The Maine Employees United/Saco Public Works Association/Saco Workers Alliance (the “Union” or “Association”) filed a prohibited practice complaint on August 25, 2010, in which it alleged that the City of Saco violated section 964(1)(A) and (E) of the Municipal Public Employees Labor Relations Law, Title 26, §961 et seq. (the “Act”), by failing to deduct union dues and service fees from the paychecks of members of the bargaining unit. Following the receipt of the City’s response to the complaint, the Executive Director suggested to the parties that the complaint was suitable for hearing and resolution on the basis of a stipulated record. The parties agreed and established a briefing schedule.

The stipulated record was filed with the Board, with exhibits, on December 20, 2010. The parties’ briefs were received on January 5, 2011, and reply briefs were received by January 18, 2011. Throughout this proceeding, the Union was represented by Daniel R. Felkel, Esq., and the City was represented by Linda D. McGill, Esq. The Board met on February 7, 2011, to consider the arguments and deliberate on this matter.
JURISDICTION

The Maine Employees United/Saco Public Works Association/Saco Workers Alliance is the bargaining agent for various employees in the public works bargaining unit at the City of Saco. The Association is the bargaining agent within the meaning of 26 M.R.S.A. §962(2), and the City of Saco is the public employer within the meaning of 26 M.R.S.A. § 962(7). The jurisdiction of the Board to hear this case and to render a decision and order lies in 26 M.R.S.A. §968(5)(A)-(C).

STIPULATED FACTS

1. Until April 26, 2010, AFSCME was the exclusive bargaining representative for a unit of employees in the Saco Public Works Department (the “Unit”). AFSCME and the City were parties to a collective bargaining agreement covering the Unit which commenced on July 1, 2006 and expired on June 30, 2009. (Exhibit 1).

2. On March 11, 2010, the Saco Public Works Association/Saco Workers Alliance, (the “Association”) through James Beaulieu/Maine Employees United, LLC, filed a MLRB Form 2A Decertification/Bargaining Election Petition with the Maine Labor Relations Board relative to the Unit and AFSCME.

3. On April 26, 2010, in an election supervised by the Maine Labor Relations Board, the Unit decertified AFSCME as the bargaining agent.

4. On April 26, 2010, in the same election, the Unit elected the Association as its new bargaining agent.

5. On May 14, 2010, the Association filed with the State of Maine its Articles of Incorporation, and on May 20, 2010 received confirmation of its filing and existence from the Maine Secretary of State’s office.

6. The City and the Association have been and are negotiating a collective bargaining agreement to cover the Unit, but no agreement has been concluded.
7. In early May 2010, the Association distributed dues deduction cards to all employees in the Unit.

8. On May 14, 2010, the Association, through Officers Kyle Coreau and Terence Garrity, presented Fran Beaulieu, senior payroll accountant for the City of Saco, authorizations for payroll deduction per union dues cards from 19 of the employees in the Unit. Mr. Coreau and Mr. Garrity requested that the City of Saco begin withholding dues for those employees to be forwarded to the Association. (Exhibit 2).

9. On May 14, 2010, the City of Saco posted a memo at the Public Works Garage to all Public Works Employees from its Personnel Office - Tammy Lambert, Personnel Officer - regarding public works dues withholding. The Memo stated: “At this time there is no contract between the City and the Saco Public Works Association. The City will not implement ANY withholding for dues - full or fair share amounts. This is NOT a condition required for employment with the City of Saco. If you have any questions or concerns please contact the personnel office at 710-5003. Thank you.” (Exhibit 3).

10. On May 26, 2010, Richard Michaud, City Administrator for the City of Saco received correspondence from the Association notifying him and the City that the Maine Employees United, LLC business agent, James H. Beaulieu, would represent the Unit in all matters. Mr. Michaud was further notified of the Unit Officers/Board of Directors. (Exhibit 4).

11. On June 8, 2010, in a letter from the Saco Workers Alliance Board of Directors and Executive Board to Richard Michaud and the City of Saco, the Association formally requested that the City direct senior payroll accountant Fran Beaulieu to withhold dues for all employees covered by the Saco Public Works/Parks and Rec CBA. (Exhibit 5).

