STATE OF MICHIGAN EMPLOYMENT RELATIONS COMMISSION LABOR RELATIONS DIVISION

In the Matter of:

IONIA PUBLIC SCHOOLS,
Public Employer-Respondent,

Case No. C12 G-136

-and-

IONIA EDUCATION ASSOCIATION, Labor Organization-Charging Party.

APPEARANCES:

Thrun Law Firm, P.C., by Kevin S. Harty, for Respondent

Kalniz, Iorio & Feldstein, by Fil Iorio, for Charging Party

DECISION AND ORDER

On March 1, 2013, Administrative Law Judge (ALJ) David M. Peltz issued his Decision and Recommended Order on Summary Disposition in this matter finding that Respondent, Ionia Public Schools (Employer), did not violate § 10(1)(a) or (e) of the Public Employment Relations Act (PERA), 1965 PA 379 as amended, MCL 423.210(1)(a) or (e), when it failed to hold a "bid-bump" meeting or when it failed to post vacancies for teaching positions in accordance with Article X, Section 1 of the parties' expired collective bargaining agreement. The ALJ found that the matters raised by Charging Party Ionia Education Association (Union) are prohibited subjects of bargaining under § 15(3)(j) of PERA. The ALJ concluded that Respondent had no duty to bargain over those matters and recommended that the charge be dismissed. The ALJ's Decision and Recommended Order was served on the interested parties in accordance with § 16 of PERA. On April 24, 2013, Charging Party filed exceptions to the ALJ's Decision and Recommended Order, a brief in support of the exceptions, and a request for oral argument. On May 3, 2013, Respondent filed a brief in support of the ALJ's Decision and Recommended Order as well as a request for oral argument.

In its exceptions, Charging Party contends that the bid-bump procedure in the parties' expired collective-bargaining agreement does not involve a prohibited subject of bargaining and that § 15(3)(j) of PERA does not apply to the bid-bump procedure in the parties' expired contract.

After reviewing the exceptions and the briefs filed by the parties, we find that oral argument would not materially assist us in deciding this case. Therefore, the parties' requests for

oral argument are denied. We also find Charging Party's exceptions to be without merit for the reasons stated below.

Factual Summary:

We agree with the ALJ that the material facts are not in dispute. For the purpose of resolving the legal issue before us, we adopt the facts as found by him and restate them only as necessary. After the parties' collective bargaining agreement expired on August 25, 2011, they generally continued to operate under its terms. The expired contract contains several provisions regarding teaching assignments, including Article X, Section 1, which required an assignment meeting, also known as a "bid-bump meeting," at which teachers could bid on teaching assignments for the next school year. After the contract expired, Respondent did not schedule a bid-bump meeting although requested to do so by the Charging Party in April, May, and June of 2012. Charging Party contends that Respondent breached its duty to bargain and repudiated the parties' contract by failing to schedule the bid-bump meeting and by failing to post vacant positions. Respondent, on the other hand, contends that the issues raised by the charge are prohibited subjects of bargaining under § 15(3)(j) of PERA, MCL 423.215(3)(j), and, as such, the terms of the expired contract with respect to those matters are no longer binding.

Discussion and Conclusions of Law:

Effective July 19, 2011, Public Act 103 amended § 15(3) of PERA to add several provisions prohibiting collective bargaining between public school employers and representatives of their employees over certain issues, including decisions regarding teacher placement or the impact of those decisions. The matters complained about by Charging Party are covered by § 15(3)(j) of PERA, which provides:

(3) Collective bargaining between a public school employer and a bargaining representative of its employees shall not include any of the following subjects:

* * *

(j) Any decision made by the public school employer regarding teacher placement, or the impact of that decision on an individual employee or the bargaining unit.

For the reasons stated in the ALJ's decision, we agree that pursuant to § 15(3)(j) of PERA, Respondent has no duty to bargain over decisions about teacher placement, as such decisions are prohibited subjects of bargaining under § 15(3)(j) of PERA. This includes decisions on holding a teacher assignment or bid-bump meeting and posting vacant teaching positions.

