

34:13A-16.7

LEGISLATIVE HISTORY CHECKLIST

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LAWS OF: 2010 **CHAPTER:** 105

NJSA: 34:13A-16.7. (Revises procedure for police and fire contract disputes; imposes a “cap” on certain arbitration awards)

BILL NO: A3393 (Substituted for S5)

SPONSOR(S) Greenwald and others

DATE INTRODUCED: October 14, 2010

COMMITTEE: **ASSEMBLY:** Budget
 Law and Public Safety

SENATE: ---

AMENDED DURING PASSAGE: Yes

DATE OF PASSAGE: **ASSEMBLY:** December 13, 2010
 SENATE: December 13, 2010

DATE OF APPROVAL: December 21, 2010

FOLLOWING ARE ATTACHED IF AVAILABLE:

FINAL TEXT OF BILL (First Reprint Assembly Committee Substitute enacted)
A3393

SPONSOR’S STATEMENT: (Begins on page 9 of introduced bill)	Yes
COMMITTEE STATEMENT:	ASSEMBLY: Yes
	SENATE: No

(Audio archived recordings of the committee meetings, corresponding to the date of the committee statement, *may possibly* be found at www.njleg.state.nj.us)

FLOOR AMENDMENT STATEMENT:	Yes
LEGISLATIVE FISCAL ESTIMATE:	No
 S5	
SPONSOR’S STATEMENT: (Begins on page 12 of introduced bill)	Yes
COMMITTEE STATEMENT:	ASSEMBLY: No
	SENATE: Yes
FLOOR AMENDMENT STATEMENT:	Yes
LEGISLATIVE FISCAL ESTIMATE:	No

(continued)

VETO MESSAGE: No

GOVERNOR'S PRESS RELEASE ON SIGNING: Yes

FOLLOWING WERE PRINTED:

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REPORTS: Yes

HEARINGS: No

NEWSPAPER ARTICLES: Yes

[974.90 P766 2011a](#)

2011 report of the Police and Fire Public Interest Arbitration Impact Task Force.
By New Jersey Police and Fire Public Interest Arbitration Task Force
Trenton, N.J. : Police and Fire Public Interest Arbitration Impact Task Force, 2011.

"Arbitration cap won't fix budget woes for all towns," The Star-Ledger, 12-22-10
"Christie puts pen to pay limits," The Times, 12-22-2010
"Christie signs New Jersey arbitration reform," NewJerseyNewsroom.com, 12-22-10
"Police, fire get pay cap," The Record, 12-22-2010
"Gov signs law to help towns control expenses," Asbury Park Press, 12-22-10
"Christie signs arbitration law for police, firefighter unions," Home News Tribune, 12-22-10
"Law puts pay caps into arbitration process," Courier-Post, 12-22-10
"Christie signs law capping pay through arbitration," Daily Record, 12-22-10
"State caps arbitration awards for police, fire," The Press of Atlantic City, 12-22-10
"N.J. gov. signs law capping pay through arbitration," Burlington County Times, 12-22-10
"Christie signs law on arbitration," The Philadelphia Inquirer, 12-22-10
"Call him Cap'n Crunch," The Trentonian, 12-22-10
"Christie Places 2% Cap on N.J. Police and Fire Raises," Bloomberg Press, 12-22-10

LAW/KR

[First Reprint]

ASSEMBLY COMMITTEE SUBSTITUTE FOR
ASSEMBLY, No. 3393

STATE OF NEW JERSEY
214th LEGISLATURE

ADOPTED DECEMBER 9, 2010

Sponsored by:

Assemblyman LOUIS D. GREENWALD

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Assemblywoman JOAN M. QUIGLEY

District 32 (Bergen and Hudson)

Assemblyman UPENDRA J. CHIVUKULA

District 17 (Middlesex and Somerset)

Assemblywoman ELEASE EVANS

District 35 (Bergen and Passaic)

Assemblyman DECLAN J. O'SCANLON, JR.

District 12 (Mercer and Monmouth)

Co-Sponsored by:

Senators Sweeney, Doherty and Kyrillos

SYNOPSIS

Revises procedure for police and fire contract disputes; imposes a "cap" on certain arbitration awards.

CURRENT VERSION OF TEXT

As amended by the General Assembly on December 13, 2010.



(Sponsorship Updated As Of: 12/14/2010)

1 AN ACT concerning police and fire arbitration and amending and
2 supplementing P.L.1977, c.85.

3

4 **BE IT ENACTED** by the Senate and General Assembly of the State
5 of New Jersey:

6

7 1 Section 3 of P.L.1977, c.85 (C.34:13A-16) is amended to
8 read as follows:

9 3. a. (1) Negotiations between a public fire or police
10 department and an exclusive representative concerning the terms
11 and conditions of employment shall begin at least 120 days prior to
12 the day on which their collective negotiation agreement is to expire.
13 The parties shall meet at least three times during that 120-day
14 period. The first of those three meetings shall take place no later
15 than the 90th day prior to the day on which their collective
16 negotiation agreement is to expire. By mutual consent, the parties
17 may agree to extend the period during which the second and third
18 meetings are required to take place beyond the day on which their
19 collective negotiation agreement is to expire. A violation of this
20 paragraph shall constitute an unfair practice and the violator shall
21 be subject to the penalties prescribed by the commission pursuant to
22 rule and regulation.

23 Prior to the expiration of their collective negotiation agreement,
24 either party may file an unfair practice charge with the commission
25 alleging that the other party is refusing to negotiate in good faith.
26 The charge shall be filed in the manner, form and time specified by
27 the commission in rule and regulation. If the charge is sustained,
28 the commission shall order that the respondent be assessed for all
29 legal and administrative costs associated with the filing and
30 resolution of the charge; if the charge is dismissed, the commission
31 shall order that the charging party be assessed for all legal and
32 administrative costs associated with the filing and resolution of the
33 charge. The filing and resolution of the unfair practice charge shall
34 not delay or impair the impasse resolution process.

35 (2) Whenever those negotiations concerning the terms and
36 conditions of employment shall reach an impasse, the commission,
37 through the Division of Public Employment Relations shall, upon
38 the request of either party, or upon its own motion take such steps,
39 including the assignment of a mediator, as it may deem expedient to
40 effect a voluntary resolution of the impasse.

41 b. (1) In the event of a failure to resolve the impasse by
42 mediation, the Division of Public Employment Relations, at the
43 request of either party, shall invoke factfinding with
44 recommendation for settlement of all issues in dispute unless the

EXPLANATION – Matter enclosed in bold-faced brackets **[thus]** in the above bill is
not enacted and is intended to be omitted in the law.

Matter underlined thus is new matter.

Matter enclosed in superscript numerals has been adopted as follows:

¹ Assembly floor amendments adopted December 13, 2010.

1 parties reach a voluntary settlement prior to the issuance of the
2 factfinder's report and recommended terms of settlement.
3 Factfindings shall be limited to those issues that are within the
4 required scope of negotiations unless the parties to the factfinding
5 agree to factfinding on permissive subjects of negotiation. **【In the**
6 **event of a continuing failure to resolve an impasse by means of the**
7 **procedure set forth in this paragraph, and notwithstanding the fact**
8 **that such procedures have not been exhausted, the parties shall**
9 **notify the commission, at a time and in a manner prescribed by the**
10 **commission, as to whether or not they have agreed upon a terminal**
11 **procedure for resolving the issues in dispute. Any terminal**
12 **procedure mutually agreed upon by the parties shall be reduced to**
13 **writing, provide for finality in resolving the issues in dispute, and**
14 **shall be submitted to the commission for approval.】**

15 (2) Notwithstanding the provisions of paragraph (2) of
16 subsection a. of this section or paragraph (1) of this subsection,
17 either party may petition the commission for arbitration on or after
18 the date on which their collective negotiation agreement expires.
19 The petition shall be filed in a manner and form prescribed by the
20 commission. The party filing the petition shall notify the other
21 party of its action. The notice shall be given in a manner and form
22 prescribed by the commission.

23 **【Within 10 days of the receipt of the notice by the non-**
24 **petitioning party, the parties shall notify the commission as to**
25 **whether or not they have agreed upon a terminal procedure for**
26 **resolving the issues in dispute. Any terminal procedure mutually**
27 **agreed upon by the parties shall be reduced to writing, provide for**
28 **finality in resolving the issues in dispute, and shall be submitted to**
29 **the commission for approval. If the parties fail to agree on a**
30 **terminal procedure, they shall be subject to the provisions of**
31 **subsection d. of this section.】** Any mediation or factfinding
32 invoked pursuant to paragraph (2) of subsection a. of this section or
33 paragraph (1) of subsection b. of this section shall terminate
34 immediately upon the filing of a petition for arbitration.

35 c. **【Terminal procedures that are approvable include, but shall**
36 **not be limited to the following:**

37 (1) Conventional arbitration of all unsettled items.

38 (2) Arbitration under which the award by an arbitrator or panel
39 of arbitrators is confined to a choice between (a) the last offer of the
40 employer and (b) the last offer of the employees' representative, as
41 a single package.

42 (3) Arbitration under which the award is confined to a choice
43 between (a) the last offer of the employer and (b) the last offer of
44 the employees' representative, on each issue in dispute, with the
45 decision on an issue-by-issue basis.

46 (4) If there is a factfinder's report with recommendations on the
47 issues in dispute, the parties may agree to arbitration under which

1 the award would be confined to a choice among three positions: (a)
2 the last offer of the employer as a single package, (b) the last offer
3 of the employees' representative as a single package, or (c) the
4 factfinder's recommendations as a single package.

5 (5) If there is a factfinder's report with a recommendation on
6 each of the issues in dispute, the parties may agree to arbitration
7 under which the award would be confined to a choice on each issue
8 from among three positions: (a) the last offer of the employer on
9 the issue, (b) the employee representative's last offer on the issue,
10 or (c) the factfinder's recommendation on the issue.

11 (6) Arbitration under which the award on the economic issues in
12 dispute is confined to a choice between (a) the last offer of the
13 employer on the economic issues as a single package and (b) the
14 employee representative's last offer on the economic issues as a
15 single package; and, on any noneconomic issues in dispute, the
16 award is confined to a choice between (a) the last offer of the
17 employer on each issue in dispute and (b) the employee
18 representative's last offer on that issue. ~~Deleted by amendment,~~
19 P.L. , c. (pending before the Legislature as this bill)

20 d. The ~~following~~ procedure shall be utilized if parties fail to
21 agree on a terminal procedure for the settlement of an impasse
22 dispute:

23 (1) In the event of a failure of the parties to agree upon an
24 acceptable terminal procedure the parties shall separately so notify
25 the commission in writing, indicating all issues in dispute and the
26 reasons for their inability to agree on the procedure. The substance
27 of a written notification shall not provide the basis for any delay in
28 effectuating the provisions of this subsection.

29 (2) Upon receipt of such notification from either party or on the
30 commission's own motion, the procedure to provide finality for the
31 resolution of issues in dispute shall be binding arbitration under
32 which the award on the unsettled issues is determined by
33 conventional arbitration. The arbitrator shall ~~separately~~
34 determine whether the total net annual economic changes for each
35 year of the agreement are reasonable under the nine statutory
36 criteria set forth in subsection g. of this section and shall adhere to
37 the limitations set forth in section 2 of P.L. , c. (C.)
38 (pending before the Legislature as this bill). The non-petitioning
39 party, within five days of receipt of the petition, shall separately
40 notify the commission in writing of all issues in dispute. The filing
41 of the written response shall not delay, in any manner, the interest
42 arbitration process.

43 e. (1) The commission shall take measures to assure the
44 impartial selection of an arbitrator or arbitrators from its special
45 panel of arbitrators. ~~Unless the parties, in a time and manner~~
46 ~~prescribed by the commission, mutually agree upon the selection of~~
47 an arbitrator from the commission's special panel of arbitrators and

1 so notify the commission in writing of that selection, the
2 assignment of any arbitrator for the purposes of this act shall be the
3 responsibility of the commission, independent of and without any
4 participation by either of the parties. The commission shall select
5 the arbitrator for assignment by lot.

6 In any proceeding where an arbitrator selected by mutual
7 agreement is unable to serve, the two parties shall be afforded an
8 opportunity to select a replacement. If the two parties are unable to
9 mutually agree upon the selection of a replacement within a time
10 period prescribed by the commission, the commission shall select
11 the replacement in the manner hereinafter provided.