12. Also on June 8, 2010, the Association requested that in addition to withholding and forwarding full dues from those employees who voluntarily signed deduction forms, the City withhold and forward “fair share” from all others in the Unit.
13. Also on or about June 8, 2010, the Association provided Mr. Michaud/the City with a copy of its State Authorized Articles of Incorporation, signed dues cards, the Unit’s Credit Union name, its Tax identification number, and checking account routing number.

14. On June 9, 2010, the City of Saco advised the Association and its business agent James H. Beaulieu that it would not withhold and forward dues deductions nor deduct fair share from the Unit members in the absence of an agreement between the Association and the City which provided for such withholding and forwarding.

15. On July 19, 2010, the City formally stated its position on the issue of withholding the dues/fair share in a letter to the Unit’s representative. (Exhibit 6).

16. The City of Saco continues to recognize status quo conditions of employment for employees in the Unit such as Boot Allowance, Pay Step Increases, Vacation accrual increases and others.

The exhibits submitted by the parties were the 2006-2009 Collective Bargaining Agreement between the City of Saco and AFSCME for the Public Works Department, 19 signed dues deduction authorization forms, and the 4 memos referred to above in stipulations #9, 10, 11 and 14.

DISCUSSION

The issue in this case is whether the City of Saco made an unlawful unilateral change in a mandatory subject of bargaining when, after the expiration of the collective bargaining agreement that had been entered into with the predecessor union, the City ceased deducting union dues and service fees from the paychecks of unit employees and refused to honor new dues checkoff authorizations. The Complainant, the successor union certified by the MLRB after the expiration of the collective bargaining agreement, argues that dues checkoff is a mandatory subject of bargaining.
and that any change in the status quo without bargaining is prohibited. The City argues that the legal obligation to deduct dues expired when the collective bargaining agreement expired, and that, in any event, the obligation would not extend to a union that was not a party to the expired agreement.

The specific question of an employer’s obligation to continue dues deduction after the expiration of a collective bargaining agreement has never been addressed by this Board. The underlying principles, however, are well-established. There is no dispute that dues deduction is a mandatory subject of bargaining under Maine’s collective bargaining statutes, as the convenience of regular dues deductions is a benefit to employees. In addition, when a dues checkoff is tied to a union security provision, it is a condition of employment. See, e.g., City of Bangor v. Bangor Fire Fighters Association, No. 83-06 at 18-19 (Aug. 2, 1983) citing Council 74, AFSCME v. City of Bangor, MLRB No. 80-50 at 5 (Sept. 22, 1980)(holding that “fair share” proposals, like other union security provisions, are mandatory subjects of bargaining) and Easton Teachers Assoc. v. Easton School Committee, No. 79-14 (March 13, 1979) (listing dues checkoff as one of many mandatory subjects that the employer changed unilaterally). Dues checkoff provisions are also a mandatory subject of bargaining under the National Labor Relations Act. See, Bethlehem Steel, 136 NLRB 1500, 1502 (1962), citing, e.g., United States Gypsum, 94 NLRB 112, 113, fn. 7 (1951). There is also no dispute that under both Maine law and federal law a unilateral change in a mandatory subject of bargaining while negotiations are underway is considered a refusal to bargain. See, e.g., Lane v. Board of Directors of MSAD No. 8, 447 A.2d 806, 809-10 (Me. 1982), Easton Teachers Association v. Easton School Committee, MLRB No. 79-14 at 3-5 (March 13, 1979), and NLRB v. Katz, 369 U.S. 736, 742-743 (1962).
Finally, there is no dispute that since the *Bethlehem Steel* decision in 1962, the National Labor Relations Board (NLRB) and the federal courts have interpreted the National Labor Relations Act to create an exception to the unilateral change prohibition for union security and dues checkoff provisions. See *Bethlehem Steel*, 136 NLRB 1500, 1502 (1962).¹ That exception enables employers to cease implementing these provisions after the expiration of the collective bargaining agreement. The question before this Board is whether it is appropriate to create a comparable dues-checkoff exception to the prohibition against making unilateral changes after the expiration of the collective bargaining agreement.

