

Public Hearing

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before

SENATE COMMERCE COMMITTEE

"On ways to resolve labor disputes involving teachers and other school personnel, such as proposals contained in Senate Bill No. 797 and other bills pending in the Legislature, and on alternative dispute resolution processes for public employees"

LOCATION: Council Chambers
Municipal Building
Fort Lee, New Jersey

DATE: December 21, 1992
7:00 p.m.

MEMBERS OF COMMERCE COMMITTEE PRESENT:

Senator Gerald Cardinale, Chairman
Senator John P. Scott
Senator John H. Adler

ALSO PRESENT:

Dale Davis
Office of Legislative Services
Aide, Senate Commerce Committee



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New Jersey State Legislature

SENATE COMMERCE COMMITTEE

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NOTICE OF PUBLIC HEARING

The Senate Commerce Committee will hold a public hearing on ways to resolve labor disputes involving teachers and other school personnel, such as proposals contained in Senate, No. 797 and other bills pending in the Legislature, and on alternative dispute resolution processes for public employees.

The hearing will be held on Monday, December 21, 1992 at 7:00 P.M. in the Council Chambers, First Floor, Municipal Building, 309 Main Street, Fort Lee, New Jersey.

The public may address comments and questions to Dale Davis, Committee Aide, and persons wishing to testify should contact Arlene H. Bezek, secretary, at (609) 984-0445. Those persons presenting written testimony should provide 15 copies to the committee at the hearing.

Issued 12/10/92

TABLE OF CONTENTS

Page

Nancy Miller Member Board of Education Fort Lee, New Jersey	1
Dennis Testa Vice President New Jersey Education Association	3
John Henderson Associate Director New Jersey School Boards Association	7
Harvey E. Truppi Mayor Emerson Borough, and Member New Jersey State League of Municipalities	12
Karen Kaner Teacher, and Negotiations Chairperson Little Ferry Education Association	15
Victor Schumacher, Ed.D Member New Jersey Association of Principals and Supervisors	19
Joseph Coppola Secretary-Treasurer Bergen County Education Association	20
Roy Sampath President United Homeowners Association of Fort Lee	22
Michael Crowell Negotiations Chairperson Lyndhurst Education Association	24
Gerard V. Leary Chairman Bergen Municipal Coalition	25

TABLE OF CONTENTS (continued)

Page

James H. Murphy Superintendent of Schools Bayonne, New Jersey, and Legislative Chairperson New Jersey Association of School Administrators	28
Louis J. Chiellini, Jr. President Park Ridge Taxpayers Association and Member Bergen County Taxpayers Coalition	30
Stuart Nussbaum Private Citizen Old Bridge, New Jersey	31
Basil Basile President AARP of Fair Lawn	34
Bruce DeYoung Superintendent of Schools Ramsey, New Jersey	36
Harry M. Keller, III President Franklin Lakes Taxpayers Association	38
William S. Saunders Councilman, and Police Commissioner Tenafly, New Jersey	40
Barbara Eames Member Board of Education Hanover Township, New Jersey	43

TABLE OF CONTENTS (continued)

Page

Murray Sockalow
District Director
Tenaflly Chapter
American Association of
Retired Persons (AARP)

46

Helen Hirsch
Private Citizen
Tenaflly, New Jersey

47

Stacy Holmes
Superintendent of Schools
Little Ferry, New Jersey

49

Anthony Del Tufo
President
Essex County School
Boards Association

54

Steven Calenda
Member
United Homeowners Association
of Fort Lee

55

Judith Ann Sarris Conk
Superintendent of Schools
Oradell, New Jersey,
Bergen County Association of
School Administrators, and
New Jersey Association of
School Administrators

56

Thomas Petrush
Past President
Board of Education
Park Ridge, New Jersey

58

Thomas Pierson
Private Citizen
Pompton Lakes, New Jersey

60

Eileen Lockman
Private Citizen
New Milford, New Jersey

61

TABLE OF CONTENTS (continued)

Page

Letitia LaForgia
President
Board of Education
Oradell, New Jersey

63

Charles Coviello
President
Bergen County
Taxpayers Coalition

65

Robert B. Smith, Jr
Concerned Taxpayer
of Waldwick

66

Patricia Rodal
Representing
August E. Keeck
President
Homeowners Association
of Palisades Park

68

Robert Feldman
Private Citizen
Waldwick, New Jersey

69

Bernard Zatz
Private Citizen
Leonia, New Jersey

72

Nina Levinson, Ph.D.
Third Vice President
Homeowners Association
of Fort Lee

73

Ann Campolongo
Private Citizen
Fort Lee, New Jersey

75

Charles C. Mi
Private Citizen
Dumont, New Jersey

78

APPENDIX:

Testimony submitted by
John M. Henderson

1x

TABLE OF CONTENTS (continued)

Page

APPENDIX (continued):

Statement plus attachments
submitted by
Gerard V. Leary

7x

Letter addressed to
Honorable Senator Gerald Cardinale
from Harry M. Keller, III

18x

Letter address to the
Senate Commerce Committee
plus attachments
from Henry J. Gripenburg

21x

Copy of Senate Bill No. 797

26x

bgc: 1-41
mjz: 42-65
bgs: 66-80

SENATOR GERALD CARDINALE (Chairman): There are quite a few witnesses who have signed up to testify. I think we ought to begin, without any further ado. The purpose of this hearing is to give the public an opportunity to express itself with respect to the topic of dispute resolution -- public employee labor dispute resolution. Various methodologies are used today.

Various additional methodologies have been suggested in various bills before the Legislature. It's a complex topic. It's a topic which provokes a great deal of public interest. However, when we hold hearings in Trenton, it is very difficult for the average person to be able to come to Trenton, to take a day off from work, to even find where we are. So, we have come to the conclusion that hearings like this around the State on important topics, topics that interest quite a number of people, are a useful tool for us to be able to gauge how the public feels about various issues. So, that's what we are about tonight.

This is the first hearing on this broad topic. This is not a hearing on just one bill. This is not a hearing at which we are going to release a bill for consideration by the entire Senate. This is a hearing, the purpose of which is to get your thoughts. So you are the stars of this show.

Without any further ado, because this is Fort Lee, I am going to call on the Fort Lee Board of Education. They have requested some time to speak. The first witness, if you come up to the microphone, is Nancy Miller from the Fort Lee Board of Education.

NANCY MILLER: Thank you and welcome to Fort Lee. Thank you for the opportunity to address you.

I'd like to read a letter that I've sent which clearly states the position of the Fort Lee Board of Education and, we hope, the interests of the town. The Fort Lee Board of Education at its meeting of Monday evening, December 7,

expressed its unalterable opposition to Senate Bill No. 797 authored by Senator Kosco and Assembly Bill No. 1607 introduced by Assemblyman Roma requiring compulsory arbitration in certain school disputes; these so-called conflict resolution bills which will, in our estimation, defeat the purpose of negotiations. Without question, they short-circuit the opportunity that boards of education and teacher associations now have to come to fair an equitable resolution of their differences.

One of the major reservations which our Fort Lee Board of Education has is that the language appears to grant either the board of education or the teachers' association the initiative to determine a crisis in negotiations, which then triggers compulsory arbitration. Nowhere do we find a definition of such crisis in the process. As described, it absolutely constrains the kind of interaction which is legitimized through the open negotiation process. We urge you to oppose these bills while reviewing the consequences.

It should also be noted that the police departments throughout the State of New Jersey have this binding arbitration legislation. The results have added so to the community tax burden that a number of municipalities are trying to repeal it. We ask you to please consider all constituents, not just a special interest group, and we hope you will go against this bill.

Thank you.

SENATOR CARDINALE: Senator Scott is with me and is a member of the Committee. We do expect one or two other Committee members to arrive, and we'll allow them to speak when they arrive. If you would like to make a statement for the record, Senator?

SENATOR SCOTT: Thank you, Mr. Chairman. Yes, I do have to leave before this hearing will be over, sometime tonight. I did want to make a statement. This is a classic

confrontation of union versus management. In the past weeks I received hundreds of letters, both from union members and from management, to boards of education, municipal mayors, taxpayer groups, and so on.

It's obvious that they're polarized as the effect on the municipalities and the effects on the teachers' union. While, I agree with you it's an issue that perhaps should be heard before we do anything, I believe it's inherent that we take a look at the economic impact if this were to happen. I think we have information available, information on the impact of the police planning arbitration over the past years; to see where they have been on a percentagewise of increases.

I would ask that the Committee would ask OLS, the Office of Legislative Services, to prepare this information for us so we can have it when we get back to Trenton after the holidays. Since we don't meet again in Trenton especially for a Committee hearing until sometime in February, I believe they have enough time to get this documented for us.

