### Legal Update for WASBO: Top 10 Issues Pending in K-12







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Legal Update: Top 10 Issues Pending in K-12 affecting School Business Officials

- Collective Bargaining
- Contract Issues
- Individual Employment Issues
  - Liquidated Damages
  - Covenants not to Compete
  - Contract Terms
  - Reasonable Assurance
  - Change in Assignments

- Repayment of Tuition
- Payroll Practices
- Public Records
- Odds & Sods
  - COVID-19 Legislation
  - ESSER
  - Federal Guidance
  - WERC Decisions

### Collective Bargaining with Represented Employees

# Act 10 & CPI

## Collective Bargaining

# Meet & Confer

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# 2011 Wisconsin Act 10

- Collective Bargaining Changes (effective June 29, 2011)
  - <u>Duty to Bargain</u>: Prohibits bargaining collectively with respect to any condition of employment except wages, which includes only total base wages and excludes any other compensation, such as overtime, premium pay, merit pay, performance pay, supplemental compensation, pay schedules, and automatic pay progressions.
  - <u>Ceiling on Base Wages</u>: Limited to bargaining over a percentage of a total base wage increase no greater than the percentage change in the consumer price index.

### Collective Bargaining – School District Employees – Base Wages

- Collective bargaining is prohibited for all subjects other than base wage increases:
  - <u>111.70(4)(mb)</u>
  - <u>1.</u> Any factor or condition of employment *except wages*, which *includes only total base wages* and excludes any other compensation, which includes, but is not limited to, overtime, premium pay, merit pay, performance pay, supplemental compensation, pay schedules, and automatic pay progressions.

#### Collective Bargaining – School District Employees - CPI

- 2. Except as provided in s. <u>66.0506</u> or <u>118.245</u>, whichever is applicable, any proposal that does any of the following:
  - a. If there is an increase in the consumer price index change, provides for total base wages for authorized positions in the proposed collective bargaining agreement that exceeds the total base wages for authorized positions 180 days before the expiration of the previous collective bargaining agreement by a greater percentage than the consumer price index change.
  - b. If there is a decrease or no change in the consumer price index change, provides for any change in total base wages for authorized positions in the proposed collective bargaining agreement from the total base wages for authorized positions 180 days before the expiration of the previous collective bargaining agreement.
- (mbb) Consumer price index change. For purposes of determining compliance with par. (mb), the commission shall provide, upon request, to a municipal employer or to any representative of a collective bargaining unit containing a general municipal employee, the consumer price index change during any 12month period. The commission may get the information from the department of revenue.

#### Collective Bargaining – School District Employees - CPI

- CPI Rate for 2022-2023 School District Collective Bargaining Agreements:
  - The CPI-U increase applicable to one-year collective bargaining agreements with a term beginning on July 1, 2022, is officially set at <u>4.70%</u>. <u>http://werc.wi.gov/doaroot/cpi-u\_chart.htm</u>.
- Ceiling, not a floor: The above number is the maximum total base wage increase for purposes of the 2022-2023 collective bargaining agreement absent a referendum.

#### Referendum to Exceed CPI – Base Wages

- Wis. Stats. §§66.0506, 118.245 provides that unless approved by referendum, the law prohibits any increase in base wages that exceeds the total base wages for authorized positions 180 days before the expiration of the previous collective bargaining agreement by a greater percentage than the increase in the consumer price index (CPI).
- If a local governmental unit (including a school district) wishes to increase the total base wages of its general municipal employees in an amount that exceeds these CPI limits, it must adopt a resolution to that effect.

#### Referendum to Exceed CPI – Base Wages

- Wis. Stats. §§66.0506, 118.245 The resolution must specify the amount by which the proposed total base wages increase will exceed the CPI limit and may not take effect unless approved in a referendum.
- For school districts, the referendum would occur in April for collective bargaining agreements that begin in July of that year.

### Collective Bargaining – School District Employees - Costing

- School District Employee Collective Bargaining negotiations are exclusively limited to total base wages.
- At the present time there are no rules from the Wisconsin Employment Relations Commission (WERC) that directly address how the base wage for an individual employee would be calculated, but there is guidance in the statute as to how base wage is defined.
- By operation of Sec. 227.24(1)(c), Stats., the WERC's emergency base wage administrative rules (chs. ERC 90 and 100) expired on September 15, 2012.
- The Commission ultimately let the rules expire and did not replace them.

### Collective Bargaining – School District Employees - Costing

- The parties (the Board and the Union), theoretically, now have the authority to adopt their own rules for calculating total base wages provided such rules are consistent with the base wage definition in the statute.
- Any disagreement is still subject to challenge, however, by either the employer, union or any other party with standing (i.e., a taxpayer).

#### Collective Bargaining School District Employees

- Unions are required to seek recertification of their status as collective bargaining representative annually.
  - Unions must receive votes from at least 51% of eligible voters to maintain certification.
- Fair share and voluntary union dues deductions are prohibited.
- Collective bargaining agreements are limited to oneyear terms.
- Public employers must create a grievance process for terminations, employee discipline and employee safety.

# **Compensation Systems**

- School boards are prohibited from bargaining over:
  - The salary schedule
  - Pay for additional years of service (step movement)
  - Pay for professional development (lane movement)
- School boards are not prohibited from having a salary schedule or paying step or lane movement – these are now unilateral decisions made outside of bargaining.
- <u>2011 Wisconsin Act 10</u> gives school boards the power to design new teacher compensation systems outside of bargaining.

### Collective Bargaining – School District Employees - Negotiations

- Notice of Commencement of Negotiations: File notice of commencement of negotiations with the Wisconsin Employment Relations Commission and the Union.
- Initial Exchange: The parties initial exchange of proposals for base wages is subject to the open meetings law and is done in open session.
- **<u>Bargaining</u>**: Both parties typically exchange proposals at that time. After the proposals are exchanged, either party may request that the contract negotiations are in closed session. If no request is made the meeting continues in open session. The meet and confer, as noted below, would be in open session unless a specific exemption under the open meetings law would require a closed session.
- Settlement and Ratification: If the parties reach a voluntary settlement, the vote to approve the settlement is in open session and has to be posted as such.