12 In any proceeding where an assigned arbitrator is unable to serve
13 or, pursuant to the preceding paragraph, the two parties are unable
14 to mutually agree upon a replacement, the commission shall assign
15 a replacement arbitrator. The assignment shall be the responsibility
16 of the commission, independent of and without any participation by
17 either of the parties. The commission shall select the replacement
18 arbitrator for assignment by lot.】 On the first business day
19 following receipt of an interest arbitration petition, the commission
20 shall, independent of and without any participation by either of the
21 parties, randomly select an arbitrator from its special panel of
22 arbitrators. The selection by the commission shall be final and shall
23 not be subject to review or appeal.

24 (2) Applicants for initial appointment to the commission's
25 special panel of arbitrators shall be chosen based on their
26 professional qualifications, knowledge, and experience, in
27 accordance with the criteria and rules adopted by the commission.
28 Such rules shall include relevant knowledge of local government
29 operations and budgeting. Appointment to the commission's special
30 panel of arbitrators shall be for a three-year term, with
31 reappointment contingent upon a screening process similar to that
32 used for determining initial appointments. Arbitrators currently
33 serving on the panel shall demonstrate to the commission their
34 professional qualification, knowledge and experience, in accordance
35 with the criteria and rules adopted by the commission, within one
36 year of the effective date of this act. Any arbitrator who does not
37 satisfactorily demonstrate such to the commission within the
38 specified time shall be disqualified.

39 (3) Arbitrators serving on the commission's special panel shall
40 be guided by and subject to the objectives and principles set forth in
41 the "Code of Professional Responsibility for Arbitrators of Labor-
42 Management Disputers" of the National Academy of Arbitrators,
43 the American Arbitration Association, and the Federal Mediation
44 and Conciliation Service.

45 ¹(4) Arbitrators shall be required to complete annual training
46 offered by the State Ethics Commission. Any arbitrator failing to

1 satisfactorily complete the annual training shall be immediately
2 removed from the special panel.¹

3 The commission may suspend, remove, or otherwise discipline
4 an arbitrator for a violation of P.L.1977, c.85 (C.34:13A-14 et seq.),
5 section 4 of P.L.1995, c.425 (C.34:13A-16.1) or for good cause.
6 An arbitrator who fails to render an award within the time
7 requirements set forth in this section shall be fined \$1,000 for each
8 day that the award is late.

9 f. (1) At a time prescribed by the commission, the parties shall
10 submit to the arbitrator **【or tripartite panel of arbitrators】** their final
11 offers on each economic and non-economic issue in dispute. The
12 offers submitted pursuant to this section shall be used by the
13 arbitrator for the purposes of determining an award pursuant to
14 paragraph (2) of subsection d. of this section. **【The commission**
15 **shall promulgate rules and procedures governing the submission of**
16 **the offers required under this paragraph, including when those**
17 **offers shall be deemed final, binding and irreversible.】**

18 (2) In the event of a dispute, the commission shall have the
19 power to decide which issues are economic issues. Economic
20 issues include those items which have a direct relation to employee
21 income including wages, salaries, hours in relation to earnings, and
22 other forms of compensation such as paid vacation, paid holidays,
23 health and medical insurance, and other economic benefits to
24 employees.

25 (3) Throughout formal arbitration proceedings the chosen
26 arbitrator **【or panel of arbitrators】** may mediate or assist the parties
27 in reaching a mutually agreeable settlement.

28 All parties to arbitration shall present, at the formal hearing
29 before the issuance of the award, written estimates of the financial
30 impact of their last offer on the taxpayers of the local unit to the
31 arbitrator with the submission of their last offer.

32 (4) Arbitration shall be limited to those subjects that are within
33 the required scope of collective negotiations, except that the parties
34 may agree to submit to arbitration one or more permissive subjects
35 of negotiation.

36 (5) The decision of an arbitrator or panel of arbitrators shall
37 include an opinion and an award, and shall be rendered within
38 **【120】** 45 days of the **【selection of the arbitrator by the mutual**
39 **agreement of both parties or the】** commission's assignment of that
40 arbitrator **【or panel of arbitrators, as the case may be, pursuant to**
41 **paragraph (1) of subsection e. of this section; provided, however,**
42 **the arbitrator or panel of arbitrators, for good cause, may petition**
43 **the commission for an extension of not more than 60 days. The two**
44 **parties, by mutual consent, may agree to an extension. The parties**
45 **shall notify the arbitrator and the commission of any such**
46 **agreement in writing. The notice shall set forth the specific date on**
47 **which the extension shall expire】.**

1 Each arbitrator's decision shall be accompanied by a written
2 report explaining how each of the statutory criteria played into the
3 arbitrator's determination of the final award. The report shall
4 certify that the arbitrator took the statutory limitations imposed on
5 the local levy cap into account in making the award.

6 Any arbitrator **【or panel of arbitrators】** violating the provisions
7 of this paragraph may be subject to the commission's powers under
8 paragraph **【(2)】** (3) of subsection e. of this section. The decision
9 shall be final and binding upon the parties and shall be irreversible,
10 except:

11 (a) Within **【14】** seven days of receiving an award, an aggrieved
12 party may file notice of an appeal of an award to the commission on
13 the grounds that the arbitrator failed to apply the criteria specified
14 in subsection g. of this section or violated the standards set forth in
15 N.J.S.2A:24-8 or N.J.S.2A:24-9. The appeal shall be filed in a form
16 and manner prescribed by the commission. In deciding an appeal,
17 the commission, pursuant to rule and regulation and upon petition,
18 may afford the parties the opportunity to present oral arguments.
19 The commission may affirm, modify, correct or vacate the award or
20 may, at its discretion, remand the award to the same arbitrator or to
21 another arbitrator, selected by lot, for reconsideration. The
22 commission's decision shall be rendered no later than 30 days after
23 the filing of the appeal with the commission.

24 Arbitration appeal decisions shall be accompanied by a written
25 report explaining how each of the statutory criteria played into their
26 determination of the final award. The report shall certify that in
27 deciding the appeal, the commission took the local levy cap into
28 account in making the award.

29 An aggrieved party may appeal a decision of the commission to
30 the Appellate Division of the Superior Court.

31 (b) An arbitrator's award **【that is not appealed to the**
32 **commission】** shall be implemented immediately. **【An award that is**
33 **appealed and not set aside by the commission shall be implemented**
34 **within 14 days of the receipt of the commission's decision absent a**
35 **stay.】**

36 (6) The parties shall **【bear】** share equally the costs of arbitration
37 subject to a fee schedule approved by the commission. The fee
38 schedule shall provide that the cost of services provided by the
39 arbitrator shall not exceed \$1,000 per day. The total cost of
40 services of an arbitrator shall not exceed \$7,500. If the parties
41 cancel an arbitration proceeding without good cause, the arbitrator
42 may impose a fee of not more than \$500. The parties shall share
43 equally in paying that fee if the request to cancel or adjourn is a
44 joint request. Otherwise, the party causing such cancellation shall
45 be responsible for payment of the entire fee.

46 g. The arbitrator **【or panel of arbitrators】** shall decide the
47 dispute based on a reasonable determination of the issues, giving

1 due weight to those factors listed below that are judged relevant for
2 the resolution of the specific dispute. In the award, the arbitrator or
3 panel of arbitrators shall indicate which of the factors are deemed
4 relevant, satisfactorily explain why the others are not relevant, and
5 provide an analysis of the evidence on each relevant factor;
6 provided, however, that in every interest arbitration proceeding, the
7 parties shall introduce evidence regarding the factor set forth in
8 paragraph (6) of this subsection and the arbitrator shall analyze and
9 consider the factors set forth in paragraph (6) of this subsection in
10 any award:

11 (1) The interests and welfare of the public. Among the items
12 the arbitrator or panel of arbitrators shall assess when considering
13 this factor are the limitations imposed upon the employer by
14 P.L.1976, c.68 (C.40A:4-45.1 et seq.).

15 (2) Comparison of the wages, salaries, hours, and conditions of
16 employment of the employees involved in the arbitration
17 proceedings with the wages, hours, and conditions of employment
18 of other employees performing the same or similar services and
19 with other employees generally:

20 (a) In private employment in general; provided, however, each
21 party shall have the right to submit additional evidence for the
22 arbitrator's consideration.

23 (b) In public employment in general; provided, however, each
24 party shall have the right to submit additional evidence for the
25 arbitrator's consideration.

26 (c) In public employment in the same or similar comparable
27 jurisdictions, as determined in accordance with section 5 of
28 P.L.1995, c.425 (C.34:13A-16.2); provided, however, that each
29 party shall have the right to submit additional evidence concerning
30 the comparability of jurisdictions for the arbitrator's consideration.

31 (3) The overall compensation presently received by the
32 employees, inclusive of direct wages, salary, vacations, holidays,
33 excused leaves, insurance and pensions, medical and hospitalization
34 benefits, and all other economic benefits received.

35 (4) Stipulations of the parties.

36 (5) The lawful authority of the employer. Among the items the
37 arbitrator or panel of arbitrators shall assess when considering this
38 factor are the limitations imposed upon the employer by P.L.1976,
39 c.68 (C.40A:4-45.1 et seq.).

40 (6) The financial impact on the governing unit, its residents, the
41 limitations imposed upon the local unit's property tax levy pursuant
42 to section 10 of P.L.2007, c.62 (C40A:4-45.45), and taxpayers.
43 When considering this factor in a dispute in which the public
44 employer is a county or a municipality, the arbitrator or panel of
45 arbitrators shall take into account, to the extent that evidence is
46 introduced, how the award will affect the municipal or county
47 purposes element, as the case may be, of the local property tax; a

1 comparison of the percentage of the municipal purposes element or,
2 in the case of a county, the county purposes element, required to
3 fund the employees' contract in the preceding local budget year with
4 that required under the award for the current local budget year; the
5 impact of the award for each income sector of the property
6 taxpayers of the local unit; the impact of the award on the ability of
7 the governing body to (a) maintain existing local programs and
8 services, (b) expand existing local programs and services for which
9 public moneys have been designated by the governing body in a
10 proposed local budget, or (c) initiate any new programs and services
11 for which public moneys have been designated by the governing
12 body in a proposed local budget.

13 (7) The cost of living.

14 (8) The continuity and stability of employment including
15 seniority rights and such other factors not confined to the foregoing
16 which are ordinarily or traditionally considered in the determination
17 of wages, hours, and conditions of employment through collective
18 negotiations and collective bargaining between the parties in the
19 public service and in private employment.

20 (9) Statutory restrictions imposed on the employer. Among the
21 items the arbitrator or panel of arbitrators shall assess when
22 considering this factor are the limitations imposed upon the
23 employer by section 10 of P.L.2007, c.62 (C.40A:4-45.45).

24 h. A mediator, factfinder, or arbitrator while functioning in a
25 mediatory capacity shall not be required to disclose any files,
26 records, reports, documents, or other papers classified as
27 confidential received or prepared by him or to testify with regard to
28 mediation, conducted by him under this act on behalf of any party
29 to any cause pending in any type of proceeding under this act.
30 Nothing contained herein shall exempt such an individual from
31 disclosing information relating to the commission of a crime.

32 (cf: P.L.2007, c.62, s.14)

33

34 2. (New section) a. As used in this section:

35 "Base salary" means the salary provided pursuant to a ¹salary
36 guide or table and any amount provided pursuant to a¹ salary
37 increment, including any amount provided for longevity or length of
38 service. It also shall include any other item agreed to by the parties,
39 or any other item that was included in the base salary as understood
40 by the parties in the prior contract. Base salary shall not include
41 non-salary economic issues, pension and health and medical
42 insurance costs.

43 "Non-salary economic issues" means any economic issue that is
44 not included in the definition of base salary.

45 b. An arbitrator shall not render any award pursuant to section
46 3 of P.L.1977, c.85 (C.34:13A-16) which, on an annual basis,
47 increases base salary items by more than 2.0 percent of the

1 aggregate amount expended by the public employer on base salary
2 items for the members of the affected employee organization in the
3 twelve months immediately preceding the expiration of the
4 collective negotiation agreement subject to arbitration; provided,
5 however, the parties may agree, or the arbitrator may decide, to
6 distribute the aggregate monetary value of the award over the term
7 of the collective negotiation agreement in unequal annual
8 percentages. An award of an arbitrator shall not include base salary
9 items and non-salary economic issues which were not included in
10 the prior collective negotiations agreement.

11

12 3. (New section) a. There is established a task force, to be
13 known as the Police and Fire Public Interest Arbitration Impact
14 Task Force.

15 b. The task force shall be comprised of eight members as
16 follows:

17 (1) four to be appointed by the Governor;

18 (2) two to be appointed by the Senate President; and

19 (3) two to be appointed by the Speaker of the General
20 Assembly.

