I. INTRODUCTION

On July 24, 2013, the Medicine Lake Education Association, MEA-MFT, NEA/AFT (MLEA) filed a charge with the Board alleging that the Medicine Lake Board of Trustees (MLBT) and the superintendent of the Medicine Lake Schools, Tiffany Anderson, committed an unfair labor practice by unilaterally and without bargaining requiring that the counseling position which had previously been held by a bargaining unit member be filled by a person having an administrative endorsement, thereby removing the position from the bargaining unit. MLEA also alleged that MLBT failed to bargain with the bargaining unit’s exclusive representative in negotiating the employment contract with the person who ultimately filled the counseling position and in later contracting out the work of the counseling position to the Montana Small Schools Alliance (MSSA). On September 12, 2013, MLBT filed a response to the charge denying that its actions constituted an unfair labor practice.

On October 4, 2013, an investigator for the Board issued a finding that the charges had probable merit and transferred the case to the Office of Administrative Hearings.

Hearing Officer Gregory L. Hanchett conducted a hearing in the case on January 23, 2014 in Sidney, Montana. Vicki McDonald, attorney at law, represented
MLEA. Jeffrey Weldon, attorney at law, represented MLBT. Earl Bentson, MLBT trustee, Tiffany Anderson, superintendent, Debra Hendrickson, MLBT board chair, Mariel Hovat, MLEA union president, and Maggie Copeland, MEA-MFT field representative, all testified. MLEA’s Exhibits 1 through 22 and MLBT’s Exhibits A through E were all admitted into the record.

At the urging of the hearing officer, the parties laudably but unsuccessfully engaged in post-hearing mediation in an effort to resolve the issues. Afterwards, the parties filed post-hearing briefs, the last of which was timely received in the Office of Administrative Hearings on June 2, 2014. At that time, the case was deemed submitted for decision. Based upon the evidence and argument presented, the hearing officer makes the following findings of fact, conclusions of law and recommended decision.

II. ISSUE

The issue in this case is whether the MLBT committed unfair labor practices in violation of Mont. Code Ann. § 39-31-401, as alleged in the complaint filed by the MLEA.

III. FINDINGS OF FACT

1. MLEA is a labor organization within the meaning of Mont. Code Ann. § 39-31-103(6). It is the exclusive bargaining representative for K through 12 grade teachers employed by the Defendant.

2. MLBT is a “public employer” within the meaning of Mont. Code Ann. § 39-31-103(10), acting through its Board of Trustees (the “Board”). Defendant Tiffany Anderson is the Superintendent of the Medicine Lake School District, and a representative and agent designated by MLBT to act in its interest in dealing with public employees within the meaning of Mont. Code Ann. § 39-31-104.

3. MLEA and MLBT are parties to a collective bargaining agreement (the “Master Agreement”) effective July 1, 2012 through June 30, 2013 which was in effect at all times relevant to this unfair labor practice charge. (Union Ex. 1). The Master Agreement defines a “teacher,” or member of the bargaining unit, as follows:

   The term “teacher” when used in this agreement refers to all certified personnel represented by the Association in the bargaining unit but shall exclude all administrative staff, teacher aides and substitute teachers.

   Paragraph 2.1, Master Agreement.
The Master Agreement also contains a management rights clause which states:

The Association recognizes the right of the District to manage their affairs, including but not limited to:

1. Direct employees.
2. Hire, promote, transfer, assign, and retain employees.
3. Relieve employees from duties because of lack of work or funds or under conditions where continuation of such work would be inefficient and nonproductive.
4. Maintain the efficiency of school operations.
5. Determine the methods, means, job classifications, and personnel by which school operations are to be conducted.
6. Take whatever action that may be necessary to carry out the objectives of the school in situations of emergency.
7. Establish the methods and processes by which work is performed.

All rights not specifically mentioned in this contract shall be reserved to the District. Further, the Association recognizes the right of the District to develop and execute policy that does not reduce the rights and benefits specifically guaranteed in this agreement.

Paragraph 12.1, Master Agreement.