#### Collective Bargaining -School District Employees - Impasse

I have advised districts that are at impasse that there are four potential paths to take in dealing with an impasse in bargaining underneath the law:

- Do nothing. Remain unsettled and do not implement any pay increases affecting base wages until negotiations are completed. The Board could implement supplemental pay, e.g., step movement, lane movement or other pay items (payment for the master's degree, National Board, performance-based pay, merit pay, etc.) outside of base wages.
- Consent to Implementation. Ask the Association if they would consent to the District's imposition of its last offer without the District filing for mediation. The Association would not be agreeing to your offer, but would not be contesting the District's implementation of its last offer to Association.

#### Collective Bargaining -School District Employees - Impasse

I have advised districts that are at impasse that there are four potential paths to take in dealing with an impasse in bargaining underneath the law:

- File for Mediation. In the mediation stage inform the mediator that the District's offer is all that it is going to provide to the Association. The Association may agree to the offer. If the Association does not agree to the offer, ask the mediator to provide a "declaration of impasse letter." Once the declaration of impasse letter is issued, the District may implement its final offer.
- Unilateral Implementation. Notify the Association that the District intends on implementing its final offer on (insert the date that works for you logistically). Riskiest path – potential prohibited practice complaint regarding refusal to bargain.

- Public sector employers have a long history of "meeting and conferring" with employees even in the absence of collective bargaining.
- Even "before states enacted laws mandating or permitting collective bargaining in the public sector in the 1970s, meetand-confer was the primary way for public sector unions to represent their members' interests to employers." (Freeman et al, pg. 9) Public Sector Unionism without Collective Bargaining, Mr. Richard B. Freeman and Ms. Eunice S. Han, December, 2012 American Economist Association Meetings, January 6, 2012, San Diego, CA.

- The key distinctions between the term "meet and confer" as used in this context and "meet and confer" in the context of "collective bargaining" are as follows:
  - there is no legal requirement to "meet and confer" with the union or exclusively with the union on matters beyond base wages;
  - the "meet and confer" meetings are not covered by the procedural requirements in Wis. Stats. 111.70(4)(cm) [e.g. initial exchanges of proposals, mediation, etc.];
  - Open Meeting Law issues may be different depending upon the topics discussed (e.g., individual supplemental compensation vs. group supplemental compensation);

- The key distinctions between the term "meet and confer" as used in this context and "meet and confer" in the context of "collective bargaining" are as follows (continued):
  - there is no legally binding contract that results from the "meet and confer" meeting(s); and
  - the Board ultimately decides the issues (other than base wages) to put forward for a "meet and confer" meeting absent other legal constraints, for example, modifications to a teacher's individual contract.

- If a Board chooses to meet with employees for "meet and confer" meetings, it is my suggestion that such meetings not be limited solely to union participants.
- I would suggest that the Board could invite union members and other staff to such meetings without requiring the staff to identify themselves by any affiliation with the union, any affiliation with any other representative organization, or an announcement of no affiliation at all.
- The reason for this suggestion is so that the dialogue steers clear of any employee concerted activity rights.

# **Contract Issues**

## **Basic Contract Requirements**

- Common law requirements for an employment contract:
  - Competent parties
  - Legal subject matter
  - A meeting of the minds of both parties
  - Detailed provisions, including salary, duties, job security, and contract term
  - Valid consideration.
  - A court's role is to protect each party by ensuring that promises will be performed, but for a contract to be enforceable, its terms must be so definite that the promises and performances to be rendered by each party are reasonably certain.
- Teacher contracts must be in writing, approved by a majority vote of the full membership of the board, and filed with the school board clerk. <u>118.21(1)</u> and <u>118.22(2)</u>.

### Contracts – In General

#### Contract Interpretation - Unambiguous Terms:

- It is well settled in Wisconsin case law that an unambiguous contract must be understood to mean what it clearly expresses.
- When a contract is not ambiguous it is clear that the court may not depart from the clear meaning of the contract. <u>Cernohorsky v. Northern Liquid Gas Co, 268 Wis. 586, 592-</u> <u>593 (1955).</u>

### **Contracts – In General**

#### Contract Interpretation - Ambiguous Terms:

- Only when the contract is ambiguous, meaning it is susceptible to more than one reasonable interpretation, may the court look beyond the face of the contract and consider extrinsic evidence to resolve the parties' intent. <u>Capital Investments v. Whitehall</u> <u>Packing Co., 91 Wis. 2d 178 (Wis. 1979).</u>
- Wisconsin courts have held that contract language is ambiguous when it is reasonably and fairly susceptible to more than one construction. James v. Jenkins, 88 Wis. 2d 712, 722m 277 N.W. 2d 815, 819 (1979).

## Administrators - Wis. Stats. 118.24

- Covered in all instances: § Wis. Stats. 118.24 (1)
  - District administrator
  - Business manager
  - School principals
  - Assistants to such persons
- If they are employed to perform only administrative services, the following administrators are also covered: § 118.24 (8)
  - Personnel administrators and supervisors
  - Curriculum administrators
  - Assistants to such persons

### Bus Drivers - Wis. Stats. 121.52(2)

- (a) All drivers of motor vehicles owned by the school district and used for the transportation of pupils shall be under written contract with the school board of the district.
- (b) The owner or lessee of all privately owned motor vehicles transporting pupils for compensation shall be under written contract with the school board of the district for which such transportation is provided. The contract shall require the owner or lessee to perform any action necessary for the owner or lessee or the school board to fulfill any obligation specified in sub. (5) or s. <u>121.555</u>.
- (c) The form of contract shall be prescribed by the department and shall provide that all parties to the contract are subject at all times to rules adopted by the secretary of transportation under s. <u>110.06 (2)</u> and by the department.
- Wis. Stats. 121.52(2)

### Teachers – Wisconsin Statute 118.21

- Wisconsin Statute 118.21(1) The school board shall contract in writing with qualified teachers.
- The contract, with a copy of the teacher's authority to teach attached, shall be filed with the school district clerk.
- Such contract, in addition to fixing the teacher's wage, may provide for compensating the teacher for necessary travel expense.
- A teaching contract with any person not legally authorized to teach the named subject or at the named school shall be void.
- All teaching contracts shall terminate if, and when, the authority to teach terminates.