In its exceptions, Charging Party contends that the bid-bump procedure in the parties' expired collective-bargaining agreement does not involve a prohibited subject of bargaining and that § 15(3)(j) of PERA does not apply to the bid-bump procedure in the parties' expired contract. According to Charging Party, § 15(3)(j) focuses only on bargaining over the placement of an individual teacher in a specified position. Charging Party asserts that the ALJ erred in concluding that § 15(3)(j) gives public school employers broad discretion to make placement

decisions. It is the Charging Party's contention that § 15(3)(j) is narrow in scope and does not prohibit bargaining over general staffing procedures to be applied to the bargaining unit as a whole, such as those detailed in the parties' expired contract.

Charging Party points out that additional enumerated prohibited subjects of bargaining in § 15(3) contain language prohibiting bargaining over decisions about the "development, content, standards, procedures, adoption, and implementation" of several of those prohibited subjects of bargaining and notes that the Legislature specifically rejected that language in § 15(3)(j). Based on that, Charging Party argues that § 15(3)(j) does not prohibit the parties from negotiating about the "'development, content, standards, procedures, adoption, and implementation' of a district's policy for placement." We disagree.

Section 15(3)(j) was added to PERA by 2011 PA 103, which enacted House Bill 4628. When House Bill 4628 was introduced on May 10, 2011, and when it was passed by the House on June 9, 2011, it contained language about school district policy in § 15(3)(j) and in several other provisions. At that time, the proposed language of § 15(3)(j) stated:

(3) Collective bargaining between a public school employer and a bargaining representative of its employees shall not include any of the following subjects:

(j) Decisions about the development, content, standards, procedures, adoption, and implementation of the public school employer's policy for placement of teachers required under section 1247 of the Revised School Code, 1976 PA 451, MCL 380.1247, any decision made by the public school employer pursuant to that policy, or the impact of those decisions on an individual employee or the bargaining unit.

The above quoted language of House Bill 4628 was amended and subsequently became 2011 PA 103. The language of § 15(3)(j), as enacted in 2011 PA 103, provided:

- (3) Collective bargaining between a public school employer and a bargaining representative of its employees shall not include any of the following subjects:
 - (i) Any decision made by the public school employer regarding the placement of teachers, or the impact of that decision on an individual employee or the bargaining unit.

The removal of the language in the initial version of House Bill 4628 regarding § 1247 of the Revised School Code, 1976 PA 451, MCL 380.1247 is, presumably, attributable to the subsequent recognition that MCL 380.1247 was repealed by 1995 PA 289, as of July 1, 1996. Moreover, the added language "[a]ny decision made by the public employer regarding the placement of teachers," certainly includes "[d]ecisions about the development, content, standards, procedures, adoption, and implementation of the public school employer's policy for placement of teachers" as well as "any decision made by the public school employer pursuant to that policy." It is, therefore, apparent that the Legislature rejected the more detailed and specific

¹ See, for example, § 15(3)(k), (l), (m) and (o).

language with respect to various types of decisions that would be made about teacher placement policy in favor of much more general language encompassing *any* decision regarding the placement of teachers. Indeed, that change in the language of § 15(3)(j) broadened its scope, rather than narrowing it as Charging Party contends.

According to Charging Party, the use of the words "decision," "individual," and "bargaining unit" in the final version of § 15(3)(j), rather than plural forms of those nouns, indicates that the Legislature intended to limit the applicability of § 15(3)(j) of PERA to single decisions affecting individual teachers. We disagree.

The language enacted by 2011 PA 103 was changed, effective March 13, 2012, with the enactment of House Bill 4246 as 2012 PA 45. House Bill 4246 was originally proposed to require that collective bargaining agreements include certain language regarding the powers of emergency managers to alter those agreements. For reasons not explained in the House Fiscal Agency Analyses² of House Bill 4246 or in the legislative history, the Senate substitute for House Bill 4246 struck the language "the placement of teachers" and replaced it with "teacher placement." Other than the fact that the later version is more concise, we see no significant difference between "[a]ny decision regarding the placement of teachers" and "[a]ny decision regarding teacher placement." In the absence of legislative history or other authority to support Charging Party's argument, we cannot conclude that the change from "the placement of teachers" to "teacher placement" was intended to narrow the scope of the bargaining prohibitions put in place by § 15(3)(j) of PERA.