4. The school counselor is certified and this position has for several years and several iterations of the CBA been in the bargaining unit with all salaries, benefits, and other conditions of employment provided for within the Master Agreement. (Union Exs. 1, 10, 19-21; Test. Anderson; Test. Copeland; Test. Hovet, 5:3:02). Administrative positions are excluded from the Master Agreement.

5. At all times relevant to this unfair labor practice charge through May of 2013, TJ Smith (“Smith”) held the school counselor position on a full-time basis. (Union Exs. 19, 20, 21). As the Board Chair testified repeatedly at hearing:

The first time that we had ever hired a full time counselor in the 9 years that I’d been on the Board, was when we created the position for TJ Smith. (Test. Hendrickson, 7:19:22; 7:23:15) (emphasis supplied). . . .that was the job that we had created, was a full-time counselor job (Test. Hendrickson, 7:20:55).
6. On April 8, 2013, Superintendent Anderson notified Smith that she would be recommending to the Board at their regular meeting of April 9, 2013 that Smith’s teaching contract not be renewed. (Union Ex. 2). At the Board’s regularly scheduled meeting of April 9, 2013, Superintendent Anderson asked the Board to consider hiring a school principal. (Union Ex. 3).

7. Trustee Earl Berntson immediately moved to create a “principal/counselor staff position” and advertise to hire. The Board voted and unanimously passed the motion. (Union Ex. 3). Anderson then presented Master Agreement Section 2.2 for the Board’s review. (Union Ex. 3).

8. Section 2.2 of the Master Agreement provides for “Teachers’ Rights,” as follows:

The Board recognizes the teachers’ full rights of citizenship. No religious, political or personal activities of any teacher or lack thereof shall be grounds for discipline, discrimination, or termination. No teacher shall be disciplined, reprimanded, suspended or laid off without just cause. However, a teacher may be dismissed or suspended for immorality, unfitness, incompetence or violations of rules as established by the Board and the State of Montana. In such cases the teacher is entitled to know the cause of dismissal. If the teacher is tenured, he/she shall be granted a hearing before the Board unless the teacher, in writing, waives this right. (Union Ex. 1).

9. Anderson then recommended that the Board offer a hearing to Smith since his teaching position was “then no longer needed.” (Union Ex. 3). Anderson then presented a list of certified staff for consideration of contract renewal. Smith was not among them. (Union Ex. 3).

10. On April 22, 2013, the District advertised the position of “Principal/Counselor” for the 2013-2014 school year on the OPI website. The ad required that applicants hold “Current Montana Certification with appropriate endorsements.” Therefore, in order to qualify for the school counselor position, a bargaining unit position, applicants were required to hold administrator endorsements. (Test. Anderson, 1:46:05). The salary was listed as “TBD” or to be determined. (Union Ex. 4).

11. Although the District had maintained a “principal/counselor” position in the past, it was unrefuted at arbitration that the District had never before required, as a qualification for the counselor position, that the counselor possess an administrator endorsement. (Test. Copeland; Test. Anderson). Typically the teacher
was already pursuing an administrative endorsement voluntarily. (Test. Copeland; Test. Hovet, 5:8:27).

12. On May 6, 2013, Anderson recommended to the Board that Smith’s contract not be renewed. (Union Ex. 5). The basis for Anderson’s recommendation was the Board’s previous action which “eliminated the counselor position and created a combined principal/counselor position. Mr. Smith is not properly credentialed to hold that combined position; I must therefore recommend that Mr. Smith’s contract not be renewed.” (Union Ex. 5). Anderson noted to Smith in her recommendation letter of May 6, 2013 that “This letter replaces the previous letter sent to you on April 8th, 2013.” (Union Ex. 5).

13. Subsequently, at the regular Board meeting of May 7, 2013, Anderson recommended and the Board voted to non-renew the teaching (school counseling) contract held by Smith. (Union Ex. 6). Anderson explained that the “Board created a principal/counselor position for the District at its April 9th meeting.” (Union Ex. 6). Anderson reiterated to the Board before the vote that “Mr. Smith is not eligible to hold such a combined position because he does not have an administrator endorsement.” (Union Ex. 6).