### Teachers – Wisconsin Statute 118.21

- Wisconsin Statute 118.21(2) Any person who contracts to teach in any public school shall file in the office of the school district administrator, within 10 days after entering into such contract, a statement showing the date of expiration and the grade and character of certificate or license held.
- In any school district not having a school district administrator, the statement shall be filed with the school district clerk.
- No order or warrant may be issued by the school district clerk in payment of the salary of any teacher, unless the teacher has complied with this subsection.

### Teachers – Wisconsin Statute 118.21

- Wisconsin Statute 118.21(3) School boards may provide in the contracts of teachers of agricultural and homemaking courses for payment out of school district funds for services performed outside the school district and connected with the performance of their regular teaching duties, and for travel expenses connected with such services.
- (4) School boards may give to any teacher, without deduction from the teacher's wages, the whole or part of any time spent by the teacher in attending a teachers' educational convention, upon the teacher's filing with the school district clerk a certificate of attendance at the convention, signed by the president or secretary of the association conducting the convention.

# Teachers – Wis. Stats. 118.22

- Wis. Stats. <u>118.22(2)</u>... No teacher may be employed or dismissed except by a majority vote of the full membership of the board.
- Nothing in this section prevents the modification or termination of a contract by mutual agreement of the teacher and the board.
- No such board may enter into a contract of employment with a teacher for any period of time as to which the teacher is then under contract of employment with another board.

# **Other Employees**

- Summer School Employee Contracts?
  - Teachers teaching courses that receive state aid
  - Teachers teaching courses as "enrichment", not part of pupil academic record
- Extra-Curricular Contracts?
- Support Staff Personnel?
- Supervisory employees not explicitly covered by §118.24?

## **Contract Term**

- The contract term varies depending upon position.
- Typical contract terms are as follows:
  - Administrator 2 years contract term duration
    - Designated number of days per contract year
    - · How days are allocated if not a full 260 per year
  - Teacher 1 year contract term duration
    - Designated number of days per contract year
    - How days are allocated if not a full-time teacher
  - Bus Driver school term or other term designated in the contract

### Teachers – Contract Term Set forth in <u>Wis. Stats. §118.22</u>

- One Year Contract Term Implied by the following statutory provisions:
  - (2) On or before May 15 of the school year during which a 0 teacher holds a contract, the board by which the teacher is employed or an employee at the direction of the board shall give the teacher written notice of renewal or refusal to renew the teacher's contract for the **ensuing school year**. If no such notice is given on or before May 15, the contract then in force shall continue for the ensuing school year. A teacher who receives a notice of renewal of contract for the ensuing school year, or a teacher who does not receive a notice of renewal or refusal to renew the teacher's contract for the ensuing school year on or before May 15, shall accept or reject in writing such contract not later than the following June 15...

# Teachers – Contract Term set forth in <u>Wis. Stats. §118.22</u>

- One Year Contract Term Implied by the following statutory provisions:
  - (3) At least 15 days prior to giving written notice of refusal to renew a teacher's contract for the ensuing school year...

What about issuing multiple 1-year contracts at the same time? Although this case covered administrators, the court's logic and rational may be transferrable to a teacher contract situation.

<u>Klaus v. Eau Claire Area Sch. Dist</u>., Case 3:09-cv-00479 (W.D. WI 2010)

# Modification of Existing Teacher Contracts

- The timing of these modifications/negotiations will be dictated by the nonrenewal statute and timeline (discussed in more detail below):
  - Wis. Stats. <u>118.22(2)</u>: On or before May 15 of the school year during which a teacher holds a contract, the board by which the teacher is employed or an employee at the direction of the board shall give the teacher written notice of renewal or refusal to renew the teacher's contract for the ensuing school year.
  - If no such notice is given on or before May 15, the contract then in force shall continue for the ensuing school year.
  - A teacher who receives a notice of renewal of contract for the ensuing school year, or a teacher who does not receive a notice of renewal or refusal to renew the teacher's contract for the ensuing school year on or before May 15 shall accept or reject in writing such contract not later than the following June 15.

# Modification of Existing Teacher Contracts

- The timing of these modifications/negotiations will be dictated by the nonrenewal statute and timeline:
  - Wis. Stats. 118.22(3) At least 15 days prior to giving written notice of refusal to renew a teacher's contract for the ensuing school year, the employing board shall inform the teacher by preliminary notice in writing that the board is considering nonrenewal of the teacher's contract and that, if the teacher files a request therefor with the board within 5 days after receiving the preliminary notice, the teacher has the right to a private conference with the board prior to being given written notice of refusal to renew the teacher's contract.
  - Note, however, that these timelines <u>may</u> be influenced by existing individual contracts, policies or handbook provisions.

# Modification of Existing Teacher Contracts

- The timing of these modifications/negotiations will be dictated by the nonrenewal statute and timeline:
  - <u>Wis. Stats. 118.22(2)</u> (*continued*): . . . Nothing in this section prevents the modification or termination of a contract by mutual agreement of the teacher and the board.
  - Boards should begin planning prospectively to give adequate advanced notice to teachers and to allow time for subsequent negotiations and/or modifications.
  - Any changes will need to be agreed upon before the board needs to issue notice of nonrenewal or intent to renew.