21 c. All appointments shall be made within 30 days of the
22 effective date of P.L. , c. (C.) (pending before the
23 Legislature as this bill). Vacancies in the membership shall be
24 filled in the same manner as the original appointments. The
25 members of the task force shall serve without compensation but
26 may be reimbursed, within the limits of funds made available to the
27 task force, for necessary travel expenses incurred in the
28 performance of their duties.

29 d. (1) The task force shall organize as soon as is practicable
30 upon the appointment of a majority of its members and shall select
31 a chairperson from among the appointees of the Governor and a
32 vice chairperson from among the appointees of the Legislature. The
33 Chair of the Public Employment Relations Commission shall serve
34 as non-voting executive director of the task force.

35 (2) The task force shall meet within 60 days of the effective date
36 of P.L. , c. (C.) (pending before the Legislature as this bill)
37 and shall meet thereafter at the call of its chair. In furtherance of its
38 evaluation, the task force may hold public meetings or hearings
39 within the State on any matter or matters related to the provisions of
40 this act, and call to its assistance and avail itself of the services of
41 the Public Employment Relations Commission and the employees
42 of any State department, board, task force or agency which the task
43 force determines possesses relevant data, analytical and
44 professional expertise or other resources which may assist the task
45 force in discharging its duties under this act. Each department,
46 board, commission or agency of this State is hereby directed, to the
47 extent not inconsistent with law, to cooperate fully with the task

1 force and to furnish such information and assistance as is necessary
2 to accomplish the purposes of this act. In addition, in order to
3 facilitate the work of the task force, the Public Employment
4 Relations Commission shall post on its website all collective
5 negotiations agreements and interest arbitration awards entered or
6 awarded after the date of enactment, including a summary of
7 contract or arbitration award terms in a standard format developed
8 by the Public Employment Relations Commission to facilitate
9 comparisons. All collective negotiations agreements shall be
10 submitted to the Public Employment Relations Commission within
11 15 days of contract execution.

12 e. (1) It shall be the duty of the task force to study the effect
13 and impact of the arbitration award cap upon local property taxes;
14 collective bargaining agreements; arbitration awards; municipal
15 services; municipal expenditures; municipal public safety services,
16 particularly changes in crime rates and response times to emergency
17 situations; police and fire recruitment, hiring and retention; the
18 professional profile of police and fire departments, particularly with
19 regard to age, experience, and staffing levels; and such other
20 matters as the members deem appropriate and necessary to evaluate
21 the effects and impact of the arbitration award cap.

22 (2) Specifically, the task force shall study total compensation
23 rates, including factors subject to the arbitration award cap and
24 factors exempt from the arbitration award cap, of police and fire
25 personnel throughout the state and make recommendations thereon.
26 The task force also shall study the interest arbitration process and
27 make recommendation concerning its continued use in connection
28 with police and fire labor contracts disputes. The task force shall
29 make findings as to the relative growth in total compensation cost
30 attributable to factors subject to the arbitration award cap and to
31 factors exempt from the arbitration award cap, for both collective
32 bargaining agreements and arbitration awards.

33 f. The task force shall report its findings, along with any
34 recommendations it may have, to the Governor and the Legislature
35 annually, on or before April 1 of each year. The task force's final
36 report due on or before April 1, 2014 shall include, in addition to
37 any other findings and recommendations, a specific
38 recommendation for any amendments to the arbitration award
39 cap. Upon the filing of its final report on or before April 1, 2014,
40 the task force shall expire.

41

42 4. This act shall take effect ¹~~immediately, and~~ January 1,
43 2011; provided however, section 2¹ shall apply ¹~~only~~ to ¹~~all~~
44 collective negotiations between a public employer and the exclusive
45 representative of a public police department or public fire
46 department that relate to a negotiated agreement expiring on that
47 effective date or any date thereafter until ¹~~the first day of the 40th~~

1 month] April 1, 2014¹, whereupon ¹~~its~~ ~~the~~¹ provisions ¹~~of section~~
2 2¹ shall become inoperative for all parties except those whose
3 collective negotiations agreements expired prior to ¹~~the first day of~~
4 ~~the 40th month~~] April 1, 2014¹ but for whom a final settlement has
5 not been reached ¹~~;~~ provided, however, when]. When¹ final
6 settlement between the parties ¹~~is reached~~¹ in all such
7 negotiations ¹~~is reached~~¹, the provisions of ¹~~this amendatory and~~
8 ~~supplementary~~] section 2 of this¹ act shall expire. ¹~~Any~~ In the
9 case of a¹ party ¹that entered into a contract that expires on the
10 effective date of this act or any date thereafter until ¹~~the first day~~
11 ~~of the 40th month~~] April 1, 2014¹, and where the terms of that
12 contract otherwise meet the criteria ¹~~of this act~~] set forth in
13 section 2 of this act¹, ¹that party¹ shall not be subject to ¹~~this act~~] the provisions of section 2¹
14 when negotiating a future contract.

ASSEMBLY, No. 3393

STATE OF NEW JERSEY 214th LEGISLATURE

INTRODUCED OCTOBER 14, 2010

Sponsored by:

Assemblyman LOUIS D. GREENWALD

District 6 (Camden)

Assemblywoman JOAN M. QUIGLEY

District 32 (Bergen and Hudson)

SYNOPSIS

Establishes “fair and final” as terminal procedure for police and fire contract arbitration.

CURRENT VERSION OF TEXT

As introduced.



(Sponsorship Updated As Of: 10/19/2010)

1 AN ACT concerning police and fire arbitration and amending
2 P.L.1977, c.85.

3

4 **BE IT ENACTED** by the Senate and General Assembly of the State
5 of New Jersey:

6

7 1. Section 3 of P.L.1977, c.85 (C.34:13A-16) is amended to read
8 as follows:

9 3. a. (1) Negotiations between a public fire or police department
10 and an exclusive representative concerning the terms and conditions
11 of employment shall begin at least 120 days prior to the day on
12 which their collective negotiation agreement is to expire. The
13 parties shall meet at least three times during that 120-day period.
14 The first of those three meetings shall take place no later than the
15 90th day prior to the day on which their collective negotiation
16 agreement is to expire. By mutual consent, the parties may agree to
17 extend the period during which the second and third meetings are
18 required to take place beyond the day on which their collective
19 negotiation agreement is to expire. A violation of this paragraph
20 shall constitute an unfair practice and the violator shall be subject to
21 the penalties prescribed by the commission pursuant to rule and
22 regulation.

23 (2) Whenever those negotiations concerning the terms and
24 conditions of employment shall reach an impasse, the commission,
25 through the Division of Public Employment Relations shall, upon
26 the request of either party, or upon its own motion take such steps,
27 including the assignment of a mediator, as it may deem expedient to
28 effect a voluntary resolution of the impasse.

29 b. (1) In the event of a failure to resolve the impasse by
30 mediation, the Division of Public Employment Relations, at the
31 request of either party, shall invoke factfinding with
32 recommendation for settlement of all issues in dispute unless the
33 parties reach a voluntary settlement prior to the issuance of the
34 factfinder's report and recommended terms of settlement.
35 Factfindings shall be limited to those issues that are within the
36 required scope of negotiations unless the parties to the factfinding
37 agree to factfinding on permissive subjects of negotiation. In the
38 event of a continuing failure to resolve an impasse by means of the
39 procedure set forth in this paragraph, and notwithstanding the fact
40 that such procedures have not been exhausted, the parties shall
41 notify the commission, at a time and in a manner prescribed by the
42 commission, as to whether or not they have agreed upon a terminal
43 procedure for resolving the issues in dispute. Any terminal
44 procedure mutually agreed upon by the parties shall be reduced to

EXPLANATION – Matter enclosed in bold-faced brackets [thus] in the above bill is not enacted and is intended to be omitted in the law.

Matter underlined thus is new matter.

1 writing, provide for finality in resolving the issues in dispute, and
2 shall be submitted to the commission for approval.

3 (2) Notwithstanding the provisions of paragraph (2) of
4 subsection a. of this section or paragraph (1) of this subsection,
5 either party may petition the commission for arbitration on or after
6 the date on which their collective negotiation agreement expires.
7 The petition shall be filed in a manner and form prescribed by the
8 commission. The party filing the petition shall notify the other
9 party of its action. The notice shall be given in a manner and form
10 prescribed by the commission.

11 Within 10 days of the receipt of the notice by the non-petitioning
12 party, the parties shall notify the commission as to whether or not
13 they have agreed upon a terminal procedure for resolving the issues
14 in dispute. Any terminal procedure mutually agreed upon by the
15 parties shall be reduced to writing, provide for finality in resolving
16 the issues in dispute, and shall be submitted to the commission for
17 approval. If the parties fail to agree on a terminal procedure, they
18 shall be subject to the provisions of subsection d. of this section.

19 c. Terminal procedures that are approvable include, but shall not
20 be limited to the following:

21 (1) Conventional arbitration of all unsettled items.

22 (2) Arbitration under which the award by an arbitrator or panel
23 of arbitrators is confined to a choice between (a) the last offer of the
24 employer and (b) the last offer of the employees' representative, as
25 a single package.

26 (3) Arbitration under which the award is confined to a choice
27 between (a) the last offer of the employer and (b) the last offer of
28 the employees' representative, on each issue in dispute, with the
29 decision on an issue-by-issue basis.

30 (4) If there is a factfinder's report with recommendations on the
31 issues in dispute, the parties may agree to arbitration under which
32 the award would be confined to a choice among three positions: (a)
33 the last offer of the employer as a single package, (b) the last offer
34 of the employees' representative as a single package, or (c) the
35 factfinder's recommendations as a single package.

36 (5) If there is a factfinder's report with a recommendation on
37 each of the issues in dispute, the parties may agree to arbitration
38 under which the award would be confined to a choice on each issue
39 from among three positions: (a) the last offer of the employer on
40 the issue, (b) the employee representative's last offer on the issue,
41 or (c) the factfinder's recommendation on the issue.

42 (6) Arbitration under which the award on the economic issues in
43 dispute is confined to a choice between (a) the last offer of the
44 employer on the economic issues as a single package and (b) the
45 employee representative's last offer on the economic issues as a
46 single package; and, on any noneconomic issues in dispute, the
47 award is confined to a choice between (a) the last offer of the
48 employer on each issue in dispute and (b) the employee
49 representative's last offer on that issue.

1 d. The following procedure shall be utilized if parties fail to
2 agree on a terminal procedure for the settlement of an impasse
3 dispute:

4 (1) In the event of a failure of the parties to agree upon an
5 acceptable terminal procedure the parties shall separately so notify
6 the commission in writing, indicating all issues in dispute and the
7 reasons for their inability to agree on the procedure. The substance
8 of a written notification shall not provide the basis for any delay in
9 effectuating the provisions of this subsection.

10 (2) Upon receipt of such notification from either party or on the
11 commission's own motion, the procedure to provide finality for the
12 resolution of issues in dispute shall be binding arbitration under
13 which the award ~~【on the unsettled issues is determined by~~
14 ~~conventional arbitration】~~ on the economic issues in dispute shall be
15 confined to a choice between (a) the last offer of the employer on
16 such issues as a single package and (b) the employee
17 representative's last offer on such issues as a single package; and,
18 on the noneconomic issues in dispute, the award shall be confined
19 to a choice between (a) the last offer of the employer on each issue
20 in dispute and (b) the employee representative's last offer on such
21 issues. The arbitrator shall ~~【separately determine whether the total~~
22 ~~net annual economic changes for each year of the agreement are】~~ in
23 making the award, consider which last offer is the more reasonable
24 under the nine statutory criteria set forth in subsection g. of this
25 section.

26 e. (1) The commission shall take measures to assure the
27 impartial selection of an arbitrator or arbitrators from its special
28 panel of arbitrators. ~~【Unless the parties, in a time and manner~~
29 ~~prescribed by the commission, mutually agree upon the selection of~~
30 ~~an arbitrator from the commission's special panel of arbitrators and~~
31 ~~so notify the commission in writing of that selection, the~~
32 ~~assignment of any arbitrator for the purposes of this act shall be the~~
33 ~~responsibility of the commission, independent of and without any~~
34 ~~participation by either of the parties. The commission shall select~~
35 ~~the arbitrator for assignment by lot.~~

36 In any proceeding where an arbitrator selected by mutual
37 agreement is unable to serve, the two parties shall be afforded an
38 opportunity to select a replacement. If the two parties are unable to
39 mutually agree upon the selection of a replacement within a time
40 period prescribed by the commission, the commission shall select
41 the replacement in the manner hereinafter provided.