The Maine Labor Relations Board and the Law Court often turn to the federal courts’ construction of the National Labor Relations Act for guidance when interpreting comparable sections of Maine’s collective bargaining statutes. *State of Maine and Bureau of Alcoholic Beverages v. MLRB and MSEA*, 413 A.2d 510 (Me. 1980), affirming, MLRB No. 78-23. In establishing the principle that making a unilateral change in a mandatory subject of bargaining is a violation of Maine law, the Board considered persuasive the interpretation of the analogous provisions of the federal law by the NLRB and the federal courts. *Lane v. Board of Directors of MSAD No. 8*, 447 A.2d 806, 809-10 (Me. 1982), citing *NLRB v. Katz*, 369 U.S. 736, 743 (1962). The Board recently summarized this prohibition against unilateral changes with the following:

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¹As the Complainant points out, there is currently a rift in the NLRB regarding the validity of this exception, but the NLRB has not overturned the exception. See *Hacienda Hotel Inc.*, 331 NLRB 665 (July 7, 2000) (Hacienda I) and *Hacienda Hotel Inc.*, 355 NLRB 1 (August 27, 2010) (Hacienda III). The parties do not dispute, however, that the exception has been applied repeatedly since the NLRB’s *Bethlehem Steel* decision in 1962, as noted in Hacienda I at 666-67.
The statutory duty to bargain requires the employer and the bargaining agent "to confer and negotiate in good faith with respect to wages, hours, working conditions and contract grievance arbitration." 26 M.R.S.A. §965(1)(C). It is a well-established principle of labor law that the duty to bargain includes a prohibition against making unilateral changes in a mandatory subject of bargaining, as a unilateral change is essentially a refusal to bargain. See, e.g., Teamsters v. Town of Jay, No. 80-02 at 3 (Dec. 26, 1980) (citing NLRB v. Katz, 369 U.S. 736, 743 (1962)), and Lane v. Board of Directors of MSAD No. 8, 447 A.2d 806, 809-10 (Me. 1982). The prohibition against making unilateral changes means that the parties must maintain the status quo following the expiration of a contract. Univ. of Maine System v. COLT, 659 A.2d 842, 843 (May, 1995) citing Lane v. MSAD No. 8, 447 A.2d at 810. In cases involving allegations of unilateral changes after the expiration of an agreement, the terms of the expired agreement are evidence of the status quo that must be maintained. See, e.g., MSEA v. School Committee of City of Lewiston, No. 90-12 (Aug. 21, 1990) at 16.


With respect to making a unilateral change in dues checkoff after the expiration of the collective bargaining agreement, the City urges this Board to consider the long-standing position of the NLRB in our analysis. In 1962, the NLRB held in Bethlehem Steel that an employer is not obligated to continue a union security provision or dues checkoff after the expiration of the collective bargaining agreement because the specific language of §8(a)(3) authorizing such a provision makes it a contractual obligation. Bethlehem Steel, 136 NLRB 1500, 1502, remanded on

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For reasons unrelated to Bethlehem Steel, the law has evolved that a §8(a)(3) union security agreement can not require full membership but may require only that employees pay the fees and dues necessary to support the union activities germane to collective bargaining. See Marquez v. Screen Actors Guild, Inc., 525 U.S. 33 (1998) and cases cited therein.
The §8(a)(3) proviso also states that the employer is not allowed to enforce a union security agreement if the employer has reasonable grounds for believing that membership was denied or terminated for any reason other than failure to pay dues.