## Modification of Existing Contracts

- The timing of these modifications/negotiations will be dictated by the nonrenewal statute and timeline:
  - Boards must leave themselves time to determine whether they are willing to nonrenew teachers who are unwilling to accept proposed modifications to existing agreements.
  - Boards are not required to give just cause protection for the nonrenewal of a teacher's contract, and teachers have no property interests in the renewal of their contracts (unless the individual contract grants just cause or some other job security standard for nonrenewal).
  - See <u>Beischel v. Stone Bank School District, 362 F.3d 430 (7th Cir.</u> 2004)

#### Employee Assignments & Issues Related to Changes to, or End of Assignment

 Change in Assignments

- Covenants not to Compete
- Reasonable Assurance
  Certification
- Liquidated Damages

## Basic Contract Requirements and Impact on Assignment

- Common law requirements for an employment contract:
  - Competent parties.
  - Legal subject matter.
  - A meeting of the minds of both parties.
  - Valid consideration.
  - Detailed provisions, including salary, duties, and contract term.
  - A court's role is to protect each party by ensuring that promises will be performed, but for a contract to be enforceable, its terms must be so definite that the promises and performances to be rendered by each party are reasonably certain.

- Should the contract identify the administrator's or teacher's specific assignment?
- Kabes v. School District of River Falls, 2004 WI App 55
  - Individual contracts specifically named Kabes as the high school principal and Buchholz as its high school assistant principal.
  - During the spring semester, the District reassigned Kabes to one of its elementary schools and Buchholz to one of its middle schools.
  - The District did not change their duties or compensation, but the administrators' filed suit and claimed that the district's reassignments breached their individual contracts.

- Kabes v. School District of River Falls, 2004 WI App 55 (continued)
  - The District argued that it retained its right to assign and transfer its administrators, but the court held that the district abdicated those rights when it specifically contracted with the administrators to perform their duties *at the high school*.
  - Consequently, the court held that the district breached the contracts when it unilaterally transferred the administrators to different schools.

#### Alternatives for Assignment - Teachers:

- Include a provision that the teacher's assignment is subject to change as educational needs dictate within the teacher's area of certification.
- Does this give the teacher an argument that he/she should be retained if a staff reduction is to occur and she/he is certified for the position?

#### Administrator and Teacher responsibilities:

- The contract should also reference those duties and responsibilities specified in the job description, as well as, any others contained in <u>board policies</u> or an <u>employee</u> <u>handbook</u>, but also note that the duties are subject to changes as educational needs dictate.
- Include a catch-all provision stating the district expects him or her to take part in/supervise extracurricular activities, group meetings, curriculum development, etc. and fulfill <u>any</u> <u>other duties</u> within the scope of his or her professional competence <u>as assigned by the board</u>.

#### Administrator and teacher responsibilities (continued):

- Districts must clearly specify administrator and teacher responsibilities because, even if the contract does not specifically require the board to show that it has cause to terminate the administrator/teacher, the administrator/teacher still has a property right in the salary specified in the agreement and that property right cannot be taken away without due process.
- Therefore, if a district terminates an administrator/teacher, it still must be able to prove that it did so because the administrator/teacher failed to perform in accordance with duties and responsibilities contained in the individual contract.
- Do economic reasons constitute cause to terminate a contract? See Ploederer v. Osseo-Fairchild Sch. Dist., Case No. 05CV510 (Wis. Cir. Ct. 2008).

## School Year Employees and Unemployment Compensation

DWD: "Teachers and other employees of educational institutions generally **do not** qualify for UI benefits during scheduled breaks in the school year **when** they have a contract or **reasonable assurance** of having a job after the breaks.

**Reasonable assurance** is a written, implied or verbal agreement that you will be performing services after the break period ends similar to the services performed in the period prior to the break. Although reasonable assurance may not be an actual contract or a guarantee of employment after the break period ends, the employer does need to notify you of their intent to utilize your services after the break period."

Part 7, Eligibility Issues, Section 1 - Benefits, Unemployment Insurance

Employers Handbook (wisconsin.gov)

Employees of Educational Institutions: <u>Sections</u>
 <u>108.02(10m)</u>, (22m) & <u>108.04(17)(a)-(k)</u>; <u>DWD 132.04</u>

https://dwd.wisconsin.gov/dwd/publications/ui/ucb-17141-p.pdf

## School Year Employees and Unemployment Compensation

If the employee does not have reasonable assurance of continued employment for the next school year at the same level of employment they may apply for unemployment compensation. Such determinations are made on a case-by-case basis.

Please find below the DWD unemployment compensation guide below that addresses educational employees and reasonable assurance:

https://dwd.wisconsin.gov/dwd/publications/ui/ucb-17141-p.pdf

## Structuring New Positions and Restructuring Existing Positions

Operational needs will generally be the primary consideration, but benefits eligibility is also relevant.

Supervisors and managers need to have a solid understanding of important issues such as:

- WRS Eligibility for Part-Time Employees.
- The District's Approach to Health Insurance Eligibility in light of the Affordable Care Act.

### **Liquidated Damages**

- Liquidated damages are not intended to be punitive, but rather to allow the district to recover the cost of finding a replacement administrator/teacher.
- Although a board may refuse to accept a resignation, a court would not likely order specific performance of the contract.
- Is the applicant going to request payment of liquidated damages?
- Is the clause reasonable under the "totality of the circumstances"? <u>Jarosch v. American Family Mutual Insurance</u> <u>Company, 2011 WL 43563346 (ED WI September 16, 2011)</u>

### **Liquidated Damages**

- Factors to consider in determining if the clause is reasonable under the "totality of the circumstances"? Jarosch v. American Family Mutual Insurance Company, 2011 WL 43563346 (ED WI September 16, 2011)
- Did the parties intend to provide for damages or a penalty?
- Is the injury caused by the breach difficult or incapable of accurate estimate at the time of the contract?
- Are the stipulated damages a reasonable forecast of the harm caused by the breach?

Jarosch v. American Family Mutual Insurance Company, 2011 WL 43563346 (ED Wi September 16, 2011)

### **Liquidated Damages**

- 118.24 (6) ... No such board may enter into a contract of employment with an administrator for any period of time as to which the administrator is then under a contract of employment with another board.
- Therefore, without a liquidated damages clause, a board would have to sue the administrator for breach of contract and/or the other district for tortious interference with a contract to recover any costs or damages.
- See e.g., WASB's Legal Comment, Liquidated Damages in Teacher Contracts, (8/09). Legal Comment August 2009

### **Covenants not to Compete**

- Wis. Stats. §103.465 Restrictive covenants in employment contracts.
- A covenant by an assistant, servant or agent not to compete with his or her employer or principal during the term of the employment or agency, or after the termination of that employment or agency, within a specified territory and during a specified time is lawful and enforceable only if the restrictions imposed are reasonably necessary for the protection of the employer or principal.
- Any covenant, described in this subsection, imposing an unreasonable restraint is illegal, void and unenforceable even as to any part of the covenant or performance that would be a reasonable restraint.