42 In any proceeding where an assigned arbitrator is unable to serve
43 or, pursuant to the preceding paragraph, the two parties are unable
44 to mutually agree upon a replacement, the commission shall assign
45 a replacement arbitrator. The assignment shall be the responsibility
46 of the commission, independent of and without any participation by
47 either of the parties. The commission shall select the replacement
48 arbitrator for assignment by lot.】 The commission shall submit

1 simultaneously to each party a list of five proposed arbitrators
2 chosen by lot from the commission's special panel of arbitrators.
3 The list shall be submitted to the parties by mail. The parties shall
4 have 10 days from the date of mailing to review the list of proposed
5 arbitrators. Each party shall cross out any names on the list to
6 which it objects, numbering any remaining names in an order of
7 preference, and return the list to the commission.

8 If a party fails to return its list within the prescribed time period,
9 all the proposed arbitrators on the list shall be deemed acceptable to
10 that party.

11 The commission shall appoint an arbitrator based upon the
12 preferences enumerated by the two parties on their returned lists.

13 If the enumerated preferences of the parties do not result in an
14 agreement upon any of the proposed arbitrators, the commission
15 shall submit a second list consisting of three proposed arbitrators
16 chosen by lot from the commission's special panel of arbitrators.
17 The parties shall have 10 days from the date of the mailing to
18 review this second list of proposed arbitrators. Each party shall
19 enumerate the three in order of preference and return the list to the
20 commission. The commission shall appoint an arbitrator based
21 upon the preferences enumerated by the parties on their returned
22 lists.

23 If the arbitrator appointed pursuant to this paragraph declines or
24 is unable to serve, the commission shall, independent of and
25 without any participation by either of the parties, select an arbitrator
26 from those not previously rejected by either party. The decision of
27 the commission shall be final and shall not be subject to review or
28 appeal.

29 If the parties agree to a method of appointment that differs from
30 the forgoing, the terms of that agreement shall be followed.

31 (2) Appointment to the commission's special panel of arbitrators
32 shall be for a three-year term, with reappointment contingent upon a
33 screening process similar to that used for determining initial
34 appointments.

35 The commission may suspend, remove, or otherwise discipline
36 an arbitrator for a violation of P.L.1977, c.85 (C.34:13A-14 et seq.),
37 section 4 of P.L.1995, c.425 (C.34:13A-16.1) or for good cause.

38 f. (1) At a time prescribed by the commission, the parties shall
39 submit to the arbitrator or tripartite panel of arbitrators **【**their final
40 offers on each economic and non-economic issue in dispute. The
41 offers submitted pursuant to this section shall be used by the
42 arbitrator for the purposes of determining an award pursuant to
43 paragraph (2) of subsection d. of this section**】** their final offers in
44 two separate parts (a) a single package containing all the economic
45 issues in dispute; and (b) the individual issues in dispute not
46 included in the economic package, each set forth separately by
47 issue. The commission shall promulgate rules and procedures
48 governing the submission of the offers required under this

1 paragraph, including when those offers shall be deemed final,
2 binding and irreversible.

3 (2) In the event of a dispute, the commission shall have the
4 power to decide which issues are economic issues. Economic
5 issues include those items which have a direct relation to employee
6 income including wages, salaries, hours in relation to earnings, and
7 other forms of compensation such as paid vacation, paid holidays,
8 health and medical insurance, and other economic benefits to
9 employees.

10 (3) Throughout formal arbitration proceedings the chosen
11 arbitrator or panel of arbitrators may mediate or assist the parties in
12 reaching a mutually agreeable settlement.

13 (4) Arbitration shall be limited to those subjects that are within
14 the required scope of collective negotiations, except that the parties
15 may agree to submit to arbitration one or more permissive subjects
16 of negotiation.

17 (5) The decision of an arbitrator or panel of arbitrators shall
18 include an opinion and an award, and shall be rendered within 120
19 days of the selection of the arbitrator **[by the mutual agreement of**
20 **both parties or the commission's assignment of that arbitrator]** or
21 panel of arbitrators, as the case may be **[, pursuant to paragraph (1)**
22 **of subsection e. of this section]**; provided, however, the arbitrator
23 or panel of arbitrators, for good cause, may petition the commission
24 for an extension of not more than 60 days. The two parties, by
25 mutual consent, may agree to an extension. The parties shall notify
26 the arbitrator and the commission of any such agreement in writing.
27 The notice shall set forth the specific date on which the extension
28 shall expire. Any arbitrator or panel of arbitrators violating the
29 provisions of this paragraph may be subject to the commission's
30 powers under paragraph (2) of subsection e. of this section. The
31 decision shall be final and binding upon the parties and shall be
32 irreversible, except:

33 (a) Within 14 days of receiving an award, an aggrieved party
34 may file notice of an appeal of an award to **[the commission]** an
35 appeal panel, consisting of two arbitrators selected by lot and a
36 member of the Local Finance Board chosen by the chair of that
37 board, on the grounds that the arbitrator failed to **[apply]** fully
38 consider the criteria specified in subsection g. of this section or
39 violated the standards set forth in N.J.S.2A:24-8 or N.J.S.2A:24-9.
40 The appeal shall be filed in a form and manner prescribed by the
41 commission. In deciding an appeal, the **[commission]** appeal
42 panel, pursuant to rule and regulation and upon petition, may afford
43 the parties the opportunity to present oral arguments. The
44 **[commission]** appeal panel may affirm, modify, correct or vacate
45 the award or may, at its discretion, remand the award to the same
46 arbitrator or to another arbitrator, selected by lot, for
47 reconsideration. An aggrieved party may appeal a decision of **[the**

1 commission] an appeal panel to the Appellate Division of the
2 Superior Court.

3 (b) An award that is not appealed to the commission shall be
4 implemented immediately. An award that is appealed and not set
5 aside by the commission shall be implemented within 14 days of the
6 receipt of the commission's decision absent a stay.

7 (6) The parties shall bear the costs of arbitration subject to a fee
8 schedule approved by the commission.

9 g. The arbitrator or panel of arbitrators shall [decide the dispute
10 based on a reasonable determination of the issues, giving due
11 weight to those] . in making an award, consider which last offer is
12 the more reasonable based upon the factors listed below [that are
13 judged relevant for the resolution of the specific dispute]. In the
14 award, the arbitrator or panel of arbitrators shall indicate [which of
15 the factors are deemed relevant, satisfactorily explain why the
16 others are not relevant, and provide an analysis of the evidence on
17 each relevant factor] the role each factor played in determining
18 which last offer was the more reasonable:

19 (1) The interests and welfare of the public. Among the items the
20 arbitrator or panel of arbitrators shall assess when considering this
21 factor are the limitations imposed upon the employer by P.L.1976,
22 c.68 (C.40A:4-45.1 et seq.).

23 (2) Comparison of the wages, salaries, hours, and conditions of
24 employment of the employees involved in the arbitration
25 proceedings with the wages, hours, and conditions of employment
26 of other employees performing the same or similar services and
27 with other employees generally:

28 (a) In private employment in general; provided, however, each
29 party shall have the right to submit additional evidence for the
30 arbitrator's consideration.

31 (b) In public employment in general; provided, however, each
32 party shall have the right to submit additional evidence for the
33 arbitrator's consideration.

34 (c) In public employment in the same or similar comparable
35 jurisdictions, as determined in accordance with section 5 of
36 P.L.1995, c.425 (C.34:13A-16.2); provided, however, that each
37 party shall have the right to submit additional evidence concerning
38 the comparability of jurisdictions for the arbitrator's consideration.

39 (3) The overall compensation presently received by the
40 employees, inclusive of direct wages, salary, vacations, holidays,
41 excused leaves, insurance and pensions, medical and hospitalization
42 benefits, and all other economic benefits received.

43 (4) Stipulations of the parties.

44 (5) The lawful authority of the employer. Among the items the
45 arbitrator or panel of arbitrators shall assess when considering this
46 factor are the limitations imposed upon the employer by P.L.1976,
47 c.68 (C.40A:4-45.1 et seq.).

1 (6) The financial impact on the governing unit, its residents, the
2 limitations imposed upon the local unit's property tax levy by
3 section 10 of P.L.2007, c.62 (C.40A:4-45.45), and taxpayers. When
4 considering this factor in a dispute in which the public employer is
5 a county or a municipality, the arbitrator or panel of arbitrators shall
6 take into account, to the extent that evidence introduced, how the
7 award will affect the municipal or county purposes element, as the
8 case may be, of the local property tax; a comparison of the
9 percentage of the municipal purposes element or, in the case of a
10 county, the county purposes element, required to fund the
11 employees' contract in the preceding local budget year with that
12 required under the award for the current local budget year; the
13 impact of the award for each income sector of the property
14 taxpayers of the local unit; the impact of the award on the ability of
15 the governing body to (a) maintain existing local programs and
16 services, (b) expand existing local programs and services for which
17 public moneys have been designated by the governing body in a
18 proposed local budget, or (c) initiate any new programs and services
19 for which public moneys have been designated by the governing
20 body in a proposed local budget.

21 (7) The cost of living.

22 (8) The continuity and stability of employment including
23 seniority rights and such other factors not confined to the foregoing
24 which are ordinarily or traditionally considered in the determination
25 of wages, hours, and conditions of employment through collective
26 negotiations and collective bargaining between the parties in the
27 public service and in private employment.

28 (9) Statutory restrictions imposed on the employer. Among the
29 items the arbitrator or panel of arbitrators shall assess when
30 considering this factor are the limitations imposed upon the
31 employer by section 10 of P.L.2007, c.62 (C.40A:4-45.45).

32 h. A mediator, factfinder, or arbitrator while functioning in a
33 mediatory capacity shall not be required to disclose any files,
34 records, reports, documents, or other papers classified as
35 confidential received or prepared by him or to testify with regard to
36 mediation, conducted by him under this act on behalf of any party
37 to any cause pending in any type of proceeding under this act.
38 Nothing contained herein shall exempt such an individual from
39 disclosing information relating to the commission of a crime.

40 (cf: P.L.2007, c.62, s.14)

41

42 2. This act shall take effect on the first day of the fourth month
43 following enactment and shall apply to all collective negotiations
44 between public fire and police departments and the exclusive
45 representatives of their public employers except those formal
46 arbitration proceedings in which the arbitrator has, prior to the
47 effective date of this act, taken testimony from the parties;
48 provided, however, in any collective negotiation where there has
49 occurred, prior to the effective date of this act mediation,

1 factfinding, the selection of an arbitrator, or agreement of a terminal
2 procedure, those actions shall remain valid and in force for the
3 remainder of the collective negotiations, which shall be subject to
4 the provisions of this act.

5
6
7 STATEMENT

8
9 This bill establishes “fair and final” as the terminal procedure for
10 resolving contractual impasses between public employers and their
11 police and fire departments.

12 Under current law, these contractual impasses are resolved
13 through conventional arbitration. In conventional arbitration, the
14 arbitrator reviews the contract offers of each party and then has the
15 authority to freely construct the various elements that make up the
16 final award.

17 In “fair and final,” the arbitrator must select the final contract
18 offer of one of the parties; basing the selection on the offer the
19 arbitrator deems the “fairer” of the two. The arbitrator’s decision is
20 binding on the parties.

21 The bill also changes the procedure for selecting an arbitrator.
22 Currently, if the parties are unable to mutually agree upon the
23 selection of an arbitrator, the Public Employment Relations
24 Commission (PERC) selects the arbitrator by lot. Under this bill,
25 PERC would send the disputing parties a list of five prospective
26 arbitrators. The arbitrators on the list would be selected by lot from
27 PERC’s special panel of arbitrators. The parties would have 10
28 days to review the list. Before returning the list to PERC, each
29 party is to cross out any names they object to and enumerate any
30 remaining names in an order of preference.

31 If PERC is unable to appoint an arbitrator based upon the
32 preferences enumerated by the two parties, the commission is to
33 generate a second list consisting of three proposed arbitrators, again
34 chosen by lot. Each party is to enumerate the proposed arbitrators
35 in their order of preference. The commission is to appoint an
36 arbitrator based on the preferences enumerated by the parties. The
37 decision of the commission is final and is not subject to review or
38 appeal.

39 The bill contains a clause that provides that if the parties agree to
40 a method of appointment that differs from the formal procedure set
41 forth in the bill, the terms of that agreement are to be followed.

42 The selection procedure outlined in this bill is patterned on that
43 used in grievance arbitration.

44 In addition, the bill mandates that an arbitrator must take into
45 consideration the statutory limitations imposed on a local
46 governmental unit’s property tax levy when evaluating the
47 reasonableness of each party’s last offer.

48 Finally, the bill modifies the appeal procedure. Currently, an
49 aggrieved party files its objection to an award with the commission.