At that time, we should consider the impact and make that available to the members of the public. I will have to leave a little early, but thank you very much.

SENATOR CARDINALE: Thank you Senator Scott. We are continuing to sign up. Dale Davis who is the Committee Aide has a sign up sheet. If anyone comes in who hasn't previously signed up either in Trenton or here, by all means you can continue to sign up, to speak as we progress through the meeting.

We'll next hear from Dennis Testa who is the Vice President of the New Jersey Education Association. Dennis?

D E N N I S T E S T A: Mr. Chairman and members of the Committee, thank you for the opportunity to testify on S-797, the bill we call the Crisis Resolution Bill.

Although this is a busy time for all of us, many NJEA members have come here tonight because this bill is one of our

top priorities. It is legislation to ensure a measure of fairness in the process of collective negotiations. We thank Senator Kosco and Assemblyman Roma for sponsoring it -- for beginning the critical dialogue on a subject of the utmost importance to educational employees all over the State.

First, let me clear up a few misconceptions about S-797. It does not-- It does not call for mandatory binding arbitration. In fact, NJEA officially opposes mandatory binding arbitration. So let me repeat: S-797 does not mandate binding arbitration in any way, in any shape, or form.

Second, the claim is made that S-797 will lead to more strikes. Let's examine this closely. It is an important concern.

School employees never go on strike capriciously. After all, they know that they will have to go through tremendous emotional turmoil, financial loss, and strained relations with parents, citizens, and in some cases students. But, they do have their pride, and they do have the same obligations other taxpayers do. If they are treated like children as some boards treat their staffs, they will react negatively. If they are told they are not worth anything near what their colleagues in the next district are making, they will react negatively.

But beyond that, this bill does not give school employees any guarantees whatsoever. They have no assurance that a judge will ever order binding arbitration. This bill only gives a judge the power to hold a hearing into what's been happening in bargaining, and adds the authority to order arbitration to the judge's options. S-797 does not say a judge has to order binding arbitration.

Then why do we want this legislation passed so much? Let's take a couple of hypothetical examples.

If, according to the Public Employment Relations Commission, a school board has violated the State's bargaining law, can't we assume they might do it again?

WILLIAM WOOD

If a board has lost most of the grievances filed against it, isn't it reasonable to assume they might be less than fair in bargaining with those same employees?

Finally, is it reasonable to assume that a school board is always right, always fair, and just in its actions?

The answer to this last question is clearly "no." School boards are made up of human beings who make mistakes and errors -- errors in judgment and sometimes let their irrational side, show through.

Now, if we admit that this is so, then how can we fail to give school employees -- the people who make the schools work -- a minimum, a minimum of protection against arbitrary and capricious actions?

Can the Legislature really say: "Look, we know that sometimes school boards make awful decisions, and sometimes they're unfair and treat their employees badly, but we're not going to give school employees any recourse"?

Contract negotiations between school boards and their employees are not just about money, although, that is usually the main sticking point and the one on which the public and the media focus. Contract negotiations involve the concepts of dignity and fair play. Those concepts are just abstracts when one side can threaten the other with jail and massive fines, even when the board has violated State law and lost grievance after grievance. It is as if the State government is speaking with two separate voices: One that says, "The board is wrong," the other that says that, "The board's wrongdoing is irrelevant."

We agree with one point our colleagues at the School Boards Association make. The process as it now stands works; we would add, in all but a few cases. Even the School Boards Association cannot deny that in some rare cases, the process breaks down entirely. We all wish that were not so, but it is.

The School Boards Association's answer is to punish school employees who dare to stand up to school boards, even more severely. Apparently, the threat of jail and fines and job loss that school employees now may suffer is not enough. Pardon me, Mr. Chairman, but this reminds me of the fanatics who say the death penalty doesn't go far enough.

We believe the core of the breakdown is not that punishments are not severe enough. We believe the core of the breakdown is that one side might have absolutely nothing to lose and much to gain from keeping employees out on the street.

I submit, Mr. Chairman, and members of the Committee, that if you remedy that imbalance by passing S-797, public school employees will have much more respect for the process. They will know that in the event of a severe breakdown in communications -- and that's what a strike really is -- they have a chance to have a neutral party break the deadlock.

S-797 is not a cure-all. It is not, as some say, a bill which will lead to great cost increases in schools. It's a bill which will be relevant in only a handful of cases.

Let me conclude by saying this: We have 611 school districts in New Jersey. All but a few settle their contracts without extreme measures on either side. In those few cases, the assumption that one side or the other is always in the right, is clearly off the mark.

Mr. Chairman, members of the Committee, let's work together to make sure that the rare instances of complete breakdowns in bargaining don't get out of hand. I ask you to show the employees that you want the process to be as fair as possible. Please support S-797.

Thank you.

SENATOR CARDINALE: Thank you very much Mr. Testa.

We have John Henderson who is representing the New Jersey School Boards Association. John?

J O H N M. H E N D E R S O N: Thank you, Mr. Chairman. I want to introduce to the Committee, Esther Strassman who is the Senior Associate Director of our Labor Relations Department. If you have any technical or probing questions you wish to ask after our testimony, she'll be happy to deal with them for you.

Good evening. We are here to express the New Jersey School Board Association's absolute opposition to S-797 and A-1607, bills that will drastically alter the relationship between school boards and their employees.

The School Boards Association supports the current system for collective negotiations, a system grounded in the belief that the process belongs to the parties, and that mutual and voluntary agreement is essential to successful local settlements.

We view these bills as most destructive to a local community's interest in having an affordable continuous education program.

First, these bills authorize strikes by public employees. It legitimizes public school employee strikes by authorizing the use of court-ordered compulsory arbitration as the method for resolving labor disputes. These bills, apparently intended to prevent, or at least minimize strikes, will have exactly the opposite effect. They will cause more of them. That's because the only way you can get to binding arbitration is by having a strike.

The bills alter public policy in dealing with strikes here in New Jersey. Now when school employees strike and a back-to-work order is issued or sought by the board, the court is required to order the teachers back to work. The court must do so because it is the public policy of this State that teacher strikes are illegal. These proposals change that policy to require the court to consider the factors that lead to the strike, before determining whether or not the strike is acceptable.

That suggests that some strikes and some interruptions of educational programs are justified, and that under certain circumstances, school employees have the right to withhold their services from the students. Therefore, these bills cannot be seen as anything but the first New Jersey statutory authorization of strikes. This must not be permitted.

It thus adds strikes to the arsenal of the labor unions' bargaining tools. Instead of being an isolated and illegal act taken by a few locals, strikes become a bargaining tool that will be used and used often.

Over the past four years in New Jersey, an average of less than four districts per year, less than one percent of all districts, have had strikes, while 600 have come to an agreement that both parties can honor without resorting to one.

In Pennsylvania, where strikes by school employees are legal, there have been at least 90 strikes during that same period of time; in a state with a 100 fewer school districts than New Jersey.

Again, these bills will lead to more strikes because they legitimize strikes. S-797 and A-1607 would not only encourage new ones, but would prolong existing ones. Court ordered mandatory arbitration, as this bill is written, would force school boards to make up lost days to a strike and pay the striking teachers their full pay for these days. Thus labor's ability to recoup its fiscal losses eliminates another major deterrent to strike. Teachers can strike, secure in the knowledge that they would suffer no economic loss, no matter how many days they strike.

Under these bills access to arbitration is available only after a strike. Unions involved in difficult negotiations, in an acrimonious relationship, can slow down their negotiations to force a strike and then go to the courts for an order to submit unresolved issues to arbitration. There will be more strikes; of that we can be sure.

Now to our second reason for so strongly opposing these bills: They will absolutely, categorically, without a doubt, inevitably drive up the costs of school district settlements. Under our existing bargaining structure, school negotiations have resulted in a continuous downward spiral of settlement rates lately. This trend which is expected to continue under the current system would be broken by the enactment of these bills, and why is that? Because, board members are sensitive to the disruptive aspects of a strike and are committed to providing uninterrupted educational programs.

Faced with the threat of legal strikes, boards will be hard-pressed to resist union demands to concede to the union positions. Pressure for a board to concede before a strike, is further reinforced by the existing pattern of New Jersey's fire fighters and police compulsory arbitration awards where historically, labor has won in more than two thirds of the cases.

In Connecticut, a state with binding arbitration for school employee disputes, that rate of victory on the part of labor is 75 percent. No wonder Connecticut has most recently passed Alaska as having the nation's highest paid teachers. If binding arbitration were passed here, school officials like municipal officials, aware of the odds -- at best two to three against them, at worst three to four against -- would tend to higher final offers going to the arbitrator. Settlements will therefore, be higher, of that we can also be most sure.