## **Covenants not to Compete**

#### Covenants not to Compete

 Restrictive covenants in Wisconsin are prima facie suspect as restraints of trade that are disfavored at law and must withstand close scrutiny as to their reasonableness. <u>Star Direct, Inc. v. Dal Pra, 2009 WI</u> <u>76, 767 N.W.2d 698 (2009)</u>.

## Certification

- Wis. Stats. 118.21(1) provides for the following (emphasis added):
  - The school board shall contract in writing with qualified teachers. The contract, with a copy of the teacher's authority to teach attached, shall be filed with the school district clerk. Such contract, in addition to fixing the teacher's wage, may provide for compensating the teacher for necessary travel expense. A teaching contract with any person not legally authorized to teach the named subject or at the named school shall be void. All teaching contracts shall terminate if, and when, the authority to teach terminates.

## Certification

A teacher's lack of legal authority to teach assigned courses, although known to the school board at time of hiring and subsequent assignments, was sufficient ground for dismissal despite the fact that school superintendent repeatedly assured the teacher that the certification problem was an administrative omission that would be cured by the board. Grams v. Melrose-Mindoro Jt. School Dist. No. 1, <u>78 Wis. 2d</u> <u>569</u>, <u>254 N.W.2d 730</u> (1977).

## **Other Considerations**

#### Charges for Training

 Provision of collective bargaining agreement between city and firefighters, requiring any firefighter leaving city's employment within three years to reimburse city for cost of training did not violate Wisconsin Statute concerning Restrictive Covenants Provision was not linked to competition and it was unconditional whether firefighter went back to school; changed occupations or retired. *Heder v. City of Two Rivers, Wisconsin, 295 F. 3<sup>rd</sup> 777* (7<sup>th</sup> Cir. 2002).

Promissory Notes and Re-Payment Schedules

## **Other Considerations**

Compensation for Early Return of Contracts

#### Intellectual Property

- Ownership
  - Work Made for Hire: A work made for hire is one that is either "prepared by an employee within the scope of his or her employment or a commissioned work in which the parties expressly agree in a written instrument signed by them that the work shall be considered a work made for hire." *Recht v. Metro Goldwyn Mayer Studio, Inc. 580 F.Supp 2d 775, 783 (W.D. Wis. 2008).*
- Transfer of Ownership
- Use Agreements

# Compensation – Payroll Procedures

### **Compensation - Payroll Practices**

- School-year employees must have individual agreements in place in order to be paid on a year-round basis (CBA used to take care of this). Must be optional.
- Co-curricular wages must be paid within thirty-one days of the work being performed under <u>Wis. Stats. §109.03</u>.
- Informal guidance from DWD has allowed voluntary deferral to end of season or activity, ensure compliance with IRS deferred compensation.

### **Compensation - Compensatory Time Off**

- Individual agreements must be obtained to provide and allow for <u>Fair Labor Standards Act</u> <u>compensatory time</u> in lieu of overtime pay.
- Employees must be permitted the option of being paid overtime wages.

# Public Records



- The public records law presumes complete public access to district records and that the denial of public access is generally contrary to the public interest.
- A district may only deny access to public records in "exceptional cases."
- The purpose is to shed light on the workings of government and the acts of public officers and employees.

- "Record" means any material on which written, drawn, printed, spoken, visual or electromagnetic information is recorded or preserved, regardless of physical form or characteristics, which has been created or is being kept by an authority.
- In other words, a "record" is any information created or kept in connection with the official purpose or function of the school district.

- Not all documents or information constitute a public record.
- A record does not include (for example):
  - Drafts, notes, preliminary documents and similar materials prepared for the originator's personal use.
  - Published material available for sale or at the library.
  - Material with access limited due to copyright, patent, or bequest.
  - An identical copy of an otherwise available record.

- Districts must adopt and display a public records notice that includes:
  - 1. A description of the organization.
  - 2. The established times and places members of the public may inspect and copy records.

- Districts must adopt and display a public records notice that includes:
  - 3. The costs for obtaining records.
    - a. Copy fees are limited to the "actual, necessary and direct cost" of reproduction, unless a fee is otherwise specifically established or authorized to be established by law.
    - b. "Reproduction" means the act, condition, or process of producing a counterpart, image, or copy. Reproduction is a rote, ministerial task that does not alter a record or change the content of the record. It involves only copying the record for example, by printing out a record that is stored electronically or making a photocopy of a paper record.

- Districts must adopt and display a public records notice that includes:
  - 3. The costs for obtaining records.
    - c. The Department of Justice has opined that photocopy fees should be around \$.15 per page and anything more than \$.25 may be suspect.
    - d. Costs of a computer run may be imposed on a requester as a copying fee.
    - e. Transcription fees may be charged, but are limited to the "actual, necessary and direct" cost of transcription, unless a fee is otherwise specifically established or authorized by law.

- Districts must adopt and display a public records notice that includes:
  - 3. The costs for obtaining records.
    - f. Photography and photographic reproduction fees may be charged if the authority provides a photograph of a record, the form of which does not permit copying, but are limited to the "actual, necessary, and direct" costs.
    - g. Actual, necessary and direct locating costs may be charged only if the cost of locating the records is \$50 or more. "Locating" a record means to find it by searching, examining, or experimenting..

- Districts must adopt and display a public records notice that includes:
  - 3. The costs for obtaining records.
    - j. An authority is not required to charge fees and may provide requested records for free or at a reduced rate.
    - k. An authority may not make a profit on its response to a records request.
    - I. Generally, the rate for an actual, necessary and direct charge for staff time should be based on the pay rate of the <u>lowest</u> <u>paid</u> employee capable of performing the task.

