages reflected in Schedule A. and B., attached hereto, shall be effective only for the 1994-96 school years and teachers shall advance one (1) increment on the salary schedule subject to Section 2 hereof.

**Section 2. Status of Salary Schedules:** The salary schedule shall not be construed to continue beyond the duration of this Agreement and the teacher shall have no right to either increment or lane advancement after the expiration of this agreement.

**Section 3. Placement on Salary Schedule:** The following rules shall be applicable in determining placement of a teacher on the appropriate salary schedule.

**Subd. 1 Eligibility:** Credits to be considered for application on any educational lane of the salary schedule must receive approval of the Superintendent of Schools. Requests denied by the Superintendent may be appealed to the Board for their consideration. Each teacher must earn 6 quarter hours of credit during each 5 year period to be eligible for continued vertical advancement on the salary schedule.

**Subd. 2 Hours for Quarter:** Fifteen quarter hours or 10 semester hours of approved credit shall constitute one quarter for pay purposes.

**Subd. 3 Effective Date:** Subject to Subdivision 1 and 2 hereof, individual contracts will be modified to reflect qualified educational lane changes once each year effective at the beginning of the school year, providing a transcript of qualified credits is submitted to the Superintendent's office no later than September 1 of each year. Credits submitted by transcript after September 1 even though otherwise qualifying shall not be considered until the following school year. If a transcript is not available by September 1, other satisfactory evidence of successful completion of the course will be accepted, pending receipt of the official transcript; however, any pay adjustment shall not be made until the official transcript is received.

**Subd. 4 Application:** Credits to apply to educational lanes beyond a particular degree lane, must be earned subsequent to the earning of the degree, and must be taken from an accredited college or university.

**Subd. 5 New Employees:** A teacher newly employed who has had experience in school systems or in other fields or endeavors will be allowed the actual number of years of outside experience to a maximum of 5 years.

**Section 4. Pay Deductions:** Whenever pay deduction is made for a teacher's absence, the annual salary divided by the number of teacher duty days as provided in Article VII herein shall be deducted for each days' absence.

# MONTANA

Helena, Montana 59604

1426 Cedar Street • P.O. Box 5600

Telephone (406) 442-4600  
Toll Free 1-800-221-3468

## PUBLIC

## EMPLOYEES

## ASSOCIATION

EXHIBIT 6  
DATE 1-24-95  
HB 264

January 24, 1995

TO: Honorable House Business and Labor Committee

FROM: Thomas E. Schneider, Executive Director

RE: HB 264

The Montana Public Employees Association is opposing HB 264 because it tilts the table of collective bargaining in favor of management. This bill attempts to do by law what the Montana Board of Personnel Appeals, of which I am a member, refused to do by Declaratory Ruling within the past year.

What we are talking about is "Status Quo". What consitiutes status quo has developed from 60 years of NLRB and state PERB board rulings and court decisions. It developes from the desire of boards and courts to keep a level playing field during the negotiations of a new contract after the expiration of the old one. This bill would pre-empt status quo for wages like a guillotine. It would tilt the level playing field toward the employer.

What is "Status Quo"? In simple terms it requires everything in a collective bargaining agreement to remain in force after its expiration WHILE NEGOTIATIONS CONTINUE ON A NEW AGREEMENT. Why would employees be entitled to an increase provided by an expired agreement. These increases most likely would be steps, steps and lanes, longevity and health insurance contributions. By there very nature these provisions are ongoing and are expected to be paid unless a new agreement is negotiated to alter contract language which was expected to extend into the future at the time it was negotiated.

Do ongoing steps, steps and lanes, longevity or health insurance contributions have to be protected by status quo? NO, the contract can spell out at the time of negotiations that these provisions are only for the term of the contract and they will not be considered status quo. Because that language does not appear in the contracts referred to in HB 264 we can assume that both sides intended the increases to be paid unless the language in the contract was changed.

If management has agreed to ongoing provisions which are

Eastern Region  
P.O. Box 22093  
Billings, MT 59104  
(406) 245-2252

Western Region  
P.O. Box 4874  
Missoula, MT 59806  
(406) 251-2304



protected by status quo can they be changed? YES, they can be changed during negotiations or if the union refuses to accept something less, management can declare an "impasse" give the union a "last, best and final offer" and implement that offer.