1 The commission has the authority to affirm, modify, correct or
2 vacate an award and may, at its discretion, remand the award to the
3 same or another arbitrator for reconsideration. A party which is
4 dissatisfied with the commission's resolution an appeal may file an
5 appeal of the commission's action with the Appellate Division of
6 the Superior Court.

7 Under this bill, the initial appeal by an aggrieved party would be
8 filed with an appeal panel. This panel would be made up of two
9 arbitrators, selected by lot, and a member of the Local Finance
10 Board, chosen by the chair of that board. The appeal panel would
11 have all the powers and authority currently assigned the
12 commission in hearing and resolving appeals of awards, particularly
13 in determining whether an arbitrator fully considered the specific
14 factors outlined in subsection g. of section 3 of P.L.1977, c.85
15 (C.34:13A-16). A party aggrieved by a decision of this appeal
16 panel would, as is current practice, file its appeal with the Appellate
17 Division of the Superior Court.

ASSEMBLY BUDGET COMMITTEE

STATEMENT TO

ASSEMBLY, No. 3393

with committee amendments

STATE OF NEW JERSEY

DATED: OCTOBER 18, 2010

The Assembly Budget Committee reports favorably Assembly Bill No. 3393 with committee amendments.

Assembly Bill No. 3393, establishes “last offer” as the terminal procedure for resolving contractual impasses between public employers and their police and fire departments.

Under current law, these contractual impasses are resolved through conventional arbitration with an arbitrator reviewing the contract offers of each party and then exercising the authority to freely construct the various elements that make up the final award.

In “last offer” the arbitrator must select the final contract offer of one of the parties, basing the selection on the offer the arbitrator deems the more “reasonable” of the two based upon nine economic and statutory factors outlined in the law. The arbitrator’s decision is binding on the parties.

The bill also changes the procedure for selecting an arbitrator. Currently, if the parties are unable to mutually agree upon the selection of an arbitrator, the Public Employment Relations Commission (PERC) selects the arbitrator by lot. Under this bill, PERC will send the disputing parties a list of five prospective arbitrators. The arbitrators on the list will be selected by lot from PERC’s special panel of arbitrators. The parties will have 10 days to review the list. Before returning the list to PERC, each party will cross out any names to which the party objects and rank any remaining names in an order of preference.

If PERC is unable to appoint an arbitrator based upon the preferences of the two parties, PERC will generate a second list consisting of three proposed arbitrators, again chosen by lot. Each party will rank the proposed arbitrators in order of preference. PERC will appoint an arbitrator based on the preferences of the parties. The decision of PERC is final and is not subject to review or appeal.

The bill provides that if the parties agree to a method of appointment that differs from the formal procedure set forth in the bill, the terms of that agreement are to be followed.

The bill modifies the appeal procedure. Currently, an aggrieved party files its objection to an award with PERC. PERC may affirm, modify, correct, or vacate an award and may, at its discretion, remand the award to the same or another arbitrator for reconsideration. A party which is dissatisfied with PERC's resolution may file an appeal of PERC's action with the Appellate Division of the Superior Court.

Under this bill, the initial appeal by an aggrieved party will be filed with an appeal panel. The appeal panel will be made up of two arbitrators, selected by lot, and a member of the Local Finance Board, chosen by the chair of that board. The appeal panel will have all the powers and authority currently assigned to PERC in hearing and resolving appeals of awards, particularly in determining whether an arbitrator fully considered the specific factors outlined in subsection g. of section 3 of P.L.1977, c.85 (C.34:13A-16). A party aggrieved by a decision of this appeal panel will, as is current practice, file its appeal with the Appellate Division of the Superior Court.

The committee amendments revise and clarify certain arbitration timelines, processes, and procedures. Currently, a party cannot petition for arbitration until their contract expires. Under the amended bill, a party may petition for arbitration before the contract expires.

The committee amendments also shorten the statutory timeline for rendering an arbitration award. Currently, an arbitrator must issue an award within 120 days. As amended, an arbitrator must render an award within 90 days. The amendments also reduce the length of any extension to the process. At present, the process may be extended for 60 days by mutual consent of the parties. The amendments reduce that period to 30 days.

The amendments incorporate specific statutory language concerning the qualifications, duties, and responsibilities of arbitrators. In addition to professional knowledge and experience, the amendments require that candidates for initial appoint to PERC's special panel of arbitrators have relevant knowledge of local government operations and budgeting. Arbitrators currently serving on the special panel have one year in which to demonstrate their professional qualifications and knowledge. Those who fail to do so are to be removed from the special panel.

Under the amendatory bill, an arbitrator who fails to exhibit impartiality in any proceeding is subject to immediate dismissal from the special panel. The amendments specify that any arbitrator who makes a contribution to either party in the arbitration dispute would be deemed partial and subject to dismissal.

Further, the amendments require arbitrators to provide a written report along with each award decision, certifying that the arbitrator took into consideration the statutory limitations imposed on the local cap levy. The amendments require the arbitration appeal panel to submit a similar written report along with their final determination of an appeal.

The amendments also imposed additional continuing education requirements on arbitrators. Under the amended bill, arbitrators are required to complete annual training offered by the State Ethics Commission and appropriate Continuing Legal Education courses.

Finally, the amended bill provides a statutory framework for sharing the costs of arbitration between the parties.

COMMITTEE AMENDMENTS:

The committee amended the bill to:

1. Change references from “fair and final” to “last offer” when referring to the terminal procedure for resolving contractual impasses between public employers and their police and fire departments;

2. Permit petitioning for arbitration before an existing contract expires;

3. Reduce the timeline for rendering arbitration award from 120 to 90 days, and shorten any mutually agreed upon extension from 60 to 30 days;

4. Require candidates for appointment to PERC’s special panel of arbitrators to possess professional qualifications and knowledge, including relevant knowledge of local government operations and budgeting. Arbitrators currently serving have one year to demonstrate that they meet these professional qualifications and possess that knowledge;

5. Specify that an arbitrator who fails to be impartial in a proceeding is subject to immediate dismissal from the special panel;

6. Deem that an arbitrator who makes a contribution to either party is partial and subject to dismissal;

7. Require arbitrators in issuing an award and appeals panels when rendering a decision in an appeal to provide a written report certifying that they took into consideration the statutory limitations imposed on the local cap levy in making their determination;

8. Clarify that an arbitrator who rendered an award cannot serve as a member of a panel hearing an appeal of that award;

9. Require each party to present an estimate of the financial impact their last offer would have on the taxpayers of the local unit when presenting their last offer to the arbitrator;

10. Impose additional continuing education requirements on arbitrators, including annual training by the State Ethics Commission and appropriate Continuing Legal Education courses; and

11. Provide a statutory framework for sharing the costs of arbitration between the parties.

FISCAL IMPACT:

This bill was not certified as requiring a fiscal note.

ASSEMBLY LAW AND PUBLIC SAFETY COMMITTEE

STATEMENT TO

ASSEMBLY COMMITTEE SUBSTITUTE FOR ASSEMBLY, No. 3393

STATE OF NEW JERSEY

DATED: DECEMBER 9, 2010

The Assembly Law and Public Safety Committee reports favorably an Assembly Committee Substitute for Assembly Bill No. 3393.

This committee substitute streamlines the procedure for resolving contractual impasses between public employers and their police and fire departments and imposes a 2 percent cap on arbitration awards under certain circumstances.

The committee substitute streamlines the process by mandating that the parties at impasse go directly to conventional arbitration to resolve their contract dispute. Currently the parties are afforded an opportunity to mutually agree upon a variety of terminal procedures to resolve their dispute. Among the procedures the parties may now utilize are last offer, factfinding, and conventional arbitration.

The committee substitute also establishes a 2 percent cap on arbitration awards. Under provisions of the committee substitute, an arbitrator's award on disputed base salary is subject to a 2 percent cap, calculated on an annual basis over the term of the collective negotiation agreement governed by the award. The aggregate monetary value of the award does not have to be distributed in equal annual percentages, however. Consequently, the monetary value of an award may exceed the 2 percent in a contract year, but the monetary value of the award allocated in the other contract years must be adjusted so that the aggregate monetary value of the award over the term of the agreement does not exceed the maximum monetary award permitted under the 2 percent cap.

The committee substitute also changes the procedure for selecting an arbitrator. Currently, if the parties are unable to mutually agree upon the selection of an arbitrator, the Public Employment Relations Commission (PERC) selects the arbitrator by lot. Under this committee substitute, PERC will randomly select the arbitrator. The decision of PERC is final and is not subject to review or appeal.

An arbitrator's award on economic issues not included in base salary is not subject to a cap. Similarly, agreements arrived at through independent negotiation between the parties, and agreements reached with the assistance of a mediator or factfinder are not subject to the contractual cap.

Pension costs as well as health and medical insurance costs are excluded from the contract cap established in the committee substitute. This provision mirrors the exclusion afforded local governments when calculating the “adjusted tax levy” used to calculate the mandatory 2 percent cap governing their expenditures under P.L.2010, c.85.

The committee substitute revises and clarifies certain arbitration timelines, processes, and procedures; and provides new statutory language concerning the qualifications, duties, and responsibilities of arbitrators, specifically one that would require candidates for initial appointment to have relevant knowledge of local government operations and budgeting.

In addition, the committee substitute allows either party to petition PERC, alleging that the other is not negotiating in good faith. As part of its finding, the commission is authorized to assess the non-prevailing party for all the legal and administrative costs associated with the filing and resolution of the petition.

Further, the committee substitute requires arbitrators to provide a written report along with each award decision, certifying that the arbitrator took into consideration the statutory limitations imposed on the local cap levy. The committee substitute requires the arbitration appeal panel to submit a similar written report along with their final determination of an appeal.

The committee substitute also establishes an eight member task force to study the effect and impact of the arbitration changes made under this committee substitute. Specifically, the task force is to focus on local property taxes; overall municipal services; municipal public safety, particularly with regard to crime rates and response times to emergency situations; hiring and retention of police and fire; and personnel changes in the professional profile of police and fire departments, specifically with regard to age, experience, and staffing levels.

Finally, the provisions of the committee substitute are to sunset in 39 months. All police and fire collective negotiation agreements that expire during that period are subject to the committee substitute’s provisions. The provisions of the committee substitute continue to apply in arbitration cases that began during the three year period, but where the arbitrator’s award is not rendered until after the sunset date. Parties that enter into contracts that expire during the sunset period, but otherwise meet the criteria enumerated in the committee substitute, are not subject to the provisions of the committee substitute when negotiating future contracts.

As reported by the committee, this committee substitute is identical to Senate Bill No. 5, also reported by the Senate State Government, Wagering, Tourism and Historic Preservation Committee on this same date.

STATEMENT TO
ASSEMBLY COMMITTEE SUBSTITUTE
ASSEMBLY, No. 3393

with Assembly Floor Amendments
(Proposed by Assemblyman GREENWALD)

ADOPTED: DECEMBER 13, 2010

The Assembly Committee Substitute for Assembly Bill No. 3393 streamlines the procedure for resolving contractual impasses between public employers and their police and fire departments and imposes a 2 percent cap on arbitration awards under certain circumstances.

These Assembly amendments:

(1) Impose an additional training requirement on arbitrators, mandating that each arbitrator complete a training program offered by the State Ethics Commission every year;

(2) Further refine the definition of “base salary” by specifying that base salary is predicated upon a salary guide or table and includes amounts provided under salary increment programs;

(3) Set out a date specific effective date (January 1, 2011); and

(4) Clarify that only the 2 percent cap on arbitration awards is to expire on April 1, 2014; the other changes made to the arbitration law by the provisions of the bill are to be permanent.

SENATE, No. 5

STATE OF NEW JERSEY 214th LEGISLATURE

INTRODUCED DECEMBER 9, 2010

Sponsored by:

Senator STEPHEN M. SWEENEY

District 3 (Salem, Cumberland and Gloucester)

Senator MICHAEL J. DOHERTY

District 23 (Warren and Hunterdon)

Senator JOSEPH M. KYRILLOS, JR.

District 13 (Middlesex and Monmouth)

SYNOPSIS

Revises procedure for police and fire contract disputes; imposes a “cap” on certain arbitration awards.

CURRENT VERSION OF TEXT

As introduced.