May an authority charge for time spent redacting records prior to their release?

No. Review and redaction of records are separate processes from locating and reproducing the records. Therefore, because the statute does not specifically authorize an authority to charge a requester for review and redaction costs, these costs must be borne by the authority. <u>Milwaukee Journal Sentinel, 2012 WI 65</u>.

- 4. The identity of the legal custodian(s).
- 5. The methods for accessing or obtaining copies of records.
- 6. For any authorities that do not have regular office hours, any notice requirement of intent to inspect or copy records.
- 7. Each position that constitutes a local public office.

- Legal Custodian:
  - Additionally, districts are required to provide the name of the legal custodian, and a description of the nature of his or her duties as records custodian, to all employees of the district entrusted with records that are subject to the records custodian's supervision. § 19.33(4).
  - An elected official such as a school board member is the legal custodian of his or her records;
  - The school board president is responsible for the board's records unless a records custodian is designated.

#### **Public Records: Electronic Communications**

- School boards have legal obligations to ensure that electronic communications that they send or receive related to district business are appropriately retained such that the communications can be:
  - retrieved,
  - evaluated, and,
  - where appropriate, disclosed pursuant to a lawful request.

#### Public Records: Electronic Communications

- Emails regarding matters within the authority of the district are subject to records retention requirements and are likely subject to release as public records, *regardless* of whether the email is from a district or personal email account.
- Which email account should staff members use?
  - School district account.
  - Personal account.
  - Private sector employer account.
  - Public sector employer account.

#### **Public Records: Electronic Communications**

- Blogs, social media entries and even text messages can be subject to the public records law.
- Records subject to the Request: Once a records request is received, the record(s) subject to the request may only be destroyed under very limited circumstances.
- When to Respond: Upon receiving a request for a record, the district's records custodian must respond to the request "as soon as practicable and without delay."

#### **Public Records: Electronic Communications**

- Criminal penalties exist for the alteration or falsification of public records, as well as for the destruction, concealment, damage or removal of public records with intent to injure or defraud.
- Transfer of Records: Employees must pass on any official records connected to their employment to their successor.

- Email sent or received on an authority's computer system is a record. This includes personal email sent by officers or employees of the authority. <u>Schill, 2010 WI 86, ¶ 152</u> (Bradley, J., concurring), ¶ 173 (Gableman, J., concurring), ¶ 188 (Roggensack, J., dissenting)
- Email conducting government business sent or received on the personal email account of an authority's officer or employee also constitutes a record.
- Information regarding government business kept or received by an elected official on her website, "Making Salem Better," more likely than not constitutes a record. <u>19 OAG I-06-09</u>, at 2-3.

- Electronically stored information generally constitutes a "record" within the meaning of the public records law so long as the recorded information is created or kept in connection with official business.
- The substance, not the format, controls whether it is a record or not. <u>Youmans</u>, 28 Wis. 2d at 679.
- Emails and other records created or maintained on a personal computer or mobile device, or from a personal email account, constitute records if they relate to government business.

- Examples of electronic records within the Wis. Stat. § 19.32(2) definition can include:
  - word processing documents,
  - database files,
  - email correspondence,
  - web-based information,
  - PowerPoint presentations,
  - and audio and video recordings, although access may be restricted pursuant to statutory or court-recognized exceptions.

- Electronic records include content posted by or on behalf of authorities to social media sites, such as Facebook and Twitter, to the extent that the content relates to government business.
- If an authority uses social media, the content must be produced if it is responsive to a public records request.
- This includes not only currently "live" content, but also past content.

- <u>Wisconsin Stat. § 16.61</u>, which governs retention, preservation, and disposition of state public records, includes "electronically formatted documents" in its definition of public records. <u>Wis. Stat. § 19.32(2)</u>; OAG I-06-09, at 2. 425 Youmans, 28 Wis. 2d at 679. 426 See Key Definitions, above. 427 See Analyzing the Request, above.
- If an authority makes use of social media, or if employees use mobile devices to conduct government business (whether the device is personal or provided by the authority), the authority should adopt procedures to retain and preserve all such records consistent with <u>Wis. Stat. § 19.21</u>, and applicable records disposition authorizations.

- Electronic documents may contain contextual information and file history preserved only when viewed in certain formats, such as data generated automatically by computer operating systems or software programs. Whether this information is considered a "record" subject to public access is largely unanswered.
- Metadata. Literally defined as "data about data," metadata has different meanings, depending on context. In the context of word processing documents, metadata is information that may be hidden from view on the computer screen and on a paper copy, but, when displayed, may reveal important information about the document.

#### **Electronic Copies of Electronic Records**

- Lueders v. Krug, App. No. 2018AP431 (June 5, 2019).
- Once expressly requested in their original electronic format, a public records authority was required to provide electronic copies of email messages that the authority had already made available to the same requestor in paper format.

- Computers contain "cookies," temporary internet files, deleted files, and other files that are not consciously created or kept by the user, but are instead generated or stored automatically. In addition, although a user may delete files, deleted materials remain on the computer until overwritten, unlike conventional documents discarded and destroyed as trash.
- Some of these materials are akin to drafts or materials prepared for personal use, or are simply not materials created or kept in connection with official business.
- Nonetheless, when such materials are collected, organized, and kept for an official purpose, they may constitute a record accessible under the public records statute.

- In general, school districts must keep public records in their custody for seven years (other timelines may be in effect due to the status of the record).
- This requirement may be complicated when the record is in an electronic format that is not completely under the official's control.
- Under the terms of use of many social networking sites, users of the sites enter into a contractual relationship with the site's operator.
- Under these contracts, individual users often give up their rights to fully and unilaterally control content placed on the site.
- School Board Member and Employee Use Of Social Networking Sites WASB Legal Note, Drafted by Lathrop & Clark, November 2010

- The website's rules for retention and maintenance of site postings: Individuals who choose to use a social networking site in their official capacities must understand the site's rules for retention and maintenance of site postings.
- Archival Methods: Employees are likely going to need to consider alternative archival methods such as:
  - regular printing or
  - electronic retention of social network content.