Why should it be that difficult to do? Why not just pass HB 264 and its done? Most ongoing pay provisions such as steps or longevity were paid for when they were negotiated. It like buying a house and not wanting to spend all of your money at the time you buy it. These types of pay increases were usually negotiated in the first place because the employees were willing to take less of an up front pay increase so they would have pay increases each year which rewarded time with the employer or in some cases additional education. The cost of these benefits in succeeding years came out of a pool of money budgeted for salaries so the employees continue to pay for these benefits or they become costless because of employee turnover.

The Board of Personnel Appeals is made up of five members, two with management backgrounds, two with labor backgrounds and a neutral members who must be an attorney and is the chairman. When the request for Declaratory Ruling on this issue came before the Board I did not sit as a member because MPEA was a named defendent. A full hearing was held before a Board made up of one labor member, two management members and the neutral chairman. On a 3 to 1 vote the Board turned down the request to alter "status Quo" in Montana because it would give one side an advantage over the other and would damage labor relations in the public sector. Please do the same with HB 264 by voting NO. Thank you.

Larry Jones

EXHIBIT 7  
DATE 1-24-95  
HB 264

STATE OF MONTANA  
BEFORE THE BOARD OF PERSONNEL APPEALS

In the matter of Unfair Labor )  
Charge No. 29-86 )  
LOLO EDUCATION ASSOCIATION, )  
MONTANA EDUCATION ASSOCIATION )

Complainant, )

vs. )

MISSOULA COUNTY SCHOOL )  
DISTRICT NO. 7 )

Defendant. )

FINDINGS OF FACT;  
CONCLUSIONS OF LAW;  
RECOMMENDED ORDER

\* \* \* \* \*

I. INTRODUCTION

The Complainant, Lolo Classified Association, Montana Education Association filed an Unfair Labor Practice charge with the Board of Personnel Appeals on December 11, 1986. The complaint alleged that the Defendant violated 39-31-401(1) and (5), MCA, by refusing to bargain in good faith with Complainant, the certified exclusive representative of its classified employees.

On May 4, 1987 the Complainant and the Defendant filed stipulated facts and a briefing schedule. The Complainant waived the filing of a response brief to the the Defendant's brief. Neither side requested oral argument. The matter was thus submitted on July 7, 1987.

II. LEGAL ISSUE

Whether the failure to pay step increases based on years of experience provided in the expired contract, in light of provision 13.1, is a unilateral change in a mandatory subject of bargaining constituting a refusal to bargain in good faith and a violation of Section 39-31-401(1) and (5), MCA.

III. STIPULATED FACTS

1. Complainant Association is the duly certified

1 exclusive representative of Defendant's classified employees  
2 at the Lolo School.

3 2. The last collective bargaining contract between  
4 the parties expired on July 1, 1986. The parties have been  
5 in bargaining attempting to reach an agreement on a succes-  
6 sor contract and have requested and utilized mediation;  
7 impasse has not been reached.

8 3. The expired contract had a wage schedule providing  
9 for step increases based on years of experience.

10 4. The Defendant has refused to advance the employees  
11 for an additional year of experience on the salary schedule  
12 after the contract expired.

13 5. The expired collect bargaining agreement contained  
14 the following provision:

15 13.1 Effective Period

16 This agreement shall be effective as of  
17 June 30, 1985 and shall continue in full force and  
18 effect until June 30, 1986. It is expressly  
understood that all provisions of the agreement  
terminate after this date.

19 IV. CONCLUSIONS OF LAW

20 A matter similar to this has been previously  
21 addressed by the Board of Personnel Appeals in Forsyth  
22 Education Association v. Rosebud County School District No.  
23 4, ULP. 37-81; Forsyth School District No. 4 v. Board of  
24 Personnel Appeals and Forsyth Education Association, 42 St.  
25 Rptr. 21, 692 P.2d 1261 (1985). The Supreme Court in  
26 Forsyth v. Board, supra, did not address the heart of the  
27 Forsyth case which was whether failure to implement negoti-  
28 ated steps constituted an unfair labor practice. The  
29 Supreme Court ruled that because retroactive benefits were  
30 paid Forsyth was moot. The Court further held that this was  
31 not an occasion to apply the "capable of repetition, yet  
32 evading review" doctrine. The hearing examiner must make

specific note that this question is a recurring one and that some clear guidance by the Board and the courts is necessary.