1 AN ACT concerning police and fire arbitration and amending and
2 supplementing P.L.1977, c.85.

3

4 **BE IT ENACTED** by the Senate and General Assembly of the State
5 of New Jersey:

6

7 1 Section 3 of P.L.1977, c.85 (C.34:13A-16) is amended to read
8 as follows:

9 3. a. (1) Negotiations between a public fire or police department
10 and an exclusive representative concerning the terms and conditions
11 of employment shall begin at least 120 days prior to the day on
12 which their collective negotiation agreement is to expire. The
13 parties shall meet at least three times during that 120-day period.
14 The first of those three meetings shall take place no later than the
15 90th day prior to the day on which their collective negotiation
16 agreement is to expire. By mutual consent, the parties may agree to
17 extend the period during which the second and third meetings are
18 required to take place beyond the day on which their collective
19 negotiation agreement is to expire. A violation of this paragraph
20 shall constitute an unfair practice and the violator shall be subject to
21 the penalties prescribed by the commission pursuant to rule and
22 regulation.

23 Prior to the expiration of their collective negotiation agreement,
24 either party may file an unfair practice charge with the commission
25 alleging that the other party is refusing to negotiate in good faith.
26 The charge shall be filed in the manner, form and time specified by
27 the commission in rule and regulation. If the charge is sustained,
28 the commission shall order that the respondent be assessed for all
29 legal and administrative costs associated with the filing and
30 resolution of the charge; if the charge is dismissed, the commission
31 shall order that the charging party be assessed for all legal and
32 administrative costs associated with the filing and resolution of the
33 charge. The filing and resolution of the unfair practice charge shall
34 not delay or impair the impasse resolution process.

35 (2) Whenever those negotiations concerning the terms and
36 conditions of employment shall reach an impasse, the commission,
37 through the Division of Public Employment Relations shall, upon
38 the request of either party, or upon its own motion take such steps,
39 including the assignment of a mediator, as it may deem expedient to
40 effect a voluntary resolution of the impasse.

41 b. (1) In the event of a failure to resolve the impasse by
42 mediation, the Division of Public Employment Relations, at the
43 request of either party, shall invoke factfinding with
44 recommendation for settlement of all issues in dispute unless the
45 parties reach a voluntary settlement prior to the issuance of the

EXPLANATION – Matter enclosed in bold-faced brackets [thus] in the above bill is not enacted and is intended to be omitted in the law.

Matter underlined thus is new matter.

1 factfinder's report and recommended terms of settlement.
2 Factfindings shall be limited to those issues that are within the
3 required scope of negotiations unless the parties to the factfinding
4 agree to factfinding on permissive subjects of negotiation. **【In the**
5 **event of a continuing failure to resolve an impasse by means of the**
6 **procedure set forth in this paragraph, and notwithstanding the fact**
7 **that such procedures have not been exhausted, the parties shall**
8 **notify the commission, at a time and in a manner prescribed by the**
9 **commission, as to whether or not they have agreed upon a terminal**
10 **procedure for resolving the issues in dispute. Any terminal**
11 **procedure mutually agreed upon by the parties shall be reduced to**
12 **writing, provide for finality in resolving the issues in dispute, and**
13 **shall be submitted to the commission for approval.】**

14 (2) Notwithstanding the provisions of paragraph (2) of
15 subsection a. of this section or paragraph (1) of this subsection,
16 either party may petition the commission for arbitration on or after
17 the date on which their collective negotiation agreement expires.
18 The petition shall be filed in a manner and form prescribed by the
19 commission. The party filing the petition shall notify the other
20 party of its action. The notice shall be given in a manner and form
21 prescribed by the commission.

22 **【Within 10 days of the receipt of the notice by the non-**
23 **petitioning party, the parties shall notify the commission as to**
24 **whether or not they have agreed upon a terminal procedure for**
25 **resolving the issues in dispute. Any terminal procedure mutually**
26 **agreed upon by the parties shall be reduced to writing, provide for**
27 **finality in resolving the issues in dispute, and shall be submitted to**
28 **the commission for approval. If the parties fail to agree on a**
29 **terminal procedure, they shall be subject to the provisions of**
30 **subsection d. of this section.】** Any mediation or factfinding
31 invoked pursuant to paragraph (2) of subsection a. of this section or
32 paragraph (1) of subsection b. of this section shall terminate
33 immediately upon the filing of a petition for arbitration.

34 c. **【Terminal procedures that are approvable include, but shall**
35 **not be limited to the following:**

36 (1) Conventional arbitration of all unsettled items.

37 (2) Arbitration under which the award by an arbitrator or panel
38 of arbitrators is confined to a choice between (a) the last offer of the
39 employer and (b) the last offer of the employees' representative, as
40 a single package.

41 (3) Arbitration under which the award is confined to a choice
42 between (a) the last offer of the employer and (b) the last offer of
43 the employees' representative, on each issue in dispute, with the
44 decision on an issue-by-issue basis.

45 (4) If there is a factfinder's report with recommendations on the
46 issues in dispute, the parties may agree to arbitration under which
47 the award would be confined to a choice among three positions: (a)

1 the last offer of the employer as a single package, (b) the last offer
2 of the employees' representative as a single package, or (c) the
3 factfinder's recommendations as a single package.

4 (5) If there is a factfinder's report with a recommendation on
5 each of the issues in dispute, the parties may agree to arbitration
6 under which the award would be confined to a choice on each issue
7 from among three positions: (a) the last offer of the employer on
8 the issue, (b) the employee representative's last offer on the issue,
9 or (c) the factfinder's recommendation on the issue.

10 (6) Arbitration under which the award on the economic issues in
11 dispute is confined to a choice between (a) the last offer of the
12 employer on the economic issues as a single package and (b) the
13 employee representative's last offer on the economic issues as a
14 single package; and, on any noneconomic issues in dispute, the
15 award is confined to a choice between (a) the last offer of the
16 employer on each issue in dispute and (b) the employee
17 representative's last offer on that issue. Deleted by amendment,
18 P.L. , c. (pending before the Legislature as this bill)

19 d. The following procedure shall be utilized if parties fail to
20 agree on a terminal procedure for the settlement of an impasse
21 dispute:

22 (1) In the event of a failure of the parties to agree upon an
23 acceptable terminal procedure the parties shall separately so notify
24 the commission in writing, indicating all issues in dispute and the
25 reasons for their inability to agree on the procedure. The substance
26 of a written notification shall not provide the basis for any delay in
27 effectuating the provisions of this subsection.

28 (2) Upon receipt of such notification from either party or on the
29 commission's own motion, the procedure to provide finality for the
30 resolution of issues in dispute shall be binding arbitration under
31 which the award on the unsettled issues is determined by
32 conventional arbitration. The arbitrator shall separately
33 determine whether the total net annual economic changes for each
34 year of the agreement are reasonable under the nine statutory
35 criteria set forth in subsection g. of this section and shall adhere to
36 the limitations set forth in section 2 of P.L. , c. (C.)
37 (pending before the Legislature as this bill). The non-petitioning
38 party, within five days of receipt of the petition, shall separately
39 notify the commission in writing of all issues in dispute. The filing
40 of the written response shall not delay, in any manner, the interest
41 arbitration process.

42 e. (1) The commission shall take measures to assure the impartial
43 selection of an arbitrator or arbitrators from its special panel of
44 arbitrators. Unless the parties, in a time and manner prescribed by
45 the commission, mutually agree upon the selection of an arbitrator
46 from the commission's special panel of arbitrators and so notify the
47 commission in writing of that selection, the assignment of any

1 arbitrator for the purposes of this act shall be the responsibility of
2 the commission, independent of and without any participation by
3 either of the parties. The commission shall select the arbitrator for
4 assignment by lot.

5 In any proceeding where an arbitrator selected by mutual
6 agreement is unable to serve, the two parties shall be afforded an
7 opportunity to select a replacement. If the two parties are unable to
8 mutually agree upon the selection of a replacement within a time
9 period prescribed by the commission, the commission shall select
10 the replacement in the manner hereinafter provided.

11 In any proceeding where an assigned arbitrator is unable to serve
12 or, pursuant to the preceding paragraph, the two parties are unable
13 to mutually agree upon a replacement, the commission shall assign
14 a replacement arbitrator. The assignment shall be the responsibility
15 of the commission, independent of and without any participation by
16 either of the parties. The commission shall select the replacement
17 arbitrator for assignment by lot.】 On the first business day
18 following receipt of an interest arbitration petition, the commission
19 shall, independent of and without any participation by either of the
20 parties, randomly select an arbitrator from its special panel of
21 arbitrators. The selection by the commission shall be final and shall
22 not be subject to review or appeal.

23 (2) Applicants for initial appointment to the commission's
24 special panel of arbitrators shall be chosen based on their
25 professional qualifications, knowledge, and experience, in
26 accordance with the criteria and rules adopted by the commission.
27 Such rules shall include relevant knowledge of local government
28 operations and budgeting. Appointment to the commission's special
29 panel of arbitrators shall be for a three-year term, with
30 reappointment contingent upon a screening process similar to that
31 used for determining initial appointments. Arbitrators currently
32 serving on the panel shall demonstrate to the commission their
33 professional qualification, knowledge and experience, in accordance
34 with the criteria and rules adopted by the commission, within one
35 year of the effective date of this act. Any arbitrator who does not
36 satisfactorily demonstrate such to the commission within the
37 specified time shall be disqualified.

38 (3) Arbitrators serving on the commission's special panel shall
39 be guided by and subject to the objectives and principles set forth in
40 the "Code of Professional Responsibility for Arbitrators of Labor-
41 Management Disputers" of the National Academy of Arbitrators,
42 the American Arbitration Association, and the Federal Mediation
43 and Conciliation Service.

44 The commission may suspend, remove, or otherwise discipline
45 an arbitrator for a violation of P.L.1977, c.85 (C.34:13A-14 et seq.),
46 section 4 of P.L.1995, c.425 (C.34:13A-16.1) or for good cause.
47 An arbitrator who fails to render an award within the time

1 requirements set forth in this section shall be fined \$1,000 for each
2 day that the award is late.

3 f. (1) At a time prescribed by the commission, the parties shall
4 submit to the arbitrator **[or tripartite panel of arbitrators]** their final
5 offers on each economic and non-economic issue in dispute. The
6 offers submitted pursuant to this section shall be used by the
7 arbitrator for the purposes of determining an award pursuant to
8 paragraph (2) of subsection d. of this section. **[The commission**
9 **shall promulgate rules and procedures governing the submission of**
10 **the offers required under this paragraph, including when those**
11 **offers shall be deemed final, binding and irreversible.]**

12 (2) In the event of a dispute, the commission shall have the
13 power to decide which issues are economic issues. Economic
14 issues include those items which have a direct relation to employee
15 income including wages, salaries, hours in relation to earnings, and
16 other forms of compensation such as paid vacation, paid holidays,
17 health and medical insurance, and other economic benefits to
18 employees.

19 (3) Throughout formal arbitration proceedings the chosen
20 arbitrator **[or panel of arbitrators]** may mediate or assist the parties
21 in reaching a mutually agreeable settlement.

22 All parties to arbitration shall present, at the formal hearing
23 before the issuance of the award, written estimates of the financial
24 impact of their last offer on the taxpayers of the local unit to the
25 arbitrator with the submission of their last offer.

26 (4) Arbitration shall be limited to those subjects that are within
27 the required scope of collective negotiations, except that the parties
28 may agree to submit to arbitration one or more permissive subjects
29 of negotiation.

30 (5) The decision of an arbitrator or panel of arbitrators shall
31 include an opinion and an award, and shall be rendered within
32 **[120] 45** days of the **[selection of the arbitrator by the mutual**
33 **agreement of both parties or the]** commission's assignment of that
34 arbitrator **[or panel of arbitrators, as the case may be, pursuant to**
35 **paragraph (1) of subsection e. of this section; provided, however,**
36 **the arbitrator or panel of arbitrators, for good cause, may petition**
37 **the commission for an extension of not more than 60 days. The two**
38 **parties, by mutual consent, may agree to an extension. The parties**
39 **shall notify the arbitrator and the commission of any such**
40 **agreement in writing. The notice shall set forth the specific date on**
41 **which the extension shall expire].**

42 Each arbitrator's decision shall be accompanied by a written
43 report explaining how each of the statutory criteria played into the
44 arbitrator's determination of the final award. The report shall
45 certify that the arbitrator took the statutory limitations imposed on
46 the local levy cap into account in making the award.

1 Any arbitrator [or panel of arbitrators] violating the provisions
2 of this paragraph may be subject to the commission's powers under
3 paragraph [(2)] (3) of subsection e. of this section. The decision
4 shall be final and binding upon the parties and shall be irreversible,
5 except:

6 (a) Within [14] seven days of receiving an award, an aggrieved
7 party may file notice of an appeal of an award to the commission on
8 the grounds that the arbitrator failed to apply the criteria specified
9 in subsection g. of this section or violated the standards set forth in
10 N.J.S.2A:24-8 or N.J.S.2A:24-9. The appeal shall be filed in a form
11 and manner prescribed by the commission. In deciding an appeal,
12 the commission, pursuant to rule and regulation and upon petition,
13 may afford the parties the opportunity to present oral arguments.
14 The commission may affirm, modify, correct or vacate the award or
15 may, at its discretion, remand the award to the same arbitrator or to
16 another arbitrator, selected by lot, for reconsideration. The
17 commission's decision shall be rendered no later than 30 days after
18 the filing of the appeal with the commission.