We agree with the ALJ that the language "[a]ny decision made by the public school employer regarding teacher placement, or the impact of that decision on an individual employee or the bargaining unit" gives public school employers broad discretion. "Any decision . . . regarding teacher placement" necessarily includes decisions regarding the development, content, standards, procedures, adoption, and implementation of a public school employer's policies regarding teacher placement, and, therefore, those decisions as well as decisions directly affecting individual teachers are prohibited subjects of bargaining. More to the point, "[a]ny decision . . . regarding teacher placement" necessarily includes decisions regarding the ability of teachers to bid on other positions, to bump into positions, or take other action provided under Article X, Section 1 of the parties' expired collective bargaining agreement.

We further agree with the ALJ that Respondent has no duty to bargain over these issues. In fact, the parties are prohibited from doing so. In *Michigan State AFL-CIO v MERC*, 212 Mich App 472, 487 (1995); aff'd 453 Mich 362 (1996), when discussing the amendments to PERA made by 1994 PA 112, the Court of Appeals concluded that what the Legislature "intended was to foreclose the possibility that these areas could ever be the subject of bargaining such that a school district could be found to have committed an unfair labor practice by refusing to bargain over them or that they could ever become part of a collective bargaining agreement." The Court went on to explain that § 15(3) and (4) "evince a legislative intent to make public school employers solely responsible for these subjects by prohibiting them from being the subjects of enforceable contract provisions and by eliminating any duty to bargain regarding them." *Id.* We find that same legislative intent to be present in the 2011 additions to § 15(3).

² The Senate Fiscal Analysis, if any, is not available for review on the Legislature's website.

Charging Party contends that Article X of the expired contract continues to bind Respondent because the Employer must maintain the status quo with respect to mandatory subjects of bargaining after contract expiration. Charging Party is correct that neither party may take unilateral action on a *mandatory* subject of bargaining unless the parties arrive at an impasse in their negotiations or there is a clear and unmistakable waiver. *Central Michigan Univ Faculty Ass'n v Central Michigan Univ*, 404 Mich 268, 277 (1978); *Wayne Co Gov't Bar Ass'n v Wayne Co*, 169 Mich App 480, 486 (1988); aff'g 1987 MERC Lab Op 230. However, as we said in *Pontiac Sch Dist*, 27 MPER ____ (Case No. C12 D-070, issued March 17, 2014):

After the enactment of 2011 PA 103, provisions of the parties' expired collective bargaining agreement that applied to teacher placement . . . are no longer mandatory subjects of bargaining. Those provisions are now prohibited subjects of bargaining. Therefore, the Employer is no longer required to comply with those terms of the expired contract.

We have also considered all other arguments submitted by the parties and conclude that they would not change the result in this case. Accordingly, we agree with the ALJ that the facts alleged in the charge do not support a finding that Respondent breached its duty to bargain. This matter was appropriately resolved on summary disposition as the charge failed to state a claim upon which relief can be granted under PERA. The ALJ's Decision and Recommended Order is affirmed.

ORDER

IT IS HEREBY ORDERED that the Order recommended by the Administrative Law Judge shall become the Order of the Commission. The unfair labor practice charge is hereby dismissed in its entirety.

MICHIGAN EMPLOYMENT RELATIONS COMMISSION

	/s/
	Edward D. Callaghan, Commission Chair
	/s/
	Robert S. LaBrant, Commission Member
	/s/
	Natalie B. Yaw, Commission Member
Dated: April 22, 2014	

STATE OF MICHIGAN MICHIGAN ADMINISTRATIVE HEARING SYSTEM EMPLOYMENT RELATIONS COMMISSION

In the Matter of:

IONIA PUBLIC SCHOOLS, Respondent-Public Employer,

-and-

Case No. C12 G-136 Docket No. 12-001241-MERC

IONIA EDUCATION ASSOCIATION, Charging Party-Labor Organization.

APPEARANCES:

Thrun Law Firm, P.C., by Kevin S. Harty, for Respondent

Kalniz, Iorio & Feldstein, by Fil Iorio, for Charging Party

DECISION AND RECOMMENDED ORDER OF ADMINISTRATIVE LAW JUDGE ON SUMMARY DISPOSITION

Pursuant to Sections 10 and 16 of the Public Employment Relations Act (PERA), 1965 PA 379, as amended, MCL 423.210 and 423.216, this case was assigned to David M. Peltz, Administrative Law Judge (ALJ) of the Michigan Administrative Hearing System, acting on behalf of the Michigan Employment Relations Commission (MERC). Based on the pleadings, briefs and the transcript of oral argument which was held on January 28, 2013 in Detroit Michigan, I make the following findings of fact and conclusions of law.