Our final reason for NJSBA's strong opposition to these bills is that it authorizes a nonelected, unaccountable arbitrator to impose the cost of employment upon taxpayers. The arbitrator's reliance on existing patterns of settlement, such as county averages, perpetuates the status quo, and delays local district responses to changing economic conditions.

Arbitrators can and have ordered settlements that exceed a municipality's cap. When that happens, the mayor must

cut something else. Do we want arbitrators to have that same power over our schools? Do we want an arbitrator's award to set the length of the teachers' workday; to determine the number of classes taught by teachers; to establish limits on the amount of time teachers spend with their students? We think not. But these are all issues that would come before our arbitrator, along with the costs of increases in salaries and benefits.

All of these negotiable issues are currently determined by the parties in local negotiations that, ultimately, result in voluntary agreements. In 99.53 percent of the cases, the parties in this State have shaped their settlements without resorting to strikes. However, that process is not always easy; by its very nature it's difficult.

Reaching consensus takes time. Unions and boards approach these issue from different perspectives and the law does not require either party to concede on any issue. Bargaining in good faith does not require giving in. In times of shrinking resources where school employees are perceived to have achieved improved economic status and strong job security, taxpayers are unwilling and unable to support continuous out of line increases.

Boards' bargaining positions reflect these concerns, and reaching consensus takes longer, and is more difficult. This does not mean that the system has broken down. On the contrary, it means that the process is responsive to changing conditions. When times are tough like they are now, it is going to take longer. On the contrary, it means the process is responsive to the changing conditions and while the party is working on reaching a consensus, however long it will take, employees remain completely covered by the existing contract.

What that means is they continue to get their existing protections. They continue to get their existing health benefits and salary increases that are based on movement, on a

salary guide. All that continues while the negotiations process goes on. When the new contract is negotiated, the settlement is almost always retroactive.

This year there has been only one school district strike in all of New Jersey, the State with more school districts than Pennsylvania. There are more school districts in Bergen County than there are in Maryland; more school districts in this State than there are in Pennsylvania, West Virginia, Delaware, and Maryland combined. This is not to diminish the pain and frustration experienced by everyone involved with the strike in Cherry Hill, as much as it was to put it into statewide perspective. Clearly, it was still one strike too many.

How you may ask, how could we be constructive? What could NJSBA do to change this? What's our idea?

We do not believe-- Let us go on the record very clearly in case it wasn't: We do not believe disruptive teachers' strikes are deterred by jailing them. It demeans them personally, it embitters them when they do return to our children. It makes them martyrs to other teachers, and always imaginable jailing teachers makes a situation worse.

We believe this Committee should send to the Legislature a bill which would be New Jersey's version of the New York's Taylor Law. There, striking school employees lose two days pay for each day they are on strike and the employee union would be fined at a fixed rate per unit member for each day the strike continues.

How well does that work in New York? Last year in one of the few states in the entire nation that has more school districts than New Jersey, 750, there were no strikes in New York. How fair is it? Last year New York teachers were the nation's third highest paid teachers in the land just ahead of the nation's fourth best paid teachers in the land, New

Jersey. Why does it work? Because there is no judicial latitude and all parties know exactly where they stand before they act.

In conclusion, these bills legitimize and will thus cause an increase in strikes so that unions can make use of the bargaining tool of binding arbitration. Where strikes are made legal, they will be used. The Pennsylvania experience tells us that. S-797 and A-1607 will drive up the costs of settlements. The Connecticut experience tells us that. The current pattern of settlements achieved in 99.53 percent of the cases voluntarily entered into by boards and teachers has resulted in teachers in New Jersey being the nation's fourth highest paid. Yet, the process could be improved by eliminating the threat of illegal interruptions in students' educational programs.

Our system could be made better, and we have suggested one way how. We ask you to look hard at these facts we presented, the hard-core data. We believe that any reading of these facts will lead you to conclude that despite its rough spots, our current system has served the State well.

Thank you.

SENATOR CARDINALE: Thank you very much, Mr. Henderson. I don't think we are going to ask questions on the part of the Committee: One, there are only two of us here from the Committee. I don't know where Senator Adler is, but he is the Cherry Hill member that said he was going to come. However, we have your testimony. It will be included in the record, and I thank you very much.

MR. HENDERSON: Thank you

SENATOR CARDINALE: We have Mayor Harvey Truppi representing not only the Borough of Emerson, but the New Jersey State League of Municipalities.

MAYOR HARVEY E. TRUPPI: Good evening, Mr. Chairman. I am pleased to be here this evening to address you

on this very important matter. As one of Bergen County's representatives on the State League of Municipalities' Executive Board, my comments reflect the thinking of not only my community of Emerson, but also all of the elected officials that serve our State's municipalities.

The League of Municipalities wholeheartedly supports modifications to the arbitration statutes for police and fire personnel.

It is no secret to anyone familiar with local government operations that the binding arbitration system in this State is one of the most costly and unfair laws with which the State government has burdened municipalities.

If current trends in arbitration awards to police and fire fighters persist, municipalities will be crippled financially by paying the salaries and benefits of the men and women hired to protect the public.

While we acknowledge the importance of maintaining good personnel to fill the positions of police and fire fighters by fairly compensating them, the binding arbitration system has gone overboard in requiring municipalities to pay more than they can afford for the services of these men and women. Moreover, the arbitrator does not take into consideration the tax consequences to a municipality nor its ability to pay the increases. The results of this policy have given devastating-- And without changes in the law, things will inevitably get worse.

Consequently, the League has been a longtime advocate of change to bring fairness to the arbitration system. We believe legislation must be advanced which would tie the complete cost of an award to the lesser of either the Municipal Cap Law or the Consumer Price Index. This is a concept whose time has come and is strongly supported.

For years we have sought remedial action from the Legislature to address the inequities of a system that so

adversely affects our property taxpayers. To our knowledge, there are no bills on this subject pending before the Senate. However, we would implore you to consider three Assembly bills, A-836, A-1059, and A-336, which are in the General Assembly. Attached is a League analysis of these bills.

I have also enclosed a copy of a resolution opposing the practice of binding arbitration, which was passed at last month's League Conference in Atlantic City. With your permission, I would like to read this into the record:

"Whereas, the New Jersey State League of Municipalities feels that the subject of binding arbitration is of great importance to all municipalities throughout the State of New Jersey, and is also of great importance to the League; and,

"Whereas, under the present system of binding arbitration, an arbitrator is forced to decide between the last offer presented by each party, without having any power to determine an equitable middle-ground figure; and,

"Whereas, under said system, an arbitrator frequently does not take into consideration tax and the State Cap Law consequences to a municipality and the financial ability of a municipality to pay salary increases;

"Now, therefore, be it resolved by the New Jersey State League of Municipalities, in conference assembled, hereby expresses its strong opposition to the current practice of binding arbitration in the State of New Jersey; and,

"Be it further resolved that, in the event binding arbitration should continue to be a method of determining salary negotiations within the State, this body would suggest that current practices be amended to allow an arbitrator to have discretion to determine an equitable middle-ground figure in between the final offers proposed, and to consider the tax consequences and the municipality's ability to pay salary increases; and,

"Be it further resolved that this resolution be forwarded to Governor Jim Florio and every member of the State Senate and General Assembly."

Although we applaud tonight's hearing, we would hope that there will be other opportunities for municipal officials to air their concerns on this subject. We look forward to working with you in crafting a fair legislative response to this problem, and I thank you for allowing me to comment this evening.

Thank you.

SENATOR CARDINALE: Thank you very much, Mayor.

Elaine Shields who is the President of Little Ferry Education Association.

K A R E N K A N E R: Ms. Shields could not be here tonight, so I am speaking on her behalf. My name is Karen Kaner. I have been a teacher in Little Ferry for 22 years. I was President of the Little Ferry Education Association from 1983 to 1991 and have been Negotiations Chairperson for the past year-and-a-half. I come before you this evening as a teacher, concerned with the state of negotiations in New Jersey.

Senator Kosco has introduced a bill S-797, that in my opinion, levels the playing field between the parties participating in the collective bargaining process in New Jersey's public schools negotiations. I have read local newspaper accounts of the New Jersey School Board Association's objections to the bill. I have also read of the taxpayers' organizations objections to the bill. I am surprised at the lack of understanding these two groups seem to have about the current status of public employee negotiations in New Jersey. I am concerned that responsible people want to maintain chaos and champion adversity in our collective bargaining processes.

Does the New Jersey School Boards Association really want to continue this one-sided approach to the bargaining, which often leads to the disruption of the educational

process? Could it be that they want these problems to continue? Could it be that they want disruptions in the schools; that they want to continue the archaic one-sided process which favors only the boards of education?

