

Bond Case Briefs

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Watters v. Board of School Directors of City of Scranton

United States Court of Appeals, Third Circuit - September 21, 2020 - F.3d - 2020 WL 5626539

Tenured teachers who were suspended as part of budget cuts brought action under § 1983 in state court against city, school district, and board of school directors, alleging claims for substantial impairment of their contractual rights in violation of the Contracts Clause of the Constitution, declaratory and injunctive relief, and violations of state law.

Following removal, the United States District Court granted in part defendants' motion to dismiss. Teachers appealed.

The Court of Appeals held that:

- Alleged impairment of teachers' contracts arising from suspension was necessary, supporting finding that suspensions did not violate Contracts Clause, and
- Alleged impairment was also reasonable under the circumstances and thus did not violate Contracts Clause.

Alleged impairment of tenured teachers' contracts arising from teachers' suspension, through application of legislative act, as part of budget cuts was necessary, supporting finding that suspensions did not violate Contracts Clause, where, according to teachers' own complaint, school district did not consider impairing the teachers' contracts on a par with other policy alternatives, and it did not resort to that measure when a more moderate course would serve its purposes equally well.

Alleged impairment of tenured teachers' contracts arising from teachers' suspension, through application of legislative act, as part of budget cuts was reasonable in light of circumstances, supporting finding that suspensions did not violate Contracts Clause, where school district gave effect to the teachers' suspensions only after holding a public meeting and vote on the issue, and district afforded the teachers the opportunity to contest their suspensions through evidentiary hearings and post-hearing submissions.