

Scheick v. Tecumseh Public Schools 766 F.3d 523 (6th Cir. 2014 – Michigan)

September 2, 2014

Background

As school budgets get tighter and staffing decisions must be made, districts must pay close attention to how their decisions may be perceived by staff and how such decisions are implemented to avoid employment liability issues.

In this case, the school principal entered into an agreement with the school district to formally retire after 6 years. The principal was then hired by an outside staffing firm which contracted with the school. Through his employment with the staffing firm, the principal continued working as principal under a three-year contract between the school district and the staffing firm. Under the arrangement, the school district avoided approximately \$30,000 in payroll and benefits costs per year, and the principal began receiving pension and health care benefits through the teacher retirement system.

Ultimately, the school district determined that it did not want to renew its contract with the staffing agency and, consequently, the school district informed the principal of his termination at the end of the contract period. The school district maintained that it had received complaints from several parents expressing dissatisfaction with the principal's performance, the high school's failure to meet the state-mandated adequate yearly progress for two years and other deficiencies. According to the principal, the superintendent stated the "school board wanted him to retire" and the "school board wanted somebody younger."

The principal filed claims for age discrimination under the federal Age Discrimination in Employment Act ("ADEA"). The trial court determined that the principal did not present direct evidence of age discrimination, could not show he was replaced by a younger person and could not demonstrate that the school's reasons for his termination (the deficiencies) were merely pretext. Accordingly, the trial court awarded judgment to the school district and dispensed with the need for a jury.

Holding

Under the ADEA, a plaintiff must demonstrate that age was the "but-for" cause of the changed employer decision and not merely a motivating factor. In other words, age was the "reason for the decision" not one of many factors.

Another concept that schools must be aware of in making employment decisions, is that plaintiffs can rely on two types of evidence to support a claim for discrimination: direct evidence and circumstantial evidence. A plaintiff, however, only needs to successfully navigate one of the evidential paths to establish a claim, not both.

The trial court erred by requiring the principal to successfully present both direct and circumstantial evidence, and by determining that the principal failed to present such evidence. Consequently, the trial court erroneously awarded judgment to the school district.

In its review of the decision, the appellate court specifically pointed to the principal's allegations that the superintendent said the "school board wanted somebody younger." The appellate court concluded this was direct evidence of age discrimination and that a jury needed to decide whether such allegations took place and whether this was "but-for" cause for the principal's termination. The appellate court thus concluded that since the plaintiff put forth direct evidence, the plaintiff did not have to put forth any circumstantial evidence.

The case was then returned to the trial court for jury trial.

Learning Point:

The key point to be learned from this case is that districts must be vigilant and pragmatic when addressing staffing and terminating employees. In this case, the district faced liability despite documenting the deficiencies that fully supported the termination and did not demonstrate any discrimination because the plaintiff's own allegations of conversations with the superintendent. School districts must ensure that termination proceeding do not create potential "he said/she said" allegations.

Developing and maintaining appropriate termination procedures is the best method school districts use to can help avoid employment liability issues.