Let me review my understanding of the current bargaining process. Under the present law both sides exchange proposals and bargain face-to-face in an effort to reach an agreement. If an agreement cannot be reached, an impasse is declared. PERC assigns an impartial third party to try to bring about a settlement. The impartial third party or mediator has no power to impose a settlement. A few districts will go forward to the final phase, fact-finding. At this level both parties must present their positions and their supportive documentation as to why their position is the one that should be chosen. The fact finder reviews the presentation and issues a ruling as to what he or she feels the settlement should be.

But keep in mind that this process is not binding on either party. The process is open-ended. The board of education can just sit back and reject the fact finder's report. At this point, I must state, I have no problems with hard bargaining. Both sides dig in their heels and stand firm for what they believe in.

But, tell me this: What are the checks and balances that protect the employees? Where is that fairness? Where is the balance? A board can force the association into an action by its callous rejection of the process. If the association strikes, the board runs to the courts for protection and support. There is no accountability for the board's actions. The board simply goes to court and obtains an injunction. The courts are forced to proceed according to our archaic principles of common law because of the absence of statutory guidelines.

S-797 will give the court guidelines in those cases where there is no contract settlement. This bill will level the playing field so that both parties will be accountable. S-797 will end the situations where school employees will be held hostage without a contract for one or more years.

If an association is forced to the ultimate action, there will be a mechanism to bring about a resolution. This mechanism takes into consideration not only the public employees, but most importantly the children and the citizens of the school district. I am pleased to read in this bill that the courts will take into consideration and I quote: "The history of the relationship between the school board and the majority representative, the efforts of the parties in resolving the impasse, and the probable impact of the continuation of the impact upon the interests of the public."

School employees will have their day in court. Boards will be required to have clean hands when they appear before the court. One side will not be able to just sit back and expect the courts to always support their position. If the court determines that it is in everyone's best interest, it may order the dispute to binding arbitration.

Arbitration will be a real process. Both parties will be required to present cases before the arbitrator which support their position. The guidelines that are part of the bill must be adhered to. The arbitrator must give due weight to these factors:

- 1) The interest and welfare of the public.
- 2) Comparison of the wages, salaries, hours, and conditions of employment of the employees involved in the arbitration proceedings, with those of other employees performing the same or similar services.
- 3) The overall compensation presently received by the employees.
- 4) Stipulations of the parties.

5) The lawful authority of the employer.

6) The financial impact on the government entity, its residents, and taxpayers.

7) The cost of living.

8) The continuity and stability of employment.

We would now have the level playing field. Both sides would have to make sure that they present a strong documented case which takes into consideration these factors because the decision of the arbitrator shall be final and binding. Not only the interest of the public employees, but most importantly, the interest of the children and the citizens of the town will best be served by this process.

If this bill had been law, our situation in Little Ferry would not have reached the level that it did. We went through all the levels of the bargaining process: face-to-face bargaining, mediation, fact-finding, and even super mediation. Unfortunately, we were still unable to reach an agreement.

When we entered the second year of bargaining without a contract, the work stoppage occurred. If the law had been in place, both sides would have presented their positions to the court and the judge could have ordered us to binding arbitration. The contract would have been settled and the staff, the town of Little Ferry, and again most importantly, the children of Little Ferry would have been spared the unfortunate events that occurred over the next year.

We ask the Legislature: "Level the field. Make all participants in the collective bargaining process equals and spare everyone involved, especially the children, the trauma of the poor process that presently exists."

Thank you. (applause)

SENATOR CARDINALE: I'm going to ask the audience to-- I know you have your fans, but it is only going to take time away from this very, very long list of people who wish to testify. I think the testimony on both sides is very good. I

think it is useful for us to have this public record, which we are making of the thoughts that are being presented to us. So I ask you please keep -- at least keep it very short if you would.

We have been joined by Senator Adler who is here on my left. Very appropriately he's the fellow from Cherry Hill who we mentioned just a moment ago, and he said he was going to come. He came from a very long distance, and he made this bipartisan meeting.

SENATOR ADLER: I thought that applause was for me.

SENATOR CARDINALE: We also have been joined by Assemblywoman Haines, who apparently-- She is from Ocean County, almost as far away as Senator Adler. They have both found out where Fort Lee is tonight. Welcome, Assemblywoman. She has declined to join us up here at the table. I guess she prefers it in the back of the room so she can watch all of you while you can't see her.

The next witness that we will hear from-- We go back a long way. I was on the board of education a long time ago, and we had a principal in one of our schools. Dr. Schumacher is representing the New Jersey Association of School Administrators.

V I C T O R S C H U M A C H E R, Ed. D.: Principals and Supervisors.

SENATOR CARDINALE: Principals and Supervisors. Okay.

DR. SCHUMACHER: Dr. Cardinale, it's nice to see you after so many years. It's amazing that your hair hasn't turn gray.

SENATOR CARDINALE: It's getting there. It's getting there.

DR. SCHUMACHER: I'm not going to speak as long as some of my constituents. On behalf of the Principals and Supervisors Association, I would like to make just a few points.

We are concerned that nothing that you ladies and gentlemen do in any way, shape, or form legitimize a strike/job action. We are concerned that you hold those you elect to take those steps accountable; that there is nothing in the legislation that provides persons who elect to conduct a job action -- a strike; or call it what you will -- with the save harmless clause. If the law forbids those actions, then the law should be held.

We are in support of binding arbitration. We feel that when situations get to a point where persons have reach an impasse, then both parties have failed. Therefore, we support binding arbitration at impasse. We do encourage all of you that sit in the Legislature, not to look to what is in existence necessary in binding arbitration, but to be creative, to be intelligent, to explore alternatives, and above all to be fair-minded. In doing so, to keep in front of your minds the fact that some of my constituents have said, "Schools are here for children. They're not here for adults." We charge you with being fair-minded, creative, and firm in coming up with legislation that would allow schools for children to continue to function effectively.

Thank you

SENATOR CARDINALE: Especially, thank you for being brief. Good to see you again.

Joseph Coppola, Secretary-Treasurer of the Bergen County Education Association.

J O S E P H C O P P O L A: Thank you, Mr. Chairman, and members of the Committee, for allowing me to address S-797.

I am Joseph Coppola, immediate past President of the Bergen County Education Association, now serving as Treasurer of BCEA. Our organization represents more than 14,000 school employees throughout Bergen County. Of course, we are affiliated with NJEA.

I wanted very much to speak on this bill when it came before the Legislature. During my time as an officer in BCEA, I have seen two terrible, out of control contract disputes. I saw my colleagues in Little Ferry and Lyndhurst -- good, hardworking, dedicated professionals -- threatened with the loss of their livelihoods or their money, to say nothing of their dignity.

I saw people who have dedicated their entire lives to helping children, treated as if they were criminals. I saw people who asked to be treated with decency, treated with disdain. I saw my colleagues in Lyndhurst, who were the victims of how this State pays for public education, treated as if they were the people who created the problem in the first place.

Contrary to what some people may feel, I have respect for school boards and most of the people who serve on them. I know they don't have easy jobs. But I cannot have respect for people who violate the spirit of our bargaining law with impunity, and I cannot have respect for a law which allows that to happen. I cannot have respect for a law which treats the victims as the wrongdoers.

That's why I cannot speak too strongly in favor of S-797. This bill certainly will not remove all the emotions from the bargaining process; no bill could ever do that. But S-797 does provide a way out when the emotional side of the dispute has gotten completely out of hand.

S-797 allows a judge to end a terrible dispute fairly. Disputes that threaten to tear communities apart could be settled in a way with which few could argue. A neutral party would look at the facts and make a fair decision. That's all we are asking for here: basic fairness.

Some people are saying this bill will encourage school employees to strike. This is completely ridiculous. I tell school employees to avoid strikes at all costs. They are

costly in both financial and human terms. I tell them not to strike unless in their judgment there is no other way to save their dignity or their livelihood.

Some people can't understand why school employees strike. I tell these people to imagine how they would feel if they were regularly treated in a manner which demeans their integrity and their professionalism. Then they might have some idea why school employees take this drastic step. Strikes are usually not caused by a lack of money, but a lack of decency.

Please, Mr. Chairman, and members of the Committee, support S-797. It's about basic fairness.

Finally, I want to express the gratitude of our 14,000 members to Senator Kosco and Assemblyman Roma for sponsoring this bill. We know that they have taken a great deal of heat for their courageous stand. I, and my colleagues, salute them for their willingness to take an unpopular stand.

Thank you again.

SENATOR CARDINALE: Thank you very much, Mr. Coppola.