In the Forsyth Order issued by the Board on December 16, 1983, the Board made several conclusions very relevant to the Lolo case at hand. The Board stated in Forsyth, "We specifically reject, however, the use of public sector cases as precedent in this case for the reason stated below." The Board then went on to point out that public sector cases often come to opposite conclusions over the same issues. For that reason the Board elected to give credence to decisions of the National Labor Relations Board under the Labor Management Relations Act and to negate the usefulness of decisions rendered by state courts and boards. This was consistent with long held Board practice. Counsel have not cited nor has the hearing examiner found any federal case directly on line with the issue in Lolo. Forsyth, thus appears controlling to the extent it addresses the issue.

It is well settled that a unilateral change in a mandatory subject of bargaining, even after the expiration of a collective bargaining agreement, is a violation of 39-31-401 (5) MCA. Wages, however stated or paid are a mandatory subject of bargaining. A unilateral change in wages, even following the expiration of a collective bargaining agreement, is a violation of 39-31-401 (5) MCA, Forsyth, ULP #37-81, supra.

In Forsyth, the Board in lengthy discussion addressed whether implementation of steps or failure to implement steps was a disruption of status quo. The Board in citing a Ninth Circuit case, American Distributing Co. V NLRB, 715, F.2d 446, 114 LRRM 2402 (CA 9, 1983) likened the collective bargaining agreement to a living document whose obligations

1 carry on beyond expiration. Citing other cases the Board  
2 concluded that to not implement steps constituted a change  
3 from the status quo and thus an unfair labor practice. Of  
4 primary importance the Board stated:

5 Placement on a salary schedule such as the  
6 matrix in question is an automatic wage increase  
determined only by the length of years of experience and current number of credits.

7 If as the Board has found, that a pay matrix constitutes  
8 a living part of every agreement subject only to meeting the  
9 contractual term of the matrix (a year of service), it makes  
10 no difference that the contract has language such as in  
11 13.1. Failure to pay an employee according to the contract's  
12 stated method of placement on the pay matrix and in  
13 accord with the truth as to how many years experience that  
14 employee has, is a unilateral change in a mandatory subject  
15 of bargaining.

16 Had Missoula County School District #7 implemented the  
17 step changes contained in the agreement the District would  
18 not have been guilty of an unfair labor practice charge  
19 under the Board's holding in Forayth. As it were, the  
20 District committed an unfair labor practice under 39-31-401  
21 (1) and (5) MCA by failing to implement the negotiated  
22 steps.

23 V. RECOMMENDED ORDER

24 IT IS ORDERED that the Defendant, Missoula County  
25 School District No. 7, cease not paying the increments  
26 provided for in a collective bargaining agreement upon  
27 expiration of that agreement.

28 IT IS FURTHER ORDERED that Missoula County School  
29 District No. 7 recognize the step increments where applica-  
30 ble subsequent to the expiration of the collective bargain-  
31 ing agreement and compensate employees in accordance with  
32



1 ,this decision.

2 NOTICE

3 Pursuant to ARM 24.25.107(2), this RECOMMENDED ORDER  
4 shall become the FINAL ORDER of this Board unless written  
5 exceptions are filed within 20 days after service of these  
6 FINDINGS OF FACT, CONCLUSIONS OF LAW, AND RECOMMENDED ORDER  
7 upon the parties.

8  
9  
10 Dated this 9th day of July, 1987.

11 BOARD OF PERSONNEL APPEALS

12  
13 By John Andrew  
14 John Andrew  
15 Hearing Examiner

16 CERTIFICATE OF MAILING

17 The undersigned does certify that a true and correct  
18 copy of this document was mailed to the following on the  
19 9th day of July, 1987.

20 Emilie Loring  
21 Hilley and Loring, P.C.  
22 Executive Plaza - Suite 2G  
23 121 - 4th St. N.  
24 Great Falls, MT 59401

25 Don Klepper  
26 The Klepper Company  
27 P.O. Box 4152  
28 Missoula, MT 59806

29  
30  
31  
32 Jennifer Jacobson

FOF2:030vt



HOUSE OF REPRESENTATIVES  
VISITORS REGISTER

Business & Labor

DATE 1/24/95

BILL NO. HB 264 SPONSOR(S)