14. In response to its advertisement, the District interviewed Jim Goltz for the newly created position. (Test. Anderson, 1:37:15; Union Ex. 11). The District hired Goltz. (Test. Anderson). On June 25, 2013, Jim Goltz executed an employment contract with the District for the position of principal to be effective August 5, 2013 to June 6, 2014. (Union Ex. 7). The salary was set at $50,000.00 per year. (Union Ex. 7). The contract contained other benefits including employer paid 1) health insurance premium valued at approximately $10,740.00/year; 2) housing valued at approximately $3,600.00 per year to include payment of water, sewer, garbage and utilities; and 3) professional dues to MASSP and NEMASS. (Union Ex. 7). The contract also allowed for the negotiation of future salary adjustments between Goltz and the District. (Union Ex. 7).

15. The Association filed the subject ULP charge on July 24, 2013. Subsequently, on October 8, 2013 and over two months into the school year, Goltz executed a teaching contract with the District for a half time teaching position. (Union Ex. 8). The contract term began August 5, 2013 and was effective for the 2013-2014 school year. (Union Ex. 8). The salary was set at $24,619.00 per year. The contract required Goltz to possess valid certification or obtain such valid certification “by the opening of school.” (Union Ex. 8). That same day, October 8, 2013, Goltz also entered into an “Addendum to Medicine Lake Principal Employment Contract” with the District. (Union Ex. 9). The Addendum reiterated Goltz’s salary of $50,000.00, but attempted to divide that sum “proportionally
between his principal duties ($25,318.00) and his teaching and guidance counseling duties ($24,619.00). (Union Ex. 9) (emphasis supplied). The Addendum maintained Goltz’s employer paid 1) health insurance premium valued at approximately $10,740.00/year; 2) housing valued at approximately $3,600.00 per year to include payment of water, sewer, garbage and utilities; and 3) professional dues to MASSP and NEMASS. (Union Ex. 9).

16. During the course of the 2013-14 school year, Goltz performed bargaining unit work 75% of the day, but received far greater pay for that work than provided for in the Master Agreement. Goltz was assigned six periods of instruction and only two periods as a principal. His schedule mirrored that of Smith’s from the prior year. (Union Ex. 12). He was assigned 6/8ths or 75% of his time performing bargaining unit work, and 2/8ths or 25% of his time as an administrator - duties outside of the unit. (Union Ex. 12).

17. In Montana, a school counselor is a certified or licensed position. (Test. Anderson; Test. Copeland). Goltz was not certified or licensed as a school counselor at the time he contracted with the District. (Test. Anderson; Union Exs. 10, 11). Goltz was not assigned within his field of endorsement and his counselor assignment was not consistent with the Master Agreement, the regulations of the State Board of Public Education, or the requirements for accreditation of the State of Montana.

18. In December of 2013 (Test. Anderson 1:24:49), after being notified by Maggie Copeland that Goltz did not possess an endorsement for school counseling, the District contracted out the school counselor duties to a third-party provider, Montana Small Schools Alliance. (Test. Anderson, 1:22:55; Union Ex. 22). This was done without bargaining with the Association, obtaining its consent, or disclosing it to the Association.

IV. DISCUSSION

A. MLBT Engaged In An Unfair Labor Practice.

In its complaint, MLEA contends that the Board has engaged in an unfair labor practice in three ways. First, it argues that MLBT engaged in an unfair labor practice by requiring that the school counselor hold an administrative endorsement, effectively excising the position from the union, without bargaining that issue to impasse. Second, the union argues that in assigning bargaining unit work to a supervisor and then later subcontracting that work out to a third party vendor,

________________________

1Statements of fact in this discussion are incorporated by reference to supplement the findings of fact. Coffman v. Niece (1940), 110 Mont. 541, 105 P.2d 661.
MLBT committed yet a second unfair labor practice. Finally, the union also argues that in bargaining with Goltz, MLBT bypassed the exclusive representative and thereby committed an unfair labor practice. MLEA opening brief, page 21.

For its part, MLBT argues that it did not have to bargain these two changes because it had the right to make them unilaterally under Paragraph 12.1 of the CBA. MLBT further argues that it is not contracting out bargaining unit work in contracting out counseling services. Finally, MLBT argues that it did not bargain individually with Goltz but rather comported with the CBA in contracting with him for his part time work as a counselor.

