

SUPREME COURT OF INDIANA

Indiana Department of Environmental Management v. West

838 N.E.2d 408 (Ind. 2005) · No. 49S02-0501-CV-22 · Decided December 6, 2005

SUMMARY

The Indiana Supreme Court held that employees affected by an IDEM reorganization failed to establish a prima facie case of age discrimination because they did not show that they had been replaced by significantly younger individuals. The court also held that the State Employees' Appeals Commission lacked authority to order IDEM to create new positions as a remedy, and that its statutory remedial authority was limited to reinstatement. The court reversed and remanded with instructions to dismiss the employees' claims.

CASE DETAILS

COURT	Supreme Court of Indiana
WRITING FOR THE COURT	Sullivan, Justice; Shepard, Chief Justice; Dickson, Justice; Boehm, Justice; Rucker, Justice
JURISDICTION	Indiana
DECIDED	December 6, 2005
DOCKET	49S02-0501-CV-22
DISPOSITION	reversed_and_remanded
PROCEDURAL POSTURE	Indiana Department of Environmental Management petitioned for judicial review of a State Employees' Appeals Commission order finding age discrimination and requiring IDEM to restore the employees to supervisory positions, including by creating new positions. The trial court affirmed SEAC, and the Indiana Court of Appeals affirmed. The Indiana Supreme Court granted transfer and reversed.
STANDARD OF REVIEW	The court reviews whether substantial evidence supports the agency decision and whether the decision was arbitrary, capricious, an abuse of discretion, or in excess of statutory authority. The court independently resolves legal questions and is not bound by the agency's interpretation of law.
PRECEDENTIAL VALUE	published precedential opinion

PARTIES

Indiana Department of Environmental Management v. Lynn C. West,
Michael J. Dalton, Phillip E. Wuensch

TOPICS

age discrimination employment law judicial review of agency action remedies statutory interpretation

PRACTICE AREAS

employment law administrative law civil rights remedies statutory interpretation

QUESTIONS PRESENTED

1. Whether the employees established a prima facie case of age discrimination under Indiana Code section 4-15-2-35 by showing that they were replaced by substantially younger employees.
2. Whether the State Employees' Appeals Commission had statutory authority to order IDEM to create new positions as a remedy for alleged age discrimination.

HOLDINGS

1. Indiana adopts the McDonnell Douglas burden-shifting framework for alleged age discrimination under Indiana Code section 4-15-2-35. In a non-reduction-in-force reorganization in which employees were not discharged and their former positions continued under new classifications, an employee claiming demotion must show replacement by a substantially younger person to establish the fourth element of a prima facie case. The employees failed to make that showing.
2. SEAC lacked authority to order IDEM to create new positions for the employees. Under Indiana Code sections 4-15-1.5-6(1) and 4-15-2-35(b), SEAC's remedial authority in an age-discrimination appeal was limited to reinstatement to the employee's position without loss of pay.

KEY QUOTATIONS

"We agree with this rationale, and we now adopt the McDonnell Douglas analytic framework for evaluating cases of alleged age discrimination arising under Indiana Code Section 4-15-2-35." (413)

"Further, the plain language of Indiana Code Sections 4-15-1.5-6(1) and 4-15-2-35, when read together, unambiguously limits SEAC's remedial power in employment discrimination actions on the basis of age to reinstatement." (418)

FACTUAL BACKGROUND

In 1998, IDEM consolidated two offices into the Office of Land Quality and reclassified numerous positions. West, Dalton, and Wuensch were all over forty and received assignments that preserved their pay but reduced their managerial responsibilities and altered their titles and workspaces. The employees relied on testimony concerning comments about bringing in "new blood," statistical data showing a small decline in the percentage of managers over forty, and evidence that younger employees retained or gained supervisory roles. SEAC found

age bias and ordered restoration to the former supervisory positions, including the creation of positions that did not previously exist.

PROCEDURAL HISTORY

The employees filed complaints under Indiana's State Personnel Act challenging IDEM's reclassification of their positions during a departmental consolidation. After agency investigation, they appealed to SEAC. The hearing officer and SEAC found age bias and ordered the employees restored to their former supervisory positions; the trial court and Court of Appeals affirmed. The Supreme Court reversed and remanded with instructions to direct SEAC to dismiss the employees' claims.

DISPOSITION

reversed_and_remanded

REMAND INSTRUCTIONS

The case was remanded to the trial court to direct SEAC to dismiss the employees' claim.

CASES CITED

- Ind. Dep't of Envtl. Mgmt. v. West, 812 N.E.2d 1099 (Ind. Ct. App. 2004)
- Ind. Dep't of Envtl. Mgmt. v. West, 831 N.E.2d 734 (Ind. 2005) (mem.)
- McDonnell Douglas Corp. v. Green, 411 U.S. 792 (1973)
- Ind. Civil Rights Comm'n v. Culver Educ. Found., 535 N.E.2d 112 (Ind. 1989)
- O'Connor v. Consolidated Coin Caterers Corp., 517 U.S. 308 (1996)
- Fisher v. Pharmacia & Upjohn, 225 F.3d 915 (8th Cir. 2000)
- Brill v. Lante Corp., 119 F.3d 1266 (7th Cir. 1997)
- Russell v. Acme-Evans Co., 51 F.3d 64 (7th Cir. 1995)
- Collier v. Budd Co., 66 F.3d 886 (7th Cir. 1995)
- Bakke v. Cotter & Co., 984 F. Supp. 1167 (N.D. Ill. 1997)
- Driskell v. Continental Cas. Co., 961 F. Supp. 1184 (N.D. Ill. 1997)
- Matthews v. Commonwealth Edison Co., 941 F. Supp. 721 (N.D. Ill. 1996)
- Miller v. Borden Inc., 168 F.3d 308 (7th Cir. 1999)
- Ind. Dep't of Envtl. Mgmt. v. Conard, 614 N.E.2d 916 (Ind. 1993)
- Andrianova v. Ind. Family & Soc. Servs., 799 N.E.2d 5 (Ind. Ct. App. 2003)
- Parker v. Fed. Nat'l Mortg. Ass'n, 741 F.2d 975 (7th Cir. 1984)
- Fortier v. Ameritech Mobile Communications, Inc., 161 F.3d 1106 (7th Cir. 1998)
- Ind. Civil Rights Comm'n v. Weingart, Inc., 588 N.E.2d 1288 (Ind. Ct. App. 1992)
- Ind. Dep't of Corr. v. Ind. Civil Rights Comm'n, 486 N.E.2d 612 (Ind. Ct. App. 1985)
- Ind. Civil Rights Comm'n v. Muncie, 459 N.E.2d 411 (Ind. Ct. App. 1984)