19 Arbitration appeal decisions shall be accompanied by a written
20 report explaining how each of the statutory criteria played into their
21 determination of the final award. The report shall certify that in
22 deciding the appeal, the commission took the local levy cap into
23 account in making the award.

24 An aggrieved party may appeal a decision of the commission to
25 the Appellate Division of the Superior Court.

26 (b) An arbitrator's award [that is not appealed to the
27 commission] shall be implemented immediately. [An award that is
28 appealed and not set aside by the commission shall be implemented
29 within 14 days of the receipt of the commission's decision absent a
30 stay.]

31 (6) The parties shall [bear] share equally the costs of arbitration
32 subject to a fee schedule approved by the commission. The fee
33 schedule shall provide that the cost of services provided by the
34 arbitrator shall not exceed \$1,000 per day. The total cost of
35 services of an arbitrator shall not exceed \$7,500. If the parties
36 cancel an arbitration proceeding without good cause, the arbitrator
37 may impose a fee of not more than \$500. The parties shall share
38 equally in paying that fee if the request to cancel or adjourn is a
39 joint request. Otherwise, the party causing such cancellation shall
40 be responsible for payment of the entire fee.

41 g. The arbitrator [or panel of arbitrators] shall decide the
42 dispute based on a reasonable determination of the issues, giving
43 due weight to those factors listed below that are judged relevant for
44 the resolution of the specific dispute. In the award, the arbitrator or
45 panel of arbitrators shall indicate which of the factors are deemed
46 relevant, satisfactorily explain why the others are not relevant, and
47 provide an analysis of the evidence on each relevant factor;

1 provided, however, that in every interest arbitration proceeding, the
2 parties shall introduce evidence regarding the factor set forth in
3 paragraph (6) of this subsection and the arbitrator shall analyze and
4 consider the factors set forth in paragraph (6) of this subsection in
5 any award:

6 (1) The interests and welfare of the public. Among the items
7 the arbitrator or panel of arbitrators shall assess when considering
8 this factor are the limitations imposed upon the employer by
9 P.L.1976, c.68 (C.40A:4-45.1 et seq.).

10 (2) Comparison of the wages, salaries, hours, and conditions of
11 employment of the employees involved in the arbitration
12 proceedings with the wages, hours, and conditions of employment
13 of other employees performing the same or similar services and
14 with other employees generally:

15 (a) In private employment in general; provided, however, each
16 party shall have the right to submit additional evidence for the
17 arbitrator's consideration.

18 (b) In public employment in general; provided, however, each
19 party shall have the right to submit additional evidence for the
20 arbitrator's consideration.

21 (c) In public employment in the same or similar comparable
22 jurisdictions, as determined in accordance with section 5 of
23 P.L.1995, c.425 (C.34:13A-16.2); provided, however, that each
24 party shall have the right to submit additional evidence concerning
25 the comparability of jurisdictions for the arbitrator's consideration.

26 (3) The overall compensation presently received by the
27 employees, inclusive of direct wages, salary, vacations, holidays,
28 excused leaves, insurance and pensions, medical and hospitalization
29 benefits, and all other economic benefits received.

30 (4) Stipulations of the parties.

31 (5) The lawful authority of the employer. Among the items the
32 arbitrator or panel of arbitrators shall assess when considering this
33 factor are the limitations imposed upon the employer by P.L.1976,
34 c.68 (C.40A:4-45.1 et seq.).

35 (6) The financial impact on the governing unit, its residents, the
36 limitations imposed upon the local unit's property tax levy pursuant
37 to section 10 of P.L.2007, c.62 (C40A:4-45.45), and taxpayers.
38 When considering this factor in a dispute in which the public
39 employer is a county or a municipality, the arbitrator or panel of
40 arbitrators shall take into account, to the extent that evidence is
41 introduced, how the award will affect the municipal or county
42 purposes element, as the case may be, of the local property tax; a
43 comparison of the percentage of the municipal purposes element or,
44 in the case of a county, the county purposes element, required to
45 fund the employees' contract in the preceding local budget year with
46 that required under the award for the current local budget year; the
47 impact of the award for each income sector of the property
48 taxpayers of the local unit; the impact of the award on the ability of

1 the governing body to (a) maintain existing local programs and
2 services, (b) expand existing local programs and services for which
3 public moneys have been designated by the governing body in a
4 proposed local budget, or (c) initiate any new programs and services
5 for which public moneys have been designated by the governing
6 body in a proposed local budget.

7 (7) The cost of living.

8 (8) The continuity and stability of employment including
9 seniority rights and such other factors not confined to the foregoing
10 which are ordinarily or traditionally considered in the determination
11 of wages, hours, and conditions of employment through collective
12 negotiations and collective bargaining between the parties in the
13 public service and in private employment.

14 (9) Statutory restrictions imposed on the employer. Among the
15 items the arbitrator or panel of arbitrators shall assess when
16 considering this factor are the limitations imposed upon the
17 employer by section 10 of P.L.2007, c.62 (C.40A:4-45.45).

18 h. A mediator, factfinder, or arbitrator while functioning in a
19 mediatory capacity shall not be required to disclose any files,
20 records, reports, documents, or other papers classified as
21 confidential received or prepared by him or to testify with regard to
22 mediation, conducted by him under this act on behalf of any party
23 to any cause pending in any type of proceeding under this act.
24 Nothing contained herein shall exempt such an individual from
25 disclosing information relating to the commission of a crime.

26 (cf: P.L.2007, c.62, s.14)

27
28 2. (New section) a. As used in this section:

29 “Base salary” means the salary provided pursuant to a salary
30 increment, including any amount provided for longevity or length of
31 service. It also shall include any other item agreed to by the parties,
32 or any other item that was included in the base salary as understood
33 by the parties in the prior contract. Base salary shall not include
34 non-salary economic issues, pension and health and medical
35 insurance costs.

36 “Non-salary economic issues” means any economic issue that is
37 not included in the definition of base salary.

38 b. An arbitrator shall not render any award pursuant to section 3
39 of P.L.1977, c.85 (C.34:13A-16) which, on an annual basis,
40 increases base salary items by more than 2.0 percent of the
41 aggregate amount expended by the public employer on base salary
42 items for the members of the affected employee organization in the
43 twelve months immediately preceding the expiration of the
44 collective negotiation agreement subject to arbitration; provided,
45 however, the parties may agree, or the arbitrator may decide, to
46 distribute the aggregate monetary value of the award over the term
47 of the collective negotiation agreement in unequal annual
48 percentages. An award of an arbitrator shall not include base salary

1 items and non-salary economic issues which were not included in
2 the prior collective negotiations agreement.

3

4 3. (New Section) a. There is established a task force, to be
5 known as the Police and Fire Public Interest Arbitration Impact
6 Task Force.

7 b. The task force shall be comprised of eight members as
8 follows:

9 (1) four to be appointed by the Governor;

10 (2) two to be appointed by the Senate President; and

11 (3) two to be appointed by the Speaker of the General Assembly.

12 c. All appointments shall be made within 30 days of the
13 effective date of P.L. , c. (C.) (pending before the
14 Legislature as this bill). Vacancies in the membership shall be
15 filled in the same manner as the original appointments. The
16 members of the task force shall serve without compensation but
17 may be reimbursed, within the limits of funds made available to the
18 task force, for necessary travel expenses incurred in the
19 performance of their duties.

20 d. (1) The task force shall organize as soon as is practicable
21 upon the appointment of a majority of its members and shall select
22 a chairperson from among the appointees of the Governor and a
23 vice chairperson from among the appointees of the Legislature. The
24 Chair of the Public Employment Relations Commission shall serve
25 as non-voting executive director of the task force.

26 (2) The task force shall meet within 60 days of the effective date
27 of P.L. , c. (C.) (pending before the Legislature as this bill)
28 and shall meet thereafter at the call of its chair. In furtherance of its
29 evaluation, the task force may hold public meetings or hearings
30 within the State on any matter or matters related to the provisions of
31 this act, and call to its assistance and avail itself of the services of
32 the Public Employment Relations Commission and the employees
33 of any State department, board, task force or agency which the task
34 force determines possesses relevant data, analytical and
35 professional expertise or other resources which may assist the task
36 force in discharging its duties under this act. Each department,
37 board, commission or agency of this State is hereby directed, to the
38 extent not inconsistent with law, to cooperate fully with the task
39 force and to furnish such information and assistance as is necessary
40 to accomplish the purposes of this act. In addition, in order to
41 facilitate the work of the task force, the Public Employment
42 Relations Commission shall post on its website all collective
43 negotiations agreements and interest arbitration awards entered or
44 awarded after the date of enactment, including a summary of
45 contract or arbitration award terms in a standard format developed
46 by the Public Employment Relations Commission to facilitate
47 comparisons. All collective negotiations agreements shall be

1 submitted to the Public Employment Relations Commission within
2 15 days of contract execution.

3 e. (1) It shall be the duty of the task force to study the effect
4 and impact of the arbitration award cap upon local property taxes;
5 collective bargaining agreements; arbitration awards; municipal
6 services; municipal expenditures; municipal public safety services,
7 particularly changes in crime rates and response times to emergency
8 situations; police and fire recruitment, hiring and retention; the
9 professional profile of police and fire departments, particularly with
10 regard to age, experience, and staffing levels; and such other
11 matters as the members deem appropriate and necessary to evaluate
12 the effects and impact of the arbitration award cap.

13 (2) Specifically, the task force shall study total compensation
14 rates, including factors subject to the arbitration award cap and
15 factors exempt from the arbitration award cap, of police and fire
16 personnel throughout the state and make recommendations thereon.
17 The task force also shall study the interest arbitration process and
18 make recommendation concerning its continued use in connection
19 with police and fire labor contracts disputes. The task force shall
20 make findings as to the relative growth in total compensation cost
21 attributable to factors subject to the arbitration award cap and to
22 factors exempt from the arbitration award cap, for both collective
23 bargaining agreements and arbitration awards.

24 f. The task force shall report its findings, along with any
25 recommendations it may have, to the Governor and the Legislature
26 annually, on or before April 1 of each year. The task force's final
27 report due on or before April 1, 2014 shall include, in addition to
28 any other findings and recommendations, a specific
29 recommendation for any amendments to the arbitration award
30 cap. Upon the filing of its final report on or before April 1, 2014,
31 the task force shall expire.

32

33 4. This act shall take effect immediately, and shall apply to all
34 collective negotiations between a public employer and the exclusive
35 representative of a public police department or public fire
36 department that relate to a negotiated agreement expiring on that
37 effective date or any date thereafter until the first day of the 40th
38 month, whereupon its provisions shall become inoperative for all
39 parties except those whose collective negotiations agreements
40 expired prior to the first day of the 40th month but for whom a final
41 settlement has not been reached; provided, however, when final
42 settlement between the parties is reached in all such negotiations,
43 the provisions of this amendatory and supplementary act shall
44 expire. Any party that entered into a contract that expires on the
45 effective date of this act or any date thereafter until the first day of
46 the 40th month, and where the terms of that contract otherwise meet
47 the criteria of this act, shall not be subject to this act when
48 negotiating a future contract.

STATEMENT

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This bill streamlines the procedure for resolving contractual impasses between public employers and their police and fire departments and imposes a 2 percent cap on arbitration awards under certain circumstances.

The bill streamlines the process by mandating that the parties at impasse go directly to conventional arbitration to resolve their contract dispute. Currently the parties are afforded an opportunity to mutually agree upon a variety of terminal procedures to resolve their dispute. Among the procedures the parties may now utilize are last offer, factfinding, and conventional arbitration.

The bill also establishes a 2 percent cap on arbitration awards. Under provisions of the bill, an arbitrator’s award on disputed base salary is subject to a 2 percent cap, calculated on an annual basis over the term of the collective negotiation agreement governed by the award. The aggregate monetary value of the award, however, does not have to be distributed in equal annual percentages. Consequently, the monetary value of an award may exceed the 2 percent in a contract year, but the monetary value of the award allocated in the other contract years must be adjusted so that the aggregate monetary value of the award over the term of the agreement does not exceed the maximum monetary award permitted under the 2 percent cap.