Roy Sampath, President of the United Homeowners Association of Fort Lee. He is the one who suggested that we hold this meeting in Fort Lee. He was talking to me on the phone one day and said, "This would be a good place to have it."

R O Y S A M P A T H: Thank you, Senator Cardinale, and members of the Committee.

The United Homeowners Association of Fort Lee, with over a thousand members on its rolls is strongly opposed to both the Assembly and Senate bills under consideration tonight.

We have heard a great deal of eloquence from advocates on both sides, some of which I find to be very specious. I have before me a piece of literature or propaganda from the NJEA and the second paragraph reads, "This bill would also give a judge the authority to order binding arbitration." This is in direct contradiction with one of the earlier speakers who

stressed that this bill was not about binding arbitration.

I am not aware of the statistics from Lyndhurst or Little Ferry but I know that in Fort Lee the teachers are not underpaid nor or they overworked. In looking at the compellation of teachers salaries recently, I saw one of our elementary school teachers earned in excess of \$60,000 a year plus benefits.

Now, at a time when there's so much economic distress, when one picks up the local papers and sees how many foreclosures of property in this community that are being advertised at this time, it is unconscionable to think of terms of mandatory binding arbitration on behalf of the Education Association.

Perhaps we should put this thing in perspective, Mr. Chairman. Last year the New Jersey Education Association found great fault with Governor Florio, Senator Feldman, and some of the others who advocated the Quality Education Act. They switched their support from Feldman and company to the other side. This is payback time.

Mr. Kosco and Mr. Roma have been grossly unresponsive to requests for discussions, on the part of the Fort Lee Homeowners Association and on the part of the Bergen County Coalition of Homeowners. If this is the sort of thing that legislators would indulge in, it casts a very very poor light with respect to the accountability on the part of elected officials.

Senator Cardinale, I'm personally very grateful to you for holding these meetings. I won't be lengthy in my presentation. As a matter of fact, I will end, but I urge you to use your influence to defeat S-797.

Thank you very much.

SENATOR CARDINALE: Michael Crowell of the Lyndhurst Education Association.

M I C H A E L C R O W E L L: Good evening, gentlemen. My name is Michael Crowell, currently the Negotiation Chairperson for the Lyndhurst Education Association in Bergen County. I am proud to be here on behalf of the teachers, secretaries, and custodians of Lyndhurst.

During March 1987, our association was forced into the position of a work stoppage after the board of education rejected fact finder's recommendations. Prior to the fact finder issuing his report, our members agreed to accept his recommendations, sight unseen.

Having worked for seven months without a collective bargaining agreement, and with the prospect of no settlement in sight, our association was left with no alternative but to withhold our services. Our job action began on March 26. Within twenty-four hours after our work stoppage began, the judge signed a decree ordering us back to work without the association having any opportunity to plead its case. During the ensuing weekend, process servers blanketed the community serving legal documents to anyone answering a door, including family members and children.

Our association was ordered back to court, and the judge stated that the law restricted his ability to bring about a resolution of the labor dispute. His function from the moment the board of education sought relief from the court was to order us back to work, and impose punitive measures if we failed to comply. The court had no interest in making an assessment of whether we were justified in our actions. In effect, the judge lacked the authority which would have brought about a harmonious resolution to the labor dispute.

Even after the dispute was settled, the board was not satisfied. Three months later, we had to appear in court and were sentenced to jail terms. Fortunately, the Appellate Division of Superior Court changed that into community

service. Even Governor Kean condemned the jail sentences, saying such punishments are for dangerous criminals, not people involved in a labor dispute.

Despite having the jail terms nullified, the experience left a bitter taste which still lingers. During the strike, the board chastised, belittled, and berated us, and others compared us to murderers and rapists. Needless to say, the school employees of Lyndhurst were repulsed by the treatment they received.

Yet, five years later, the same set of circumstances are present. The board of education still wants to treat us as second or third class citizens, and the law is the same. In effect, the courts are used to bludgeon employees into submission and mete out punishment.

The Collective Bargaining Law for public employees in New Jersey was intended to be in the best interests of all people. It was supposed to provide for the prevention or prompt settlement of labor disputes. Instead, it has become a catalyst for strife.

Since our actions of 1987, nothing has been done to prevent the same experience from befalling other communities throughout the State. The Legislature can no longer ignore the fact that both parties, school employees and boards of education are entitled to equity throughout the entire bargaining process.

Thank you for your time, gentlemen.

SENATOR CARDINALE: Thank you.

Next, I'll call Gerry Leary, a Bergenfield Administrator and Chairman of the Bergen Municipal Coalition.

G E R A L D V. L E A R Y: Thank you, Senator Cardinale. I speak to you tonight on behalf of the Bergen Municipal Coalition which is a coalition of twenty municipalities, who came together to respond to the spiraling costs of police and fire salaries in the municipal budgets as a result of binding arbitration.

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In 1991, The Record newspaper had an editorial entitled "Are Police Salaries Rising Too Sharply?" The highlighted quotes stated that police salaries could rise to six figures by the year 2000. A chart enclosed in my presentation that I have given you based on the average awards given by arbitrators in current economic conditions shows that the only error in this quote is using the year 2000, because it is evident that this will happen by 1998.

Following this, another article appeared in The Record entitled "Police Salaries Belie Recession." This was accompanied by an article of "How Arbitrators are Chosen in New Jersey" and the fact of increases of nine percent were the norm. As a result of these uncontrolled awards and heavy imbalance of judgments to the PBA, a group of communities joined together to form the Bergen Municipal Coalition.

At one of our monthly meetings, specifically our October meeting, Assemblyman Pat Roma of Palisades Park was amongst four Assemblypersons who attended the meeting. Since he seemed to understand the nature of the problem and was aware that legislation was in existence to help correct the problem, it surprises me that he now supports and proposes a similar bill that provides the same imbalance to the teachers and school boards as it does to the police and fire unions of municipalities.

It is evident from the editorial response from our October meeting entitled "Big Police Raises Amid the Recession," that most people agree that it's necessary to address the imbalance of the existing law. The editorial questions the difference between arbitrated awards and the municipal budget cap, another State law whose purpose is to control municipal spending. Subsequent to the editorial, the headline of October 7 read "State Limits Town Budget Hikes to 1.5 Percent." As a result, even though some settlements had

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been made in the area of 6 percent for police contracts, the burden, placed with a six percent, plus the other costs added, such an award far exceeds a 1.5 percent cap.

The dilemma this placed on elected officials of our State is to continue to dilute other municipal services in order to comply with binding arbitration settlements or reduce emergency services, neither of which is acceptable. It has been mentioned that governing bodies can, by ordinance or by referendum, increase their budget caps, which it is saying, "We are giving you permission to continue to raise taxes." This, too, is unacceptable.

With the results of interest arbitration over the past ten years, police salaries have increased over 300 percent, far in excess over anyone in the private sector. In the past three years, the portion of the municipal taxes for police services has gone from 29.45 percent to 38.6 percent. It appears that S-797 will now cause the same escalation and the same increase of the school tax portion of our residents tax bills. On behalf of the Bergen Municipal Coalition and the taxpayers, we seriously request defeat of S-797.

In addition to this, we ask the Senators, and all the members of the Assembly in the State, to clearly look at the existing legislation and make the necessary changes, in consideration of the taxpayers of this State.

In my written presentation, I have attached a statement of the Legislation Committee of the Bergen Municipal Coalition which addresses the changes we feel should be made. We sincerely request the Senate Commerce Committee to review this proposal to make the necessary changes in the existing legislation in order to stop the spiraling increases of local municipal taxes.

In closing, this is not a conflict I feel between management and unions, or between the management and the

employees. It's a crisis for the taxpayers of the State; one that the Legislature can correct by not passing S-797 and by amending current arbitration laws.

Thank you.

SENATOR CARDINALE: Thank you very much.

We'll next hear from James Murphy, the Superintendent of the New Jersey Association of School Administrators.

JAMES H. MURPHY: Thank you, Senators, for holding this hearing this evening. My name is James Murphy. I am the Bayonne Superintendent of Schools. I represent the New Jersey Association of School Administrators as Legislative Chairperson. I oppose the use of court-ordered compulsory arbitration as the method of resolving labor disputes. I feel that this bill will make public employee strikes legal in New Jersey.

The first priority for educators is the education of children. If this legislation should pass, the number of strikes will increase, and the number of days for each strike will increase.

I have had personal experience with a strike in 1984. If the judge did not have the power to order the teachers to return to work, the strike would have lasted a longer period of time. I found that the judge very carefully examined the facts, and only issued a return to work order after speaking personally in court with all parties over several days. The entire process was accomplished in a week, a week of curtailed classes and community-wide bitterness.