Source: School Board Member and Employee Use Of Social Networking Sites WASB Legal Note, Drafted by Lathrop & Clark, November 2010

## Public Records: Suggestions for Board Members

- Review your board's public records notice.
- Establish sound practices in regard to the use of email (and for other correspondence) from the start.
- Solely use your school email address for all school-related business so that all of your school-related emails are automatically retained by the district's records' custodian/server.

## Public Records: Suggestions for Board Members

- An elected official such as a school board member is the legal custodian of his or her records.
- If you receive a public records request, review it with your district's records custodian (and possibly legal counsel) immediately.
- Review your board's related records policies and any retention schedule that the board has approved.

- Do not have to be made in writing.
- Do not have to contain "magic words" if they reasonably describe the record or information requested.
- Must be reasonably specific as to subject matter or length of time represented by the record.
- Districts are not required to comply with standing requests for records that do not yet exist.

- A district cannot require a person making a request to identify him or herself – except in very limited circumstances.
- A district cannot require a person to disclose the reason for which he or she is requesting the record.
- A district cannot reject a request received by mail unless the prepayment of a fee is required.

# Public Records Requests – Section 19.35(1)(a) & (1)(am):

Except as otherwise provided by law, a requester has a right to inspect any record.

In addition to the right above, if the requester is seeking records in which he or she is the "record subject," the requester has greater access to those records than a member of the public.

Any requester has a right to inspect any record containing personally identifiable information.

Except as otherwise provided by law, a requester has a right to inspect any record.

In addition to the right above, if the requester is seeking records in which he or she is the "record subject," the requester has greater access to those records than a member of the public.

Any requester has a right to inspect any record containing personally identifiable information.

However, the record subject's right does not extend to:

Any record collected or maintained by a district in connection with a complaint, investigation, or other circumstances that may lead to an enforcement action, administrative proceeding, arbitration proceeding or court proceeding, or any such record that is collected or maintained in connection with such an action or proceeding.

However, that right also does not extend to:

- Any record containing personally identifying information that would, if disclosed:
  - Endanger an individual's life or safety.
  - Identify a confidential informant

Responses are mandatory under the law.

- Districts are required to respond to all public records requests "as soon as practicable and without delay."
- The attorney general has opined that <u>ten</u> working days is a reasonable time period to respond.
- If it will take longer, districts are advised to notify the requestor that the request is being processed and a response will be provided as soon as it is feasible for the district to do so.

Four-step approach:

- 1. Does the requested record exist?
  - a. If so, proceed to step 2.
  - b. If not, notify the requestor in writing that no such record exists.

Four-step approach:

- 2. Is the requester <u>entitled</u> to access the record pursuant to statute or court decision (e.g., uniform traffic accident reports)?
  - a. If yes, provide the record to the requester.
  - b. If not, proceed to step three.

Four-step approach:

- 3. Is the requestor <u>prohibited</u> from accessing the record pursuant to statute or court decision (e.g., information relating to the current investigation of a possible criminal offense or possible misconduct connected with employment by an employee prior to disposition of the investigation)?
  - a. If yes, notify the requester in writing of the specific statutory provision and reasons prohibiting release.
  - b. If not, proceed to step four.

Four-step approach: Balancing Test

4. If a requestor is neither explicitly entitled to nor prohibited from receiving the requested record, the records custodian must balance the strong public interest in disclosing the record against any public interests favoring nondisclosure.

#### **Public Records: Redacting**

If a record contains some information that can be released and some information that cannot be released, the records custodian must redact those portions of the record that cannot be released and provide the requester with a redacted copy of the record.

#### **Public Records: Denials**

- If a district denies all or part of a request, it must notify the requester in writing and list every specific statutory and policy reason for denying the request.
- Merely citing to a statute number or case name will not suffice.
- Reasons for denial must be specific and sufficient.
- The district must also notify the requester of his or her right to file a mandamus action in court to force the district to release the record.

### Public Records: Enforcement and Penalties

If the requester prevails, the district may be forced to pay for court costs and the requester's attorney fees.

If the district arbitrarily or capriciously denied access, it may be subjected to punitive damages and a civil forfeiture of up to \$1000.

## **Public Records Resources:**

- Wisconsin Department of Justice Public Records Compliance Guide 2019
- Legal Comments:
  - "Recent Statutory Changes to the Public Records Law (Part I)," September 2003; Part II, October 2003.
  - "Final Candidates Under the Wisconsin Public Records Law," August 2008.
  - "Disclosure of Employee Investigation and Disciplinary Records," July 2007.
  - "Records Retention Schedules," October 2002.

## Odds & Sods



## 2021 Act 4 offers immunity for COVID-19 claims and amends unemployment insurance laws.

- <u>2021 Wisconsin Act 4</u> provides school districts (and other entities) with new immunity from liability for certain civil claims relating to COVID-19, and it also makes several important changes to the state's unemployment insurance laws. (more on next slide)
- <u>2021 Wisconsin Act 4</u> provides school districts and numerous other entities with immunity from civil liability for the death of or injury to any individual or damages caused by an act or omission resulting in or relating to exposure, directly or indirectly, to the novel coronavirus identified as SARS-CoV-2 or COVID-19 in the course of or through the performance or provision of the entity's functions or services.

• NOTE: IT DOES NOT COVER WORKER'S COMPENSATION.

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#### State Legislation In Response to the Covid-19 Pandemic

## 2021 Act 4 offers immunity for COVID-19 claims and amends unemployment insurance laws.

- The immunity created by this new law does not apply to acts or omissions that involve reckless or wanton conduct or intentional misconduct.
- The new immunity applies retroactively to March 1, 2020, except that the immunity does not apply to actions that were already filed before February 27, 2021.
- (Note: The immunity granted under this new law applies to civil claims brought under state law.)
- The immunity does not extend to potential federal claims.
- Immunity under the newly-created statute is in addition to, not in lieu of, any other immunity granted by law.
- Therefore, other defenses (including certain immunities and limitations on liability) may also apply to claims relating to COVID-19, including certain claims that were filed before February 27, 2021.

https://docs.legis.wisconsin.gov/2021/related/acts/4

## **Online Financial Portal**

 2021 Wisconsin Act 89: Requires the Department of Public Instruction to create an online portal that displays financial data collected from all school districts, county children with disabilities education boards, and independent charter schools.