This case arises from an unfair labor practice charge filed on July 12, 2012, by the Ionia Education Association. The charge alleges that Ionia Public Schools violated Section 10(1)(e) of PERA by repudiating its contractual obligation to hold a "bid-bump" meeting and by failing or refusing to post vacancies for teaching positions in accordance with Article 10, Subsection 1 of the parties' collective bargaining agreement. On October 4, 2012, I directed the parties to file position statements addressing whether the actions allegedly taken by the Employer were "placement" decisions within the meaning of Section 15(3)(j) of PERA, MCL 423.215(3)(j), so as to constitute prohibited subjects of bargaining under the Act.

The Employer filed a response to the charge and motion for summary disposition on November 13, 2012. While conceding that no "bid-bump" meeting was ever held, the Employer asserts that the charge should nonetheless be dismissed because the conduct described therein involves prohibited subjects of bargaining under Section 15(3)(j) of PERA. Therefore, the Employer contends that it had no duty to bargain with the Union regarding its compliance, or

lack thereof, with the job placement requirements set forth within Article 10, Subsection 1 of the parties' agreement.

The Union filed a response to the Employer's motion on December 4, 2012. The Union relies upon legislative history in an attempt to establish that the Employer violated its duty to bargain by refusing to conduct a "bid-bump" meeting and by failing to post vacant teaching positions. The Union cites an early version of 2011 PA 103, the Act which ultimately amended Section 15 of PERA to prohibit bargaining over placement decisions. House Bill 4628, as introduced on May 10, 2011, contained language prohibiting bargaining over decisions about "the development, content, standards, procedures, adoption, and implementation of the public school employer's policy for placement of teachers required under [the revised school code] and any decision made by the public school employer pursuant to that policy, or the impact of those decisions on an individual employee or the bargaining unit." However, the language which the Legislature ultimately passed is substantially stripped down, prohibiting only "any decision" by the public school employer regarding "teacher placement" and the impact thereof. The Union argues that the change in statutory language reflects a legislative intent to allow bargaining over decisions about the development, content, standards, procedures, adoption and implementation of the public school employer's policy for teaching staff assignments, which includes, according to the Union, the "bid-bump" meeting and posting requirements set forth in the parties' contract. The Union asserts that only bargaining over the actual placement of an individual teacher to a specific position is prohibited under Section 15(3)(j) of PERA.

On January 28, 2013, the parties appeared for oral argument before the undersigned. After considering the extensive arguments made by counsel for each party on the record, I concluded that there were no legitimate issues of material fact and that a decision on summary disposition was appropriate pursuant to Commission Rule R 423.165 (1). See also *Detroit Public Schools*, 22 MPER 19 (2009) and *Oakland County and Oakland County Sheriff v Oakland County Deputy Sheriffs Assoc*, 282 Mich App 266 (2009). Accordingly, I rendered a decision from the bench, finding that Charging Party had failed to state a valid claim under PERA. The substantive portion of my findings of fact and conclusions of law are set forth below:

Findings of Fact

The parties were operating under the terms of a collective bargaining agreement which expired on August 25, 2011. That contract contained various provisions regarding teaching assignments [including] Article 10, Subsection 1, which states:

TEACHING ASSIGNMENTS

1. During the month of April, May or June, an assignment meeting shall be held to fill all vacancies known at the date of the meeting. All teachers are required to provide documentation (i.e. copy of teaching certificate with appropriate endorsements, IPS approved portfolio, or proof of success of completion of MTTC-MI Test for

teacher certification or other state recognized standards) at the bid meeting to substantiate that they are highly qualified for the position to which they are bidding/bumping. Written requests submitted to the superintendent prior to the meeting shall be considered. Displaced teachers not attending the meeting may be administratively assigned. All assignments shall be made on the basis of certifications, qualifications and seniority as specified in Article XII, Section IV and Article XIII, Section II, subsections B and F. All teachers shall be notified of such an assignment meeting at least ten (10) days in advance.