This legislation, in my opinion, will harm the taxpayer. If the strikes are allowed to extend beyond a few days, the pressure builds from the parents for the teachers to return to work to the classroom without regard of financial cost. The school board is put under tremendous pressure to settle at any cost.

The current law and extensive negotiations process required by the State Public Employment Relations Commission, in my opinion, has been very successful. Less than one percent of the local school district negotiations result in a strike.

I believe that it would be a great disservice to the local communities and children who attend the schools to take the final decision related to a negotiated settlement away from the local school board members. To allow nonelected and unaccountable arbitrators to impose a financial settlement is not in the best interest of public education.

An imposed unreasonable financial settlement can easily cause the elimination of educational programs and services due to the budget cap or the unwillingness of the public to support the financial requirements mandated by a settlement.

Currently, school districts throughout New Jersey are experiencing shared pain as we strive to maintain our educational budgets during a tough economic period. We are up to our necks in mandates, and we are striving to cope with very low income increases. The last thing we need is another mandate, in a sense, which would further restrict how available funding is spent. I have always favored a balanced resource approach -- fair raises for all employees -- quality, and comprehensive educational services for the children.

In summary, although well-intended, I believe this bill constitutes a prime example of poor public policy:

- 1) It will encourage public employees to strike rather than attempt to bargain over terms and conditions of employment.

- 2) It will delegate to a third party, not elected or appointed by the public, the actual framing of the contractual relationship by the public employer and the public employees.

3) It will result in contract language and monetary settlements which are not appropriate to effective and efficient management of school districts.

I urge you not to upset the current negotiations system and vote "no" on S-797.

Thank you very much for giving me the opportunity to appear here tonight, and I will share these additional copies with your staff.

Thank you very much.

SENATOR CARDINALE: Thank you very much, Mr. Murphy.

Louis Chiellini from the Park Ridge Taxpayers Association.

L O U I S J. C H I E L L I N I, JR.: Mr Chairman, and members of the Commerce Committee. As President of the Park Ridge Taxpayers Association and a member of the Bergen County Taxpayers Coalition, I would like to express my opposition to S-797. This bill, if approved, will thrust a spear into the side of the taxpayers, giving even more power to the teachers' union.

As you all know, taxpayer associations are springing up throughout New Jersey in response to a growing sense of frustration that the elected officials are not representing the best interests of the taxpayers. In a time when voters are crying out for more accountability, it is an outrage that the Senate is considering giving power to nonelected, unaccountable arbitrators to decide how much of a raise our elected school board members should grant to our teachers.

Each of you here tonight was elected to represent all of the people. Senators, I say all of the people, not just a select few who have powerful lobbyists at their sides. The teachers pay for their lobbyists through union dues. The residents of New Jersey don't pay union dues. They pay taxes. Every two years, in November, the taxpayers send their lobbyists to Trenton to promote their interests. Senators, you

are those lobbyists. I suggest that you start acting like lobbyists for the taxpayers before they decide that they need to elect new lobbyists in November.

I want to thank you for hearing me and have a Happy Holiday.

SENATOR CARDINALE: Thank you.

Stuart Nussbaum from the Old Bridge Board of Education. You've come a long way.

S T U A R T N U S S B A U M: It wasn't easy, sir. It wasn't easy to find.

Thank you very much.

Sir, I'm actually going to speak for myself as a private citizen. My board will be responding shortly. The Board from Sayreville will also be responding. If you're going to have more meetings we will even offer our facilities, to invite you down to meet our taxpayers and our other people also -- perhaps in an area that might be a little easier to locate or find.

SENATOR CARDINALE: We are considering, just for your information, having additional hearings. This is an issue that has great importance to all of the citizens in New Jersey. We're pretty far north here, and I thank you for coming. We were thinking of having one in Central Jersey and perhaps one down somewhere near where Senator Adler comes from.

MR. NUSSBAUM: I am serving my second year on the Board of Education in Old Bridge. It is an experience that I would not give up. I'm not sure that I would run again, but it is an experience.

I truly think from the position that I have I would like to see a balancing of the field. I would also like to see the field leveled so we have a fair opportunity. We don't think that we do. We certainly do not feel that we underpay our teachers.

Now, my district, five years ago, was forced to go to binding arbitration because at that time the board could not agree on anything. The binding arbiter gave two percent more than either side was asking for. My township said, "Oh my God!" We said, "We will never go to binding arbitration again." You gentlemen may be forcing us to do it. We're opposed to it.

Now, I see from my side that our teachers' union handles themselves very well. They are much more experienced having served 20 years, where most of us are -- I'd say -- three-year, six-year terms. We need the help, not them. We need to negotiate in fair faith, but it's not saying that we want to have strikes. We do not. It's not saying that we do not want to pay a fair fee to our people. We do. But we do have problems with taxes, and we have problems with finances in our district. We get mandated things which we must do, and it costs us a great deal of money.

Now, we talk about the arbiter comparing the salaries with other districts. The other districts may be richer. I would like, if you're going to compare, compare it to the average increase that my people earn in the township, which was substantially less than what we, through a PERC, gave an average of 7.5 percent. My people were getting 3 percent in the township.

The same problem I face is we're looking at other approaches. The percent is also a major problem, at least to me because I have people that approach me that are in the union, and are at the lower end of the spectrum. When they get a 7.5 percent -- when you're talking \$15,000, it's a lot different than when I'm giving 7.5 percent to a \$100,000 principal or a \$65,000 or \$75,000 teacher. There doesn't seem to be any equity there, and we do have a problem. The only thing I can say to those people is, "You must negotiate through your union." I can't do anything about that. I can't do anything about that.

We also face this: When civil service originally had their system of grade seven, grade nine, and 13, and different steps, it stayed fixed. You worked your way from grade seven step one, up two, three, four, you got promoted up into nine and the numbers stayed fixed. That was the increase. What we have, is not only do we increase the step, but we also increase the percentage.

We're told that by contract we start off at 4 percent. We think when the contract is over we don't have anything on the table. We'd like to start from scratch. If one looks at numbers, if one started at 10 percent increases every seven years, a salary would double. Somebody alluded to the fact that salaries will get up into the \$100,000s, or they could get up to the \$200,000s if we do that. Now, at 7 percent, it would take ten years. A new teacher in 40 years could be making \$200,000. Well we can't afford that. We simply cannot afford it. What happens with us is we're forced-- (disruption in audience)

SENATOR CARDINALE: Excuse me a minute--

MR. NUSSBAUM: We're used to that in Old Bridge--

SENATOR CARDINALE: We're going to have some order. Every witness is entitled to the same courtesy that we would give any other witness. This is a gentlemen who's come from a long distance. He deserves to be heard without any background. I would not mind, seriously-- If people are going to be disruptive, we will begin to empty the room -- people who are perhaps not on the witness list.

MR. NUSSBAUM: We had a very rough weekend in Old Bridge anyway with our School Board, so I am used to it. I have no problem with that.

My point is we're tied in tight times, particularly with the economy today. We know the Legislature has not been able to give us all the money we want. The fact is that money is disappearing from us. We have to do other things. We have

to try to reduce our costs. I don't want that to affect our education. In fact, we are trying to improve the education, and we will like to live within the means of our community.

We think that if this bill were to pass, they would say to us that if we wanted to negotiate or give back on our \$8 million health benefit plan, which is an excellent plan. But, we even see Bell Labs and the other laboratories are saying to their people, "We're going to cut a point here and now you have to help to contribute." Why would they even consider talking with us? They'll just say, "No, we're not interested," and it will get pushed off the table.

We're going to talk percents, and if we want to talk high percents, that they do. They will say, "Well, we are going to go to this thing and let the court decide, or an arbiter decide." We just think that it's not helpful to our people. I would oppose this, and we hope you will. We have many more people from my area that would say the same thing.

Thank you sir.

SENATOR CARDINALE: Dr. Philip Geiger, the Superintendent of Piscataway Township. Is Dr. Philip Geiger here? (no response) Not here. He didn't find Fort Lee.

Basil Basile, President of the AARP of Fair Lawn.

B A S I L B A S I L E: Thank you, Senator Cardinale, and the members of the Committee.

I am a former board member of Fair Lawn from '88 to '91. What I'm going to say is in spite of what previous speakers have said on both sides.

I going to speak on my personal experience as a board member negotiating contracts, and salaries with the Fair Lawn Teachers' Association. I've heard this evening someone say, "Teachers need minimun security." Well, I can tell you, Senator, they got the maximum security anybody can hope for. They have something called tenure. After three years you can not get them out even though they may be burnt out and they're

not doing their duty, unless they commit a crime. The State abolished the tenure for Superintendents last year. That's to prevent the exorbitant buy out.