Bethlehem Steel, 136 NLRB at 1502. The proviso to §8(a)(3) allows an employer to make a union security agreement with a union that requires union membership as a condition of employment if certain standards are met. The standards require that the agreement may not impose the membership requirement in the first 30 days of employment or the effective date of the agreement, whichever is later, and that the union is the representative of the employees in accordance with the law and is not an employer-dominated union. In addition, the employer cannot make such an agreement if within the past year the employees have voted in an NLRB-conducted election under §9(e) to rescind their authorization for a union security agreement.³

³The §8(a)(3) proviso also states that the employer is not allowed to enforce a union security agreement if the employer has reasonable grounds for believing that membership was denied or terminated for any reason other than failure to pay dues.
Unlike the federal law, there is nothing in the Municipal Public Employee Labor Relations Law stating or even suggesting that an employer’s obligation to deduct union dues expires upon the expiration of the agreement establishing that obligation. The National Labor Relations Board’s interpretation of the law it enforces is influenced by three statutory provisions that, in effect, create a more regulated context than exists in Maine. The first, discussed above, is the §8(a)(3) proviso. The second is §302(C)(4) of the Taft-Hartley Act, which authorizes dues checkoff agreements if written authorization is received from the employee and the employee is allowed to revoke it during an annual escape period or after the expiration date “of the applicable collective bargaining agreement.” 29 U.S.C. §186(C)(4). The third provision is the §9(e) union security deauthorization election previously mentioned. 29 U.S.C. §159(e).

Maine has nothing comparable to these three federal statutory provisions. The City contends that Maine’s statute prohibiting “unfair agreements” requires that a dues checkoff obligation be part of a collective bargaining agreement, thereby creating a contractual requirement similar to Bethlehem Steel. The City’s reliance on 26 M.R.S.A. § 629(4)(A) in support of its position, however, is over-broad. That subsection states:

4. **Deduction of service fees.** Public employers may deduct service fees owed by an employee to a collective bargaining agent from the employee's pay, without signed authorization from the employee, and remit those fees to the bargaining agent, as long as:

   A. The fee obligation arises from a lawfully executed and implemented collective bargaining agreement; and

   B. In the event a fee payor owes any arrears on the payor's fee obligations, the deduction authorized under this subsection may include an installment on a payment plan to reimburse all
arrears, but may not exceed in each pay period 10% of the gross pay owed.

26 M.R.S.A. §629, sub-§4 (2007). This provision has no bearing on dues deductions, it simply permits the deduction of union service fees as long as the fee obligation arises from a lawfully executed and implemented collective bargaining agreement.

Similarly, the City goes too far in saying that Maine’s wage laws, specifically §629⁴, “prohibit employers from deducting any amounts from an employee’s wages”, including union dues. Section 629 prohibits payroll deductions that are returned to the employer “for any reason other than for the payment of a loan, debt or advance” or insurance premiums, not where the funds are remitted to a different entity, such as a union. Honoring an individual employee’s written authorization for union dues deduction is no more illegal than honoring an employee’s authorization for a payroll deduction for the United Way. See Beckwith v. United Parcel Service, 889 F.2d 344, ¶33 (1st. Cir. 1989) (noting that §629(1) relates to either working without compensation or when wages are “returned to the employer”.)

After comparing the federal statutory basis for excluding dues checkoff provisions from the unilateral change rule with the absence of any similar statutory language in the Maine statutes, we conclude that it is inappropriate to be guided by the decisions of the NLRB and federal courts on this matter. The statutes are simply not analogous. See State and Bureau of Alcoholic Beverages v. MLRB and MSEA, 413 A.2d 510 at 514 (Me. 1980)(Where statutes are analogous, interpretation of National Labor Relations Act by federal courts can be “persuasive”.) We

⁴Section 629 (entitled “Unfair agreements”), is part of Title 26, Chapter 7 (“Employment Practices”), Subchapter 2 (“Wages and Medium of Payment”).
hold that under Maine law, the employer’s obligation to make dues deductions does not automatically expire with the expiration of the collective bargaining agreement that established that obligation. Dues checkoff and union service fees should be treated like any other mandatory subject of bargaining: If the allegation is that a unilateral change was made after the expiration of an agreement, the terms of the expired agreement are evidence of the status quo that must be maintained. See, e.g., MSEA v. Lewiston School Dept., No. 09-05 at 6-7.