MLBT concedes that adoption and implementation of what it characterizes as a RIF in letting Smith go is a subject of mandatory bargaining. It asserts, however, that the parties had already bargained over the right to implement a procedure by including in the CBA a provision that “no teacher be laid off without just cause.” Paragraph 2.1, Master Agreement. MLBT also argues that even if the parties had not already bargained over the issues involved in this case, the union waived its right to bargain by failing to request bargaining in a timely fashion. It reaches this conclusion by arguing that the MLEA president was in attendance at the April 9, 2013 Board meeting where the recommendation to not rehire Smith and to instead create the principal/counselor position was made, MLBT made no decision on the issue until the May 7, 2013 Board meeting, and the union could have requested bargaining in the meantime. MLBT’s opening brief, page 9.

The Montana Supreme Court has approved the practice of the Board of Personnel Appeals of using federal court and National Labor Relations Board (NLRB) precedents as guidance in interpreting the Montana collective bargaining laws. State ex rel. Board of Personnel Appeals v. District Court (1979), 183 Mont. 223, 598 P.2d 1117; City of Great Falls v. Young (Young III) (1984), 211 Mont. 13, 686 P.2d 185.

An employer violates its duty to bargain in good faith when it unilaterally changes an existing term or condition of employment without bargaining that change to impasse. NLRB v. McClatchy Newspapers (D.C. Cir. 1992), 964 F. 2d 1153, 1162. When a collective bargaining agreement is in place, an employer must obtain the union’s consent before implementing any change to the agreement. Where a mandatory subject of bargaining is not covered by the collective bargaining agreement, an employer must bargain the issue to impasse before it can implement a unilateral change. International Union (UAW) v. NLRB, 765 F.2d 175, 179 (D.C. Cir. 1985).

As noted above, MLBT concedes that the decision to require that the counselor position be held by a person who cannot be in the union (because the person to be hired for the new counseling position was required to have an administrative endorsement and, pursuant to the terms of the CBA, cannot, because of that endorsement, be in the bargaining unit) and to remove Smith from the position are mandatory subjects of bargaining. Because the issue is the subject of mandatory bargaining, MLBT must argue that MLEA waived its right to bargaining the issue.

A waiver can occur either by express provisions in the CBA, by the parties’ bargaining history, or by a combination of both. Local Joint Executive Board of Las Vegas v. NLRB, 540 F.3d 1072, 1079, footnote 10, (9th Cir. 2008), citing Am. Distributing Co. v. NLRB, 715 F.2d 446 (9th Cir. 1983). MLBT must prove the waiver. An express contractual waiver must be “explicitly stated, clear and unmistakable.” Local Joint Executive Board, supra, 540 F.2d at 1079. In order to demonstrate a waiver by bargaining history, the matter at issue must have been “fully discussed, and consciously explored during negotiations and the union [must] have consciously yielded or clearly and unmistakably waived its interest in the matter.” Id., citing Johnson-Bateman Co., 295 NLRB 180, 185 (1989).

MLBT suggests that the issue has already been bargained (and thereby waived) because the CBA permits MLBT to lay off a teacher for just cause and provides MLBT the right to unilaterally do so because “the Association exercised its right to bargain the staffing and RIF issues by agreeing to language that conceded to the Board the right to determine appropriate job classifications and personnel needed to operate the school.” MLBT’s opening brief, page 8. MLBT further argues that in any event, the union has waived the issue as demonstrated by the union’s failure to object to past practice of the parties.

---

2As the union correctly notes, transferring work performed by a bargaining unit member to a non-union supervisor is a subject of mandatory bargaining. Florence Carlton Classified Employees Assoc. NEA/MEA v. Florence - Carlton High School and Elementary Dist. No. 15-6, ULP #14-93.
The hearing officer agrees with the union that neither the language of the CBA, the union’s conduct, nor the parties’ past practices constitutes a waiver. As to the first point, the union correctly points out that Paragraph 12.1 is not sufficient to demonstrate an explicit, clear, and unmistakable waiver of the right to bargain the removal of a position from the unit by requiring that the position be held by a person who has an administrative endorsement and who cannot, therefore, be part of the unit. Instead, the CBA defines the bargaining unit as excluding administrators from being a part of it. This provision does indeed, as the union suggests, memorialize MLBT’s waiver of any ability to require that a bargaining unit position hold an administrative endorsement and thereby wrest the position out of the unit.