Why do they have better security? I'm going to tell you. In the private sector, their counterparts with four years of college work 236 days a year; that's working days. Teachers work 180 days a year, student contracts. Teachers have tenure, they have pensions, they have benefits unheard of.

Now I turn to something else. I believe in public education, and that's why I did run for the Board in 1988 to 1991. Why is it that when we compare cost per student from K-12 between public schools and private schools or parochial schools, public schools are almost double from the private schools? I'm going to tell you why. Between the salaries of the administrators, teachers, supervisors, etc., etc, it's a government body. When it comes to a government body, when they ask for an increase I have yet to see a district that has given an increase comparable to the inflation rate.

There are many people on fixed incomes. In Fair Lawn, the population of 30,000 has 7000 seniors that are living on fixed incomes. I'm sure you know what the Social Security for seniors is this year: three percent. I have yet to see a district giving the teachers' union three percent. The minimum I've seen was five, in some cases nine.

Another point, when a district looks at another district and the other district was underpaid by the county average, they say they want the same increase. There have been districts that had 9 and 10 percent increases over the last two or three years. We all know that inflation rate was down and we cannot afford -- we taxpayers and seniors -- to keep escalating our teachers cost and continue to have our public schools cost per student, per year, twice as much as the private and parochial schools.

There is another point, not just the seniors all over the State or in Fair Lawn. You have parents, a family of four, a mother, a father, and two children. Their gross, gross income -- not the AGI, adjusted gross income -- but the gross income is about \$30,000. They have a mortgage. They have to support the kids. They have no other income. These people are choking. Many of them are forced to sell their homes and move out-of-state or to another town or to another county where the taxes are not so high.

In Bergen County we have the highest property tax. Our school taxes makes 60 percent of the school taxes. If anyone looks at their tax bill they will find that the school is 60 percent of the total property tax. So I urge you, Senator and Committee to defeat this bill.

Thank you very much.

SENATOR CARDINALE: Bruce DeYoung, Superintendent in Ramsey.

B R U C E D e Y O U N G: Mr. Chairman, Committee members, I want to thank you for this opportunity to express my opinion of the labor bills for consideration this evening, and to give me the perfect excuse not to finish my Christmas shopping for this year.

I would just like to make a few observations. First, these bills in my opinion address a nonproblem. As the Vice President of NJEA stated earlier this evening, "The current process works in all but the rarest of situations." The number of strikes by teachers in New Jersey have been minuscule.

Earlier this evening you yourselves characterized this as a classic struggle between labor and management. Any analysis of teachers' settlements over the last decade would show that at least in the area of public education, labor does not need the intervention of the State Legislature on their behalf.

Second, these bills are inconsistent with other legislation. The tight budget caps imposed by the Legislature over the past few years have been in part designed to hold down the cost of education. The Governor's Office, and indeed the Legislature itself, has not hidden the fact that another goal is to drive down the size of the teachers' settlements. These bills will inarguably result in driving up the cost of those settlements.

Third, the public, at least in Bergen County, has been extremely vocal about both school boards and teachers' associations becoming aware of what has been going on in what they call "the real world." By that, they mean the real world in the private sector where pay freezes and pay reductions are as likely as modest as pay raises?

The taxpayers no longer want to hear us compare our settlements to other school districts. This bill will promote the kind of closed system that currently exists in the collective bargaining process with police. It would be difficult or impossible for an individual board of education to respond to local economic conditions, if a mediator is to rely on existing patterns of teacher settlements.

Finally, as chief school administrator, it is my responsibility to keep the school district functioning to any job actions called for by the teachers' association during the collective bargaining process. Last year Ramsey, did indeed, experience a tough round of negotiations. Job actions were initiated and included such insidious acts as withholding extra help for needy students, refusing to assign homework, refusing to write letters of recommendation for high school seniors, cancellation of field trips for elementary school students, shutting down the school district on Columbus Day, Election Day, and Veteran's Day, etc.

Teachers' associations already have enough bargaining

tools at their disposal to bring all but the most resolved boards of education to their knees. They do not need to add binding arbitration and legitimization the right to strike to their collection.

Thank you.

SENATOR CARDINALE: Sandra Doren Wynn. I hope that I am pronouncing it correctly, from Denville. (no response) I guess Sandra is not with us. Would you try the hall because she signed up here, not in Trenton. Somebody call Sandra Doren Wynn. Is there anyone out in the hallway?

UNIDENTIFIED SPEAKER FROM AUDIENCE: They're calling for her.

SENATOR CARDINALE: They are. (no response) No she's not there.

Harry M. Keller, the Franklin Lakes Taxpayers Association President.

H A R R Y M. K E L L E R, III: Good evening, Senator Cardinale, staff.

My name is Harry Keller and my home has been in Franklin Lakes for the past 30 years. Before retiring in 1990, I held several responsible positions with BASF Corporation such as Regional Manager for Logistics, Marketing Director, Plant Manager, and so on. I am also a vestryman of St. Albans Episcopal Church, and believe strongly in volunteer community service, having served on the Board of Directors of Passaic County United Fund, Lodi Boys Club, and President of the Franklin Lakes Home and School Association for two terms.

I rise in opposition to Bills S-797 sponsored by Senator Kosco and A-1607 sponsored by Assemblyman Roma. These identical bills advocate binding arbitration for the NJEA, similar to that which has permitted the PBA to easily and unfairly outmaneuver borough negotiating representatives during contract renewal negotiations. I realize this is a repeat of former testimony, but I am compelled to bring it out.

These bills are another attack on home rule, what little we have left of it, leveled at the electorate by the NJEA by trying to restrict the bargaining resources of our elected trustees while bargaining in good faith with the NJEA.

By the way, this electorate is the same electorate that gave the Republican Party full legislative control in the 1991 elections. These people, this electorate, even gave you total control with veto-proof majorities in both Houses of our bicameral system.

You must advise the sponsors that special interests with heavy purses didn't elect them; the people -- the electorate did. And the people don't want any bill ramroded down their throats that will ultimately increase taxes as S-797 and A-1607 are sure to do.

During the past two years I have been invited to participate in the school district budget preparation process in both the Regional High School District and the K-8 District that serve Franklin Lakes.

During these experiences I have become more acutely aware of the budget component that comprises, without fail, perhaps 80 percent of total budgets; that is the NJEA salaries and their extremely generous benefit packages. At budget time, teachers' salaries are nonnegotiable. Thus, all contractual considerations must be incorporated into the budget. In so doing, budgets have been increased outrageously each year at the electorate's, -- taxpayers' -- disgust, and that is precisely why you have seen so many budgets resoundingly defeated by the voters.

In this county alone in 1991 over half of the school budgets were knocked down by the voters. This resorted to some piddling type of remedial actions held by the Council and Mayor of each district or each borough that where the budget has been defeated. They were really asinine in my estimation, and I

believe my colleagues will agree. With S-797 and A-1607 in place, this problem will not only perpetuate, but increase like a contagion through the heretofore neutral districts.

These bills must never get to the body politic for a vote. They are an outrage to the taxpayer. The idea of the sponsors using this method of reverse patronage to compensate special interests' election campaign patronages is another outrage.

Wake up sponsors, if you want to keep your seats. Election day is only ten months away, and the voters will obviously react against those who have betrayed them in high elected office.

What does the NJEA really want aside from the combination to the safe? (laughter)

UNIDENTIFIED SPEAKER FROM AUDIENCE: Thank you for the line of the century.

MR. KELLER: During the past decade, I went back and I calculated-- I got a lot of data, raw data, from the Department of Commerce and also the school superintendents in the area. During the past decade the rate of salary increase for teachers has exceeded the rate of increase in cost of living by 90.7 percent. That was the source from the Department of Commerce and also as I said the district school superintendents.

Thank you, Senator Cardinale for the opportunity to testify in this behalf.

SENATOR CARDINALE: Thank you very much.

Bill Saunders, Tenaflly Councilman and Bergen Municipal Coalition Police Commissioner of Tenaflly. Is that correct?

C O U N C I L M A N W I L L I A M S. S A U N D E R S:
Thank you, Senator, yes. Thank you for the opportunity to appear before you and share some opinions.

Our daughter who's 30 years old has a friend who is 33 years old. She just opened a practice in neonatal pediatrics.

After graduating from Dartmouth and also years in medical school, this young lady was about \$180,000 in debt. First week of her practice the scrub sink broke. It had a stoppage. In an emergency, she called a plumber. The plumber came over and within 15 minutes had the sink all fixed, ready to go back in operation. He handed this young lady a bill for \$200. The young lady said "Oh my God, that's more than I make in a hour." The plumber said, "I know I felt the same way when I was a doctor."