The bill also changes the procedure for selecting an arbitrator. Currently, if the parties are unable to mutually agree upon the selection of an arbitrator, the Public Employment Relations Commission (PERC) selects the arbitrator by lot. Under this bill, PERC will randomly select the arbitrator. The decision of PERC is final and is not subject to review or appeal.

However, the bill provides that if the parties agree to a method of appointment that differs from the formal procedure set forth in the bill, the terms of that agreement are to be followed.

An arbitrator’s award on economic issues not included in base salary is not subject to a cap. Similarly, agreements arrived at through independent negotiation between the parties, and agreements reached with the assistance of a mediator or factfinder are not subject to the contractual cap.

Pension costs as well as health and medical insurance costs are excluded from the contract cap established in the bill. This provision mirrors the exclusion afforded local governments when calculating the “adjusted tax levy” used to calculate the mandatory 2 percent cap governing their expenditures under P.L.2010, c.85.

The bill specifies that an arbitrator who renders an award may not be assigned responsibility for hearing an appeal of that award.

The bill revises and clarifies certain arbitration timelines, processes, and procedures; and provides new statutory language concerning the qualifications, duties, and responsibilities of

1 arbitrators, specifically one that would require candidates for initial
2 appointment to have relevant knowledge of local government
3 operations and budgeting.

4 In addition, the bill allows either party to petition PERC, alleging
5 that the other is not negotiating in good faith. As part of its finding,
6 the commission is authorized to assess the non-prevailing party for
7 all the legal and administrative costs associated with the filing and
8 resolution of the petition.

9 Further, the bill requires arbitrators to provide a written report
10 along with each award decision, certifying that the arbitrator took
11 into consideration the statutory limitations imposed on the local cap
12 levy. The bill requires the arbitration appeal panel to submit a
13 similar written report along with their final determination of an
14 appeal.

15 The bill also establishes an eight member task force to study the
16 effect and impact of the arbitration changes made under this bill.
17 Specifically, the task force is to focus on local property taxes;
18 overall municipal services; municipal public safety, particularly
19 with regard to crime rates and response times to emergency
20 situations; hiring and retention of police and fire; and personnel
21 changes in the professional profile of police and fire departments,
22 specifically with regard to age, experience, and staffing levels.

23 Finally, the provisions of the bill are to sunset in 39 months. All
24 police and fire collective negotiation agreements that expire during
25 that period are subject to the bill's provisions. The provisions of
26 the bill continue to apply in arbitration cases that began during the
27 three year period, but where the arbitrator's award is not rendered
28 until after the sunset date. Parties that enter into contracts that
29 expire during the sunset period, but otherwise meet the criteria
30 enumerated in the bill, are not subject to the provisions of the bill
31 when negotiating future contracts.

SENATE STATE GOVERNMENT, WAGERING, TOURISM &
HISTORIC PRESERVATION COMMITTEE

STATEMENT TO

SENATE, No. 5

STATE OF NEW JERSEY

DATED: DECEMBER 9, 2010

The Senate State Government, Wagering, Tourism & Historic Preservation Committee reports favorably Senate, No. 5.

This bill streamlines the procedure for resolving contractual impasses between public employers and their police and fire departments and imposes a 2 percent cap on arbitration awards under certain circumstances.

The bill streamlines the procedure for resolving contractual impasses by mandating that the parties at impasse go directly to conventional arbitration to resolve their contract dispute. Currently the parties are afforded an opportunity to mutually agree upon a variety of terminal procedures to resolve their dispute. Among the procedures the parties may now utilize are: last offer, factfinding, and conventional arbitration.

The bill also establishes a 2 percent cap on arbitration awards. Under provisions of the bill, an arbitrator's award on a disputed base salary is subject to a 2 percent cap, calculated on an annual basis over the term of the collective negotiation agreement governed by the award. However, the aggregate monetary value of the award does not have to be distributed in equal annual percentages. Consequently, the monetary value of an award may exceed the 2 percent in a contract year, but the monetary value of the award allocated in the other contract years must be adjusted so that the aggregate monetary value of the award over the term of the agreement does not exceed the maximum monetary award permitted under the 2 percent cap.

The bill also changes the procedure for selecting an arbitrator. Currently, if the parties are unable to mutually agree upon the selection of an arbitrator, the Public Employment Relations Commission (PERC) selects the arbitrator by lot. Under this bill, PERC will randomly select the arbitrator. The decision of PERC is final and is not subject to review or appeal. However, the bill provides that if the parties agree to a method of appointment that differs from the formal procedure set forth in the bill, the terms of that agreement are to be followed.

The bill also provides that an arbitrator's award on economic issues not included in a base salary is not subject to a cap. Similarly,

agreements arrived at through independent negotiation between the parties and agreements reached with the assistance of a mediator or factfinder are not subject to the contractual cap.

Additionally, pension costs as well as health and medical insurance costs are excluded from the contract cap established in the bill. This provision mirrors the exclusion afforded local governments when calculating the “adjusted tax levy” used to calculate the mandatory 2 percent cap governing their expenditures under P.L.2010, c.85.

The bill specifies that an arbitrator who renders an award may not be assigned responsibility for hearing an appeal of that award.

The bill revises and clarifies certain arbitration timelines, processes, and procedures, and provides new statutory language concerning the qualifications, duties, and responsibilities of arbitrators, specifically one that would require candidates for initial appointment to have relevant knowledge of local government operations and budgeting.

In addition, the bill allows either party to petition PERC, alleging that the other is not negotiating in good faith. As part of its finding, the commission is authorized to assess the non-prevailing party for all the legal and administrative costs associated with the filing and resolution of the petition.

Further, the bill requires arbitrators to provide a written report along with each award decision, certifying that the arbitrator took into consideration the statutory limitations imposed on the local cap levy. The bill requires the arbitration appeal panel to submit a similar written report along with their final determination of an appeal.

The bill also establishes an eight member task force to study the effect and impact of the arbitration changes made under this bill. Specifically, the task force is to focus on: local property taxes; overall municipal services; municipal public safety, particularly with regard to crime rates and response times to emergency situations; hiring and retention of police and fire; and personnel changes in the professional profile of police and fire departments, specifically with regard to age, experience, and staffing levels.

Finally, the provisions of the bill are to sunset in 39 months. All police and fire collective negotiation agreements that expire during that period are subject to the bill’s provisions. The provisions of the bill continue to apply in arbitration cases that began during the three year period, but where the arbitrator’s award is not rendered until after the sunset date. Parties that enter into contracts that expire during the sunset period, but otherwise meet the criteria enumerated in the bill, are not subject to the provision of the bill when negotiating future contracts.

STATEMENT TO

SENATE, No. 5

with Senate Floor Amendments

(Proposed by Senators SWEENEY, DOHERTY and KYRILLOS)

ADOPTED: DECEMBER 13, 2010

Senate No. 5 streamlines the procedure for resolving contractual impasses between public employers and their police and fire departments and imposes a 2 percent cap on arbitration awards under certain circumstances.

These Senate amendments:

(1) Impose an additional training requirement on arbitrators, mandating that each arbitrator complete a training program offered by the State Ethics Commission every year;

(2) Further refine the definition of “base salary” by specifying that base salary is predicated upon a salary guide or table and includes amounts provided under salary increment programs;

(3) Set out a date specific effective date (January 1, 2011); and

(4) Clarify that only the 2 percent cap on arbitration awards is to expire on April 1, 2014; the other changes made to the arbitration law by the provisions of the bill are to be permanent.

ch. 105



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Governor Christie Signs Key Reform Agenda Legislation to Transform System on Long-Overdue Arbitration Reform

 Tuesday, December 21, 2010 Tags: [Property Taxes](#)

Trenton, NJ – Fulfilling a critical element of his Reform Agenda, Governor Chris Christie today signed comprehensive arbitration reform legislation as part of a wider set of far-reaching reforms designed to curb property tax costs for hard-working New Jerseyans. The measure is the result of a bipartisan agreement reached on December 9 with legislative leadership to change the long-overdue interest arbitration reform process by providing municipalities with the tools they need to rein in property tax costs and live within their means.

"Today, Trenton is demonstrating what can be done when we work together to find substantive solutions to the issues facing the hard-working taxpayers of our state," said Governor Christie. "Working with Senate President Steve Sweeney, Assembly Speaker Sheila Oliver, Senate Minority Leader Tom Kean and Assembly Minority Leader Alex DeCroce, we are delivering meaningful and substantive reform to New Jerseyans, transforming the interest arbitration process and providing a long-term solution that will help local governments keep property taxes down and costs under control.

"Our work, however, is not done, and I urge the legislative leadership to keep the momentum going by acting on other critical pieces of the tool kit of reforms that will ultimately help to keep property taxes low. New Jerseyans can no longer afford inaction and delay which is why the legislature must move on real, comprehensive civil service reform as I have proposed, not a watered-down version," concluded Governor Christie.

The civil service bill proposed by the legislature falls short by, among other things, not offering municipalities the option to opt-out of the antiquated and burdensome civil service requirements. As proposed by Governor Christie, arbitration and civil service reform get at the root of the problem faced by many local governments struggling to live within their means – ever-expanding operational costs.

Also awaiting legislative action is Governor Christie's conditional veto of Senate Bill 2220, which would more effectively stop the abuse of sick and vacation benefits and prevent future use of sick days -- meant for employees who are sick -- as supplemental cash payouts for employees who already have generous pensions. Among improvements to the original bill, the conditional veto would phase out the practice of distributing cash payouts for sick days by prohibiting supplemental compensation for sick days that accumulate after the effective date of the legislation. It would also suspend supplemental compensation for any employee under indictment for a crime that involves or touches his or her public office and mandate the forfeiture of any supplemental compensation if convicted. The Governor continues to urge the legislature to act quickly to adopt the substantive changes in the conditional veto. The news release outlining the Governor's conditional veto can be found [HERE](#).

The bipartisan agreement signed into law today mirrors Governor Christie's call for a meaningful cap that matches the tax levy cap of 2.0. This 2 percent cap will be applied to all salary items, such as across the board and cost of living increases, step increment payments and longevity pay. In addition, there will be no additional exceptions for non-salary economic terms moving forward. The agreement also created a prohibition on allowing non-salary economic issues to be arbitrated above the cap, unless already included in an existing contract. This is an important provision because arbitrators will no longer be able to create new cost items in successor contracts.

The Christie Bipartisan Agreement on Interest Arbitration Reform signed today:

- Provides a meaningful cap of 2 percent on arbitration awards that will be applied to all salary items, such as the cost of across the board and cost of living increases, step increment payments and longevity pay.
- Has no Exceptions for Additional Non-Salary Economic Terms Moving Forward. The agreement prevents arbitrators from awarding any new economic items moving forward. The agreement creates a prohibition on allowing non-salary economic issues to be arbitrated above the cap, unless already included in an existing contract. All salary items are subject to a maximum 2 percent cap. This is an important provision because arbitrators will no longer be able to create new cost items in successor contracts.
- Eliminates Accruing Labor Costs By Creating a Fast Track Arbitration Process. The agreement transforms the system by putting in place concrete deadlines to help eliminate delays in the arbitration process, from contract negotiation to the receipt of the actual award. Traditionally, once a contract expires, labor costs continue to mount until a new contract is reached. Enforcing deadlines and speeding up the process will ensure timely implementation of new contracts and the cap on interest arbitration awards. Effective January 1, 2011, there will be a concrete deadline of 45 days from the filing of a request for interest arbitration to the date of award, without any extensions.

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All appeals must be decided within 30 days, if arbitrators do not comply with the 45 day deadline, they will be penalized financially.

- Caps Arbitrator Pay. The agreement will cap arbitrator compensation at \$1,000 per day and \$7,500 per case. Capping arbitrator pay will further incentivize speedy resolution of arbitration cases.
- Increases Ethical Standards and Training for Interest Arbitrators.
- Randomizes the Selection of Interest Arbitrators.


The legislation also creates a Task Force to examine the impact of interest arbitration reform and the effectiveness of the cap on restricting municipal spending. The taskforce will study the impact of the cap on taxes, services, expenditures, public safety, recruitment, retention and professionalism. The Governor will directly appoint four members and two members will be directly appointed by the Senate President and Assembly Speaker. The Task Force will provide its recommendations no later than December 31, 2013.

Since September, Governor Christie has been traveling the state to talk about the importance of enacting a tool kit of reforms to help local government leaders directly address cost drivers and manage within Cap 2.0 without adversely impacting core government services. Hundreds of mayors and local elected officials across political parties have voiced their support for the tool kit, and underscored the tool kit's importance in helping them manage their local budgets.

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Press Contact:
Michael Drewniak
Kevin Roberts
609-777-2600



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Office of the Governor
PO Box 601
Trenton, NJ 08625
609-292-6000