Furthermore, we note that there are no MLRB decisions that support the City’s position that the expiration of the collective bargaining agreement terminates the obligation to continue dues checkoff. The one decision this Board has issued dealing with dues checkoff provisions addressed the revocation of checkoff authorizations when a decertification election was pending. Teamsters Local Union No. 48 v. Biddeford Police Department, No. 78-31 (March 27, 1979). The Board looked at the terms of the unexpired collective bargaining agreement to determine whether the authorizations were validly revoked. The Board noted, “when employees validly revoke their dues checkoff authorizations, a public employer who continues deducting dues violates Section 964(1)(A).” Id. at 5 (concluding that the attempted revocations were not valid). The Board also noted that even though there is no statutory language comparable to the federal law regarding checkoff authorizations, “[W]e do agree . . . that employees may revoke their checkoff authorizations at will when there is no collective bargaining agreement in effect.” Id. at 7. The Board noted that the employer was correct to continue the dues deductions in accordance with the collective bargaining agreement until the union was decertified. Id.

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5That is, §302(C)(4) of the Taft-Hartley Act.
In the case at hand, the analysis of the limits and parameters of the status quo doctrine with respect to payroll deduction of both the dues deduction and the "fair share fee" must begin with the language of the provisions of the collective bargaining agreement that initially established the obligation. Article 3 Union Security and Article 4 of the bargaining agreement between the City and AFSCME, Council 93 state:

Article 3 - UNION SECURITY
A. All employees shall have the right to join the Union, except as otherwise provided herein, or refrain from doing so. No employee shall be favored or discriminated against by the City or the Union because of his/her membership in the Union. The Union recognizes its responsibilities as the bargaining agent and agrees to represent all employees in the bargaining unit without discrimination, interference, restraint, or coercion.

B. FAIR SHARE
Those employees who choose not to join the Union must, as a condition of continuing employment, sign a written payroll authorization deduction in the amount of eight-five (sic)(85%) percent of the present cost of Union dues to defray the costs of Agreement Administration.

ARTICLE 4 - CHECK-OFF
A. PAYROLL DEDUCTION
The Union shall have the exclusive right to dues deductions for employees included within the applicable bargaining unit. The City agrees to deduct the Union’s weekly membership dues, fair share fees, and benefit premiums from the pay of those employees who individually request in writing that such deductions be made. The amounts to be deducted shall be certified to the City by Council No. 93, and the aggregate deductions of all employees shall be submitted together with a list of employees having deductions made and the total amounts deducted for each of those employees to the Union by the fifteenth (15th) day of the succeeding month, after such deductions are made. The amounts deducted for the Union dues and fair share fees shall

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6 The service fees are referred to as “fair share fees” in the complaint and in Article 3 of the expired agreement.
be submitted in one (1) check and the amount deducted for benefit premiums shall be submitted by a separate check along with separate lists showing the amount deducted in each category.

B. WRITTEN AUTHORIZATION
The written authorization for payroll deduction of Union membership dues shall be irrevocable during the term of this Agreement, except that an employee may revoke authorization, effective upon the expiration date of this Agreement, provided the employee notifies the City and Council 93, in writing, at least thirty (30) days but not more than sixty (60) days prior to the expiration of this Agreement.

C. CHECK OFF CANCELLATION
The authorization for deduction of benefit fund contributions may be stopped at any time provided the employee submits in writing to the City and the Union a sixty (60) day notice of such intent.

At the outset, there is no dispute that payroll deduction for union dues and for “fair share” fees (union service fees) have equal status as mandatory subjects of bargaining. The record of stipulation shows that the respondent steadfastly refuses to maintain the status quo on this issue by continuing either of these types of payroll deductions while bargaining for a successor agreement. The obligation to deduct union service fees arose under a lawfully executed collective bargaining agreement, as required by 26 M.R.S.A. 629(4), and the City’s obligation to continue to fully respect and honor that provision during good faith negotiations arises by operation of the status quo doctrine. The collective bargaining agreement also serves as evidence of the status quo that must be maintained with respect to the dues deduction obligation. The provisions of the contract do not create an exception to the status quo doctrine with

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7We note that despite the language of Art. 3(B) of the contract, 26 MRSA §964(1)(H) now prohibits an employer from discharging or disciplining an employee for failure to pay dues or fees. P.L. 2007, ch. 415. That change does not affect the status of service fees as a mandatory subject of bargaining which may not be changed unilaterally.
respect to the continuation of the checkoff obligation for either union dues or union security fees. The requirements of 26 M.R.S.A. 629(4) have been met and the obligation to maintain the status quo continues for both the union service fee and the dues deduction.  