PLEASE PRINT

PLEASE PRINT

PLEASE PRINT

| NAME AND ADDRESS | REPRESENTING                  | Support | Oppose |
|------------------|-------------------------------|---------|--------|
| George Hagerman  | AFSCME                        |         | ✓      |
| Rodney Sweeney   | Hardin Public Schools         | ✓       |        |
| Jacob Block      | Pelton Public Schools         | ✓       |        |
| DARRELL HOLZER   | AFL-CIO                       |         | ✓      |
| Tom Schneider    | MPFA                          |         | ✓      |
| Bob ANDERSON     | MSBA                          | ✓       |        |
| Mike Dahlem      | MSBA                          | ✓       |        |
| Phil Campbell    | MEA                           |         | ✓      |
| Debra Fulton     | MSBA                          | ✓       |        |
| Don Miller       | HPS                           | ✓       |        |
| Michael H. Keady | MSBA                          | X       |        |
| Melissa Case     | Hotel Employ. & Rest. Employ. |         | ✓      |
| Terry Minow      | MT Fed of Teachers            |         | X      |

PLEASE LEAVE PREPARED TESTIMONY WITH SECRETARY. WITNESS STATEMENT FORMS ARE AVAILABLE IF YOU CARE TO SUBMIT WRITTEN TESTIMONY.

John M. Alee  
VERN ERICKSON

M.F.T.  
M.S.F.H.

X  
X

HOUSE OF REPRESENTATIVES  
VISITORS REGISTER

Business & Labor

DATE 1/24/95

BILL NO. HB 252 SPONSOR(S) \_\_\_\_\_

PLEASE PRINT

PLEASE PRINT

PLEASE PRINT

| NAME AND ADDRESS                                     | REPRESENTING        | Support | Oppose |
|------------------------------------------------------|---------------------|---------|--------|
| <sup>204 19th St NW</sup><br>DUANE STEINMETZ Bldg mr | Billings Piping Ind | ✓       |        |
| DARRELL HOLZER                                       | AFL-CIO             | ✓       |        |
| Karen Schreder                                       | POL                 |         |        |
| Carl Schweitzer                                      | MT Const Assn       | ✓       |        |
| Chris Riccot                                         | MBIA                |         |        |
| 11                                                   |                     |         |        |
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PLEASE LEAVE PREPARED TESTIMONY WITH SECRETARY. WITNESS STATEMENT FORMS  
ARE AVAILABLE IF YOU CARE TO SUBMIT WRITTEN TESTIMONY.

HOUSE OF REPRESENTATIVES  
VISITORS REGISTER

Business & Labor

DATE 1/24/95

BILL NO. SB 21 SPONSOR(S) \_\_\_\_\_

PLEASE PRINT

PLEASE PRINT

PLEASE PRINT

| NAME AND ADDRESS         | REPRESENTING               | Support  | Oppose   |
|--------------------------|----------------------------|----------|----------|
| <i>Margulies Benmark</i> | <i>Am. Ins. Assoc.</i>     |          | <i>X</i> |
| <i>George Wood</i>       | <i>W. Self Ins. Assoc.</i> |          | <i>X</i> |
| <i>Eug. Petesch</i>      | <i>Leg. Comm. 1</i>        |          |          |
| <i>Arthur Myhre</i>      | <i>State Fund</i>          | <i>X</i> |          |
|                          |                            |          |          |
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PLEASE LEAVE PREPARED TESTIMONY WITH SECRETARY. WITNESS STATEMENT FORMS  
ARE AVAILABLE IF YOU CARE TO SUBMIT WRITTEN TESTIMONY.

HOUSE OF REPRESENTATIVES  
VISITORS REGISTER

Business & Labor

DATE 1/24/95

BILL NO. SB 33 SPONSOR(S) \_\_\_\_\_

PLEASE PRINT

PLEASE PRINT

PLEASE PRINT

| NAME AND ADDRESS   | REPRESENTING            | Support | Oppose |
|--------------------|-------------------------|---------|--------|
| Riley Johnson      | NFIB                    | ✓       |        |
| George Wood        | MT Self Insurance Assoc | ✓       |        |
| Jacqueline Denmark | Am. Bus. Assoc.         | ✓       |        |
| Tom Harrison       | mt. Soc. of CPAs        | ✓       |        |
| Jim Tutwiler       | MT Chamber              | ✓       |        |
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PLEASE LEAVE PREPARED TESTIMONY WITH SECRETARY. WITNESS STATEMENT FORMS ARE AVAILABLE IF YOU CARE TO SUBMIT WRITTEN TESTIMONY.