Article 10 then continues by indicating that the most senior teacher or their proxy attending the meeting will have various options, including staying in his or her current assignment, passing in order to select later, selecting to transfer into a vacancy, or transfer/bump if he or she is displaced into another teaching position.

It is undisputed in this case that after the contract expired, the Employer school district did not hold a "bid-bump" meeting, even though it was requested [to do so] multiple times by the Charging Party. I also accept as true for purposes of this motion that the Employer failed or refused to post vacancies in accordance with the contract. I don't find that allegation -- although there is a dispute about that, I don't find that determinative and I'm certainly accepting the allegation as true for purposes of this [decision].

Discussion and Conclusions of Law

[T]he general bargaining obligations under PERA when a collective bargaining agreement has expired require the public employer to maintain all terms and conditions of employment that would constitute mandatory subjects of bargaining until a new contract is reached. Here, the Employer contends that the subject matter of the charge, the "bid-bump" meetings, and the posting of job vacancies, did not constitute mandatory subjects of bargaining, but instead were, in fact, prohibited subjects of bargaining under Section 15(3)(j) of PERA.

The legislature amended Section 15 of PERA effective July 19, 2011 to make certain topics prohibited subjects of bargaining for public school employers and the unions representing their teachers. Pursuant to Section 15(3)(j), "Any decision made by the public school employer regarding teacher placement, or the impact of that decision on an individual employee or their bargaining unit" constitutes a prohibited subject of bargaining under the statute. [T]he courts have held with respect to prohibited subjects of bargaining that the parties are free to discuss such subjects, but the employer cannot be compelled to do so, and that any agreement between the parties concerning a prohibited subject of bargaining is unenforceable. [Michigan State AFL-CIO v MERC, 212 Mich App 472 (1995), aff' d 453 Mich 262 (1996); see also Grand Haven Pub Sch, 19 MPER 82 (2006); Parchment Sch Dist, 2000 MERC Lab Op 110 (no exceptions).]

Now with respect to interpreting that provision, our goal, our primary goal must be, as it is in all matters of statutory construction, to ascertain and effectuate the intent of the Legislature. *Lakeview Comm Sch*, 25 MPER 37 (2011); *Castco Twp v Sect of State*, 472 Mich 566 (2005). We must begin with the language of the statute itself ascertaining the intent that may reasonably be inferred from its language. *Slash v Traverse City*, 479 Mich 180 (2007); *Sotelo v Grant Twp*, 470 Mich 95 (2004). When the language of a statute is unambiguous . . . the Legislature's intent is clear [and] judicial construction that varies the plain meaning of the statute is neither necessary nor permitted. The drafters must have intended the plainly expressed meaning, and the statute must be enforced as written. *POLC v Lake County*, 183 Mich 558 (1990).

[I]t is my conclusion that the amendment to PERA, Section 15(3)(j), unambiguously gives the Employer broad discretion to make placement decisions without bargaining the decisions or the effects thereof, and that any limitation on that discretion would be contrary to the plain reading of the statute. I think we need to look no further than the ordinary meaning of the term "placement" which Webster's dictionary defines as, "The assignment of a person to a suitable place as a job or a class in school." And that's precisely what we are talking about in this instance. I don't see any ambiguity in the statute whatsoever that would warrant resorting to any exploration of the legislative history here.

[The Union contends that the bid/bump procedure is not a prohibited subject of bargaining under Section 15(3)(j). In support of this contention, the Union cites a draft version of the amendment, House Bill 4628. As introduced on May 10, 2011, Section 15(3)(j) listed as prohibited subjects of bargaining "[d]ecisions about the development, content, standards, procedures, adoption, and implementation of the public school employer's policy for placement of teachers required under section 1247 of the revised school code, 1976 PA 451, MCL 380.1247, any decision made by the public school employer pursuant to that policy, or the impact of those decisions on an individual employee or the bargaining unit." As noted, the final language passed by the Legislature eliminated much of the above language to prohibit bargaining regarding "any decision" by the public school employer regarding teacher placement or the impact of that decision on an individual employee or their bargaining unit. The Union contends that the change in the statutory language evinces a legislative intent to limit the scope of the amendment so as to continue to allow bargaining regarding decisions about the development, content, standards, procedures, adoption and implementation of the public school employer's policy for teaching assignments.]

