



**Notes for Verbal Testimony in Opposition to
HB 1436 – Requiring Inclusion of an Automatic Continuation Clause
Senate Commerce, Labor and Consumer Protection Committee
April 22, 2008**

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Current Law requires the maintenance of the “status quo” when a contract expires and no new successor has been agreed upon. Based on a NH Supreme Court ruling, status quo does not include step raises, unless an evergreen clause has been negotiated as part of the collective bargaining agreement and received legislative body approval.

All contracts include an “expiration date”, an agreement as to when the terms of the contract cease and are no longer in effect. A statutorily mandated evergreen clause would have the state mandate an obligation on the employer that was not part of the contractual agreement. This is really a state-imposed unfunded mandate.

Such a provision unilaterally implements pay raises and bypasses the local voter approval process, increasing the school district appropriation without a vote of the legislative body. It would impose a financial obligation on the school district beyond the negotiated duration of the contract. When multi-year contracts are noticed to the voters, estimates are provided of the cost for each year of the proposed agreement, and voters are noticed of a specific end-point. Extending pay provisions beyond the expiration date of the contract represents an unfunded mandate being placed on taxpayers.

In addition, much of the impasse that occurs is a result of contracts being rejected by the voters at a school district meeting: how do you then justify a state mandated pay raise after such a negative vote?

Implementation of this proposal is also flawed.

Many have made claims that the proposal only means a “step” increase on the pay schedule: but that is NOT what the bill says. The bill refers to “the continuation of any pay plan”. That language is all-inclusive; specifically referencing “any” pay plan will certainly prompt demands to include longevity, incentive stipends, COLAs and other forms of pay.

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Most teacher salary schedules include steps and tracks. The assumption of many is that a step is equal to a year, but that is not always the case as some contracts have “super steps” that cover more than a single year. And what happens for those employees who are “off step”, maxed out at the top of the salary schedule? Furthermore, some contracts call for steps to NOT be granted if there are poor performance issues – what would happen if the employee either was denied a step increase in the last year, or has performed poorly in the current year and should be denied a step increase? And finally, what happens when additional percent increases are provided on top of step, with specific percentage increases differing during the multiple years of the contract?

HB 1436 is an attempt to circumvent the legislative body approval process at school and town meeting, seriously impacting our current form of governmental and collective bargaining processes. If this is the goal, then we should have an open and frank discussion of those issues and not seek to subvert the process by adding mandates to local budgets.

HB 1436, if implemented, will prolong negotiations and result in litigation to resolve these uncertainties. Allow the current process to work, and please find HB 1436 Inexpedient to Legislate.

Thank you for your time and attention to these issues.