#### Elementary and Secondary School Emergency Relief (ESSER) Funds

#### **WASB** Resources

WASB podcast about spending federal COVID relief funds ESSER III: allowable uses/required plans

#### **U.S. Dept. of Education**

<u>Use of Funds</u> <u>Maintenance of Effort</u> <u>Maintenance of Equity</u> <u>Preventing and Responding to Crime and Promoting Public Safety</u> <u>Supporting Full-Service Community Schools and Related Strategies</u>

#### Elementary and Secondary School Emergency Relief (ESSER) Funds

#### **U.S. Department of Education**

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- The U.S. Department of Education published a <u>Frequently Asked</u> <u>Questions (FAQ)</u> document that provides information and answers questions about the allowable uses of Elementary and Secondary School Emergency Relief (ESSER) Fund and Governor's Emergency Education Relief (GEER) Funds by school districts for transportation.
- The new FAQs are intended to supplement the transportation-related questions included in the earlier <u>ESSER and GEER Use of Funds</u> <u>Guidance</u> published in May 2021.

#### Elementary and Secondary School Emergency Relief (ESSER) Funds

#### **Dept. of Public Instruction**

Elementary and Secondary School Emergency Relief (ESSER) Grant Program

#### IRS Provides Guidance On Claiming Tax Credits for COBRA Premium Assistance and For Optional Pandemic-related Leaves

- School district business officials and human resources administrators should take some time to review new IRS guidance on claiming tax credits associated with:
  - COBRA premium assistance paid by an employer under the American Rescue Plan Act (see IRS <u>Notice 2021-31</u>). In connection with the federally-mandated COBRA premium subsidies, school districts must also remember their modified COBRA notice obligations (see the U.S. Department of Labor's <u>Q&A and model notices</u>).
  - If voluntarily offered by the school district, COVID-related emergency paid sick leave and/or expanded Family and Medical Leave during the period from April 1, 2021 through September 30, 2021 (see IRS Fact <u>Sheet 2021-09</u>). Only some school districts chose to offer these optional leave benefits during the relevant April to September period.

#### HHS and DOJ Issue Guidance on Long COVID as a Disability

- The U.S. Department of Health and Human Services and the Department of Justice jointly published <u>a guidance document</u> on "long COVID" as a disability under the Americans with Disabilities Act (ADA), Section 504 of the Rehabilitation Act, and Section 1557 of the Affordable Care Act.
- This guidance comes in the form of a Q&A and provides additional clarity on how these disability nondiscrimination laws apply to people who may be newly covered under these laws because of the impact of the COVID-19 infection on their bodies and their lives.
- The document discusses when long COVID may be considered a disability under the ADA, Section 504, and Section 1557, and shares examples along with related resources.

#### EEOC Issues Guidance on Long COVID as a Disability

- The EEOC issued new guidance on COVID-19 and the definition of a "disability" under the ADA/Rehabilitation Act entitled <u>"What You Should</u> <u>Know About COVID-19 and the ADA, the Rehabilitation Act, and Other</u> <u>EEO Laws | U.S. Equal Employment Opportunity Commission (eeoc.gov)"</u>
- This guidance comes in the form of a Q&A and provides additional clarity on how these disability nondiscrimination laws apply to people who may be newly covered under these laws because of the impact of the COVID-19 infection on their bodies and their lives.
- The document discusses when long COVID may be considered a disability under the ADA, Section 504, and Section 1557, and shares examples along with related resources.

#### Wisconsin Legislative Council Worker's Compensation and Third-Party Liability

The Wisconsin Legislative Council published an Issue Brief on the topic of "<u>Worker's Compensation and Third-Party</u> <u>Liability for COVID-19</u>" (June 2020).

#### WERC Rules That Unions May No Longer Hold Raffles To Encourage Voting In Representation Elections

- The union prevailed in both of the representation elections (one for teachers and one for support staff), but the school district employer challenged the raffle as an impermissible attempt to influence the result of the election. The WERC upheld the results of elections and concluded that, in these particular cases, the raffle opportunity had not affected the election results. However, the WERC also ruled that, prospectively, such raffles are prohibited and will be treated "as conduct that de facto impacts the results of any election the Commission conducts." The ruling departed from prior WERC precedent, but the Commission concluded that the departure was warranted because:
  - In the current structure of representation elections, "the decision not to vote has the same impact on the election result as an affirmative 'no' vote. As such, there is some question as to whether an effort dressed as a neutral voter engagement strategy can realistically be viewed as a neutral 'get out the vote' effort."
  - A bright-line rule that yields predictable results is preferable to the prior approach, which required a somewhat subjective, case-by-case analysis of the effect of the raffle on the outcome of the specific election.
- Source: Kettle Moraine School District, WERC Case Nos. <u>38585-A</u> and <u>38586-A</u> (April 14, 2021)

#### **WERC Voting In Representation Elections**

- The Wisconsin Employment Relations Commission issued a decision, <u>Viroqua Area School District</u>, Decision No. 38746-A (Dec. 18. 2020) regarding the counting of mail ballots in a union certification election that were received after the ballot-counting date, but some of which were postmarked prior to such date.
- A decision of the Wisconsin Employment Relations Commission, <u>Wabeno Sch. Dist.</u>, WERC Dec. No. 39009-A (Nov. 22, 2021), in which the WERC refused to count ballots for a recertification election that were not received until after the designated submission deadline.

## **Presenter Information**

Bob Butler has been a WASB staff counsel since 1990. He is also, along with attorney Barry Forbes, the Association's co-associate executive director. Bob directly represents more than 40 school districts in Wisconsin on employment, human resources and school law matters. Bob also provides membership services, including general legal information, to all school districts that are members of WASB.

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