

**Memo**

To: Board of Regents  
From: Kevin McRae, Deputy Commissioner for Communications & Human Resources  
Date: May 20, 2016  
Re: **Item 171-107-R0516**

I recommend approval of the FY 2016-17 labor agreement between the Montana University System and the International Union of Operating Engineers #400 at two-year campuses.

The material economic component of this new labor agreement is a base wage increase of \$0.50 per hour effective January 15, 2016 and a base wage increase of \$0.50 per hour effective January 15, 2017.

The strong work by the bargaining representatives for labor and management in arriving at this mutually agreeable outcome settles the bargaining subject of compensation for the duration of the agreement that expires June 30, 2017. Ratification and approval of this agreement establishes a binding contract between the parties until renegotiation begins in 2017 for a FY 2018-19 agreement.