As a final matter, the City argues that, “with AFSCME’s decertification, the collective bargaining agreement between the City and AFSCME ceased to have any legal force and effect.” Brief at 6. This argument is just another way of saying that the dues checkoff obligation expires with the expiration of the collective bargaining agreement, which is not the proper analysis. The legal obligation is to maintain the status quo, and the status quo exists independent of who the bargaining agent was at the time the dues checkoff provision was negotiated. We note that the obligation to maintain the status quo does not require either party to adopt any aspect of the status quo as part of their successor agreement. The duty to bargain established in §965(1)(C) states explicitly “neither party may compelled to agree to a proposal or be required to make a concession.”

In summary, Maine’s law is well established that dues checkoff is a mandatory subject of bargaining. In the case before us, the expired collective bargaining agreement required the City to deduct union dues or fair share fees from employees and remit them to the Union. There is no suggestion in the record that this provision was ignored by either party while the contract was in effect. Consequently, the expired collective bargaining agreement is evidence of the status quo that the City is obligated to maintain while the parties are negotiating a new collective bargaining agreement. The fact that the agreement was

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8There do not appear to be any issues of enforcing the service fee payment obligations during negotiations.
made with a different union is irrelevant as the obligation is not a contractual obligation but one based on the duty to bargain and the correlative duty to maintain the status quo.

We hold that the City was obligated to maintain the status quo by continuing dues deductions and deduction of union service fees and its failure to do so constitutes a refusal to bargain in violation of §964(1)(E). We also conclude that the City’s conduct constitutes interference, restraint and coercion in violation of §964(1)(A), independent of a violation of the duty to bargain, as an unlawful unilateral change interferes with the free exercise of the right of employees to engage in collective bargaining. See, e.g., Teamsters v. Aroostook County Sheriff's Dept., No. 92-28 at 21 (Nov. 5, 1992); Lane v. M.S.A.D. No. 8, 447 A.2d at 810.

Having concluded that the City of Saco has engaged in a prohibited practice, we are directed by §968(5)(C) to order that party "to cease and desist from such prohibited practice and to take such affirmative action, . . . as will effectuate the policies of this chapter." In most situations, a remedial order should seek to restore the situation, as nearly as possible, to that which would have existed, but for the prohibited practice. Caribou School Dept. v. Caribou Teachers Association, 402 A.2d 1279, 1284 (Me. 1979). The only remedy we can order in this case is one for prospective relief. We order the City of Saco to cease and desist in its refusal to honor the employees’ dues deduction authorizations and to commence deducting the Association dues and the fair share fees and remitting the funds

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*When a party is found to have violated established law, it is customary for this Board to order the party to post a notice issued by the Board describing the violation. We do not consider a notice to be appropriate in this case, as there was no Board precedent and the City’s reliance on federal law was not unreasonable.*
to the Association. The City shall to comply with this order as long as the duty to maintain the status quo continues.

ORDER

On the basis of the foregoing findings of facts and discussion and by virtue of and pursuant to the powers granted to the Maine Labor Relations Board by the provisions of 26 M.R.S.A. §968, it is hereby ORDERED:

Respondent City of Saco and its representatives and agents shall:

1. Cease and desist in the refusal to honor the City of Saco Public Works Bargaining Unit employees’ written checkoff authorizations and to commence deducting the Saco Public Works Association/Saco Workers Alliance dues and fair share fees and remitting them to the Association.

2. Continue to comply with this order as long as the duty to maintain the status quo continues.

Dated at Augusta, Maine, this 29th day of March, 2011.

The parties are advised of their right to seek review of this decision and order by the Superior Court by filing a complaint pursuant to 26 M.R.S.A. §968(5)(F) and in accordance with Rule 80C of the Rules of Civil Procedure within 15 days of the date of this decision.

Peter T. Dawson
Chair

Karl Dornish, Esq.
Employer Representative

Carol B. Gilmore
Employee Representative