Moreover, to sustain MLBT’s argument on this point would seem to contradict the holding of the Montana Supreme Court’s decision in Bonner, supra. In Bonner, the court specifically considered but rejected an argument (similar to MLBT’s here) that to require bargaining about the implementation of teacher transfers would “defeat management’s expressly reserved management rights under the CBA.” ¶43. In doing so, the court held that “requir[ing] collective bargaining on the subject . . . has no effect on the employer’s fundamental right to manage and operate. Collective bargaining does not impose on management the duty to concede to union demands.” Id. The case before this tribunal is no different. To hold that the CBA permitted MLBT to unilaterally take a position out of the bargaining unit would undercut the rationale of Bonner, something which this tribunal is not at liberty to do.

The hearing officer also agrees with the union that neither the union’s conduct at the April 9, 2013 meeting nor the parties’ past practices amounts to a waiver. The argument that the union failed to request bargaining is misplaced. MLBT effectively took its action - voting to create the principal/counselor position and thereby take the counselor position out of the unit - at the April 9, 2013 meeting. No notice was provided to the union prior to that action. It was indeed a fait accompli and cannot be considered to be a waiver under any stretch of the imagination.

As for the past practices argument raised by MLBT, that argument misapprehends the force of the evidence. In order for a past practice to be binding on both parties, it must be unequivocal, clearly enunciated and acted upon, and readily ascertainable over a reasonable period of time as fixed and established practice which both parties have accepted. Elkouri & Elkouri, How Arbitration Works (6th Ed. 2003), p. 608. As the union correctly notes, the testimony establishes that MLBT’s April decision was the first time that the Board had ever tied someone’s retention of a certified position to having an administrative endorsement. Indeed, as Hovet testified, in her 33 years in working in the District, no teaching position had been tied to having an administrative endorsement.
In summation, there is no dispute that the issue here was a subject of mandatory bargaining. Neither the language of the CBA, the union’s conduct, nor the parties’ past practices evinces the union’s waiver of its right to bargain over the requirement that the counseling position be filled by a person having an administrative endorsement. The union has thus proven that MLBT engaged in an unfair labor practice by not first at least bargaining to impasse the issue of the effects of requiring that the person hired for the counseling position also hold an administrative endorsement.

As to the issue of the unilateral bargaining, the hearing officer agrees with the union that MLBT negotiated directly with Goltz when it first contracted with Goltz (the June 25, 2013 contract) to fulfill the duties of school counselor. That agreement provided for negotiating future salary adjustments between Goltz and MLBT for work that included the counseling position. That employment contract was in place until October 2013 (three months after the instant ULP was filed) when MLBT modified Goltz’s employment contract to provide that his counseling duties would be paid in accordance with the CBA. This was an after-the-fact attempt to rectify the individual bargaining that had occurred. Even though it may have rectified the situation as of October 2013, it does not “un-ring the bell” that occurred when MLBT unilaterally negotiated with Goltz to fulfill the heretofore bargaining unit counselor’s position. Ekalaka Unified Board of Trustees v. Ekalaka Teacher’s Association, 2006 MT 337, ¶17, 335 Mont. 149, 149 P.3d 902 (the unfair labor practice occurred at “the moment the school district agreed to pay [the teacher] the $2,000.00)” (emphasis added). Thus, MLEA has also proven that MLBT engaged in individual bargaining over the terms of compensation of a unit position and thus engaged in an unfair labor practice.

B. Remedy For The Unfair Labor Practice.

Upon determining by a preponderance of the evidence that an unfair labor practice has occurred, the Board of Personnel Appeals shall issue and serve an order requiring the entity named in the complaint to cease and desist from the unfair labor practice. Mont. Code Ann. § 39-31-406(4). The Board shall further require the offending entity to take such affirmative action, which may include restoration to the status quo ante, “as will effectuate the policies of the chapter.” Id. See also, Keeler Die Cast (1999), 327 NLRB 585, 590-91; Los Angeles Daily News (1994), 315 NLRB 1236, 1241.