Even if we were to . . . consider the argument that the Union has made here with respect to the . . . language which didn't ultimately make its way into the statute, I guess I'm of the same conclusion as counsel for the Employer here in that I read the statute as written as being even more broad than had the Legislature

put the [original] language referred by the Charging Party within the statute. [The statute as enacted contains] extraordinarily broad language. [Prohibited subjects of bargaining include] "any decision made by public school employer regarding teacher placement or the impact of that decision," not only on an individual employee, but on the entire unit. Again, as I read that [language], the Employer is free to choose whatever assignments or positions it wishes to place a bargaining unit member in, and any criteria or policy which may [previously] have been in place [which] would constrain the Employer in making that decision are no longer governing or no longer binding under the statute.

And I asked the Charging Party's counsel to explain what the statute does mean And I understand, Mr. Iorio, you've made a valiant effort to do so, but I think that's really where this argument, your argument sort of falls apart. And I'll note the accepted cannon of statutory interpretation that requires that [a] court or reviewing body should, as far as possible, give effect to every phrase, clause, word, in a statute and avoid rendering any part of a statute nugatory. *Hoste v Shanty Creek Mgt*, 459 Mich 561 (1999). To assert, as the Union does here, that the Legislature explicitly eliminated the duty to bargain over placement decisions, yet nevertheless intended to require the public Employer to bargain with the Union over how to fill vacant teaching positions or to continue to be constrained by any previously negotiated agreements with respect to that [issue] would render the amendment meaningless, and would also bring about essentially an absurd result because of that.

In its brief, the Charging Party argues that the Employer is not free to ignore the various contract provisions cited simply because they may involve a prohibited subject of bargaining. I think [that assertion is] based upon a tortured reading of the case law that's cited therein. [In the case relied upon by the Charging Party, *Parchment Sch Dist*, 13 MPER 31 (2000), the Commission found a PERA violation based not on a refusal to bargain theory], but because the decision in that case was made for retaliatory reasons. There's been no such assertion here.

Similarly, the violation of Section 10(1)(a) [of PERA alleged] by the Charging Party must be dismissed. The Employer was in fact acting in a manner specifically contemplated by the amendment. There is no factually supported allegation to suggest an unlawful motive [on the part of the Employer] or any intent [by the Employer] to impair union activities. The Employer appears to have been simply following the statute.

I also agree with the Employer with respect to the repudiation allegation. I don't believe that [the concept of repudiation] has any meaning in the instant case since we are in fact dealing with an expired contract. The issue is whether there was a failure to maintain the status quo. And again, as I've explained, given that this matter concerns a prohibited subject of bargaining, there is no such duty in this case.

Now I'll note finally that [my holding today] is consistent with my prior decision in *Pontiac Sch Dist v Pontiac Ed Assn*, Case Nos. C11 K-197 and CU12 D-019. [In that matter], I issued a decision also from the bench also rejecting an argument by the union that the employer had a duty to bargain over teacher placement decisions. That decision was rendered on September 14, 2012. However, because there were . . . other issues within that case that required an evidentiary hearing, no written decision has issued at this time. However, I've again notified the parties on the record that that would be my conclusion.

[My holding is also consistent with a decision issued by Administrative Law Judge Julia Stern] in a case also involving the Pontiac School District and the Pontiac Education Association, Case No. C12 D-079. In a Decision and Recommended Order issued on December 11, 2012, Judge Stern concluded, "Section 15(3) (j) of PERA makes decisions regarding teacher placement and the impact of those decisions prohibited subjects. I conclude that this section also made the party's practice of permitting teachers to choose their new assignment after being displaced by a layoff a prohibited subject of bargaining. Therefore, Respondent did not violate PERA by refusing to allow this choice after the April 12 layoffs." So again, my finding is consistent with Judge Stern.

I will recommend that the Commission grant the Employer's motion to dismiss.³

Based on the findings of fact and conclusions of law set forth above, I issue the following recommended order:

I. RECOMMENDED ORDER

The unfair labor practice charge is hereby dismissed in its entirety.

MICHIGAN EMPLOYMENT RELATIONS COMMISSION

David M. Peltz
Administrative Law Judge
Michigan Administrative Hearing System

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Dated:

³ The transcript excerpt reproduced herein contains typographical corrections and other minor edits for clarity purposes. The completed unedited transcript is maintained within the Commission case file.