The proper remedy here is to order MLBT to restore the status quo ante by halting the implementation of requiring that the school counselor hold an administrative endorsement, and to require MLBT to bargain with MLEA before changing any qualifications for the school counselor position.
MLEA has also asked that the hearing officer recommend that all certified staff be compensated with an award of back pay “commensurate with the loss of salary suffered by T.J. Smith.” MLEA’s opening brief, page 21. MLEA cites no authority for that proposition nor does it explain how such a remedy will effectuate the polices of the chapter. MLEA has not asked that Smith be reinstated nor that back pay be awarded to Smith. In Ekalaka, the association requested that moving expenses paid to a teacher as a result of individual bargaining be paid to each one of the unit members. The hearing officer declined, noting that “neither party presented any authority on whether an equivalent payment is appropriate for each bargaining unit member when the employer has bargained directly with an employee.” Ekalaka Teacher’s Association v. Ekalaka Unified Board of Trustees, ULP 23-2004 (1/4/2005), page 7. Like the situation in Ekalaka, the hearing officer here is aware of no authority nor can he conceive of any compelling policy reason to enter such an order. Accordingly, the hearing officer declines to recommend that MLBT be ordered to compensate unit members in an amount equal to the salary lost by T.J. Smith.

V. CONCLUSIONS OF LAW


2. MLEA has demonstrated by a preponderance of the evidence that MLBT’s failure to at least bargain over the effects of requiring that the person hired to take over the counseling position have an administrative endorsement, effectively removing the position from the bargaining unit, was an unfair labor practice as alleged in the complaint. Engaging in individual bargaining with Goltz regarding the compensation for his counseling work also amounted to an unfair labor practice.

3. It is appropriate to order MLBT to restore the status quo ante by halting the implementation of requiring that the school counselor hold an administrative endorsement, and to require MLBT to bargain with MLEA before changing any qualifications for the school counselor position.

VI. RECOMMENDED ORDER

The hearing officer recommends that the Board order MLBT to:

1. Restore the status quo ante.

2. Bargain in good faith with MLEA regarding the effects of implementing a requirement that any person holding the school counselor position hold an
administrative endorsement or before implementing a contracting out of the school counseling work.

3. To no later than 30 days after the entry of the Board’s final order in this matter to post copies of the notice contained in Appendix A at conspicuous places, including all places where notices to employees are customarily posted at the school for a period of 60 days and to take reasonable steps to ensure that the notices are not altered, defaced, or covered by any other material.

4. To reinstate all leave taken by members of MLEA to participate in the hearing on January 23, 2014.

DATED this 18th day of July, 2014.

BOARD OF PERSONNEL APPEALS

By: /s/ GREGORY L. HANCHETT
   GREGORY L. HANCHETT
   Hearing Officer

NOTICE: Exceptions to these Findings of Fact, Conclusions of Law and Recommended Order may be filed pursuant to Admin. R. Mont. 24.26.222 within twenty (20) days after the day the decision of the hearing officer is mailed, as set forth in the certificate of service below. If no exceptions are timely filed, this Recommended Order shall become the Final Order of the Board of Personnel Appeals. Mont. Code Ann. § 39-31-406(6). Notice of Exceptions must be in writing, setting forth with specificity the errors asserted in the proposed decision and the issues raised by the exceptions, and shall be mailed to:

   Board of Personnel Appeals
   Department of Labor and Industry
   P.O. Box 201503
   Helena, MT 59620-1503
The Montana Board of Personnel Appeals has found that we violated the Montana Collective Bargaining for Public Employees Act and has ordered us to post and abide by this notice.

We will restore the status quo ante.

Bargain in good faith with MLEA regarding the effects of implementing a requirement that any person holding the school counselor position hold an administrative endorsement or before implementing a contracting out of the school counseling work.

Reinstate all leave taken by members of MLEA to participate in the hearing on January 23, 2014.

DATED this _____ day of ______________, 2014.

Medicine Lake Board of Trustees
and Tiffany Anderson, Superintendent

By: ___________________________

_____________________________

Office: ______________________