So what we're talking about here is the end result of interest arbitration. It hits the wallet of the taxpayer. We have heard many many people this evening state about increases exceeding CPI and the cap, and it's quite true.

The Record study which was referenced earlier by Gerry Leary from Bergenfield, points out the fact that over the past fifteen or sixteen years, salaries in the public sector have gone up about 149 percent. Interesting, about that time interest arbitration came forth to the PBAs and the FMBAs. Since that time their salaries have gone up over 300 percent.

We want to talk about level the playing fields. We're not on a level playing field when we talk about binding arbitration. It is simply a precipice; it's a cliff over which tax money is poured, and it falls down and dies.

I would like to ask a couple of questions. Does anyone here have a job where by no matter how many days per year you are ill, you're sick, no questions are asked, and you get paid for it? Does anybody here have a job in the public sector whereby if you work a holiday but fortunately your schedule says that you don't have to be on duty that day, you nevertheless get your regular pay plus holiday pay? You are getting paid double for not working. That's what interest arbitration has done in some local PBAs.

In my town right now a patrolman base three years -- base pay, makes \$53,000 a year.

UNIDENTIFIED MEMBER OF COMMITTEE: How much?

COUNCILMAN SAUNDERS: Fifty-three thousand a year. That excludes longevity; that excludes overtime; that excludes 100 percent paid for medical benefits. So when it is all tallied up, a patrolman with three years on the force costs my town nearly \$75,000 a year. If current negotiations go on, if the current trend that's been going on for the past 10 or 15 years as was just cited here-- Mayor Truppi's not only correct, but our patrolmen will be making over \$100,000 before the year 2000. It will cost, rather, our town, over \$100,000 a year if this trend continues, and I can back up those facts.

New Jersey had the dubious honor, back in July and may still hold the honor, of leading the nation in unemployment. We have heard of downsizing and outplacing for the past five or six years. Now we are paying for the excesses of greed of the '80s.

So my thought here to share with you is, where is the tax base to pay for all of these outrageous increases that an arbitrator, who knows nothing about the town, awards to the unions? Now, in the case of the PBA, there is a list of about 65 to 70 arbitrators. About eight to nine, maybe seven of those, do 80 percent of the arbitrations in this State. Now I maintain that is a conflict of interest, because if the arbitrator wants to stay in business, he is going to have to side with the PBA. Let's face some hard facts right here and now: If the arbitrator doesn't want to stay in business, he can side with the town.

Now, in northern Bergen, better than 70 percent of the arbitration findings have been for the PBA. In my particular town, the last contract called for an almost 31 percent salary increase over three years. Now, I will belabor one more point. There is a cap law. It is very difficult, especially this year when we've got to work with a 1.5 percent cap. What are we going to cut? Are we going to tell our townspeople, "You elected us to keep taxes down, but we are going to raise

taxes right back up to 5 percent, which we can by law, to pay the interest arbitration mandatory settlements"?

I won't do that. I am not going to commit political suicide. I am going to try to work it at 1.5 percent. Now what that may mean, is that we don't hire new policemen, and so we have to diminish services. Where can we get what interest arbitration wants out of a 1.5 percent cap? It is impossible.

So, I leave you with the thought: Are both the PBA and the NGA-- Are they exempt from cap? If so, I would appreciate it if the State Legislature would come out and say so, "Yes, they are both exempt from cap."

Thank you, gentlemen.

SENATOR CARDINALE: Barbara Eames, Hanover Township Board of Education.

B A R B A R A E A M E S: Good evening, gentlemen of the Committee. I welcome the opportunity to speak before you this evening. I am speaking on behalf of both my Hanover Township Board of Education and three other local boards in my area: the East Hanover, the Florham Park, and the Hanover Park Regional Boards of Education.

I come here tonight to express our Boards' strong opposition to these bills which will authorize the use of binding arbitration. I need not repeat for you the NJSBA's position, which we completely support. However, I would like to say to you that we strongly concur that giving a judge the power to permit a strike to continue, is a dangerous step toward the legalization of strikes, which will result in more frequent and more costly strikes by school employees.

We agree that this action would legitimize strikes and would pressure boards to concede in order to avoid one. I would add that right now there is already enough pressure on boards to concede when employees go on strike, because when that happens, your parents become very concerned. They put tremendous pressure on you, perhaps as much as a strike can --

as arbitration could, to get those children back in school. That does not work to the benefit of the board; it works to the benefit of the employees.

If a court can order a school board to make up days lost to a strike, and pay striking teachers their full pay for these days, teachers have little to lose, especially in financial terms, from a strike. However, as we all know, a strike does irrevocable harm to relationships within the district. A law which in any way makes them more possible does not serve the interests of the children of New Jersey, who must remain our chief concern, especially in the middle of the labor dispute.

We also strongly oppose the concept of an arbitrator from outside being able to come in and arbitrarily impose a settlement on the district, irrespective of that community's willingness or ability to pay. We think that is wrong.

Clearly, tonight, school employees believe that this legislation levels the playing field, and that is necessary for them in terms of negotiations. It provides them protection against unreasonable boards which bargain in bad faith.

I would like to share with you some experiences from our local board. We are currently in mediation, and our last agreement expired last June. We had a 5.6 percent cap last year. Last year, John Lynch took a lot of school boards to task publicly for granting what he saw as outrageously high salary settlements given current economic times, and lots of people have spoken to that tonight. Republicans, too, are concerned about spiraling education costs. As a district, we are trying very hard to be responsible to the many members of our community who are feeling the hard times right now, and to the State caps which your Legislature has imposed on us from above. However, we strongly desire, at the same time, to be able to continue our educational programs, of which we are very

proud, and to reasonably compensate our employees; three goals, a very difficult juggling act.

Let me share with you a little bit of experience of the teachers in our district: Our '91-'92 salary guide for a first-year employee was \$26,000. The top of the guide for that employee with a bachelor's is \$52,000. For a master's and 45 credits, top of the guide we pay \$60,500 to an employee. We pay full medical benefits, which is worth over \$6000 in the State Health Benefit Plan. We pay for dental coverage, sabbatical leave, tuition reimbursement, personal leaves of absence, sick leave, and compensation for unused sick leave upon retirement, as do many other districts around the State.

I would wager that there are many people here today who have friends and associates in private industry who would jump at the opportunity to work 180 days a year for that kind of compensation. Employees in the private sector frequently pay hefty copayments on deductibles for health benefits, and may not have many of these other benefits to which public employees in education are entitled. They have tenure, which is a valuable benefit, especially in hard economic times like this. How much more do teachers need to level the playing field? How much relief do public school employees need from boards like ours? And, where do the taxpayer concerns fit into the equation here?

Lastly, I would urge you to not forget the experience in Pennsylvania. A colleague of mine who is an assistant superintendent endured a 10-1/2-week strike in his district several years ago. It went on for 55 days. Because you cannot possibly make up that many days, even after they eliminated all the vacations and the special holidays, and they went through the end of June, the kids lost out. You cannot possibly make up 55 days. That happens a lot in Pennsylvania. We don't want to see it happen here.

It is also interesting to me that this colleague of mine in Pennsylvania indicates that both boards and unions don't want to go to that kind of arbitration, because when you have to submit your last offer, you have too much to lose. Both sides say the arbitrator could choose the other side, so they are much more anxious to resolve that dispute amongst themselves without going to an arbitrator.

Why then, given all these reasons, are we considering this legislation for New Jersey? Certainly the children of the State have nothing to gain from binding arbitration, and a lot to lose. We ask you to make them your prime consideration when you vote. Please defeat this bill in your Committee.

Thank you.

SENATOR CARDINALE: George Aaron, Chairman of the Legislative Committee of the AARP, Tenaflly Branch?

MURRAY SOCKALOW: Thank you very much. I am here-- George Aaron had to leave to attend a Board of Education meeting in Tenaflly.

SENATOR CARDINALE: I'm sorry. What is your name, sir?

MR. SOCKALOW: My name is Murray Sockalow. I am the District Director of the AARP. I represent the local AARP Chapter, Tenaflly.

This bill covers all State employees. I will particularly refer to school staffs, as they are the largest segment of our State employment. Teachers are well aware of the professional duties to our child education. They are also aware of the "no strike" requirement when they accept that responsibility. Within three years, tenure is applicable, and a lifetime position is possible with retirement benefits far beyond the general public employment sector.

A public school strike is not a strike against the taxpayers, as many of them are mobile, but an act to hold children as hostage, as has been done in the past, by subterfuge.

With the further decline in property values as taxes double in seven to nine years, as teachers are receiving increases up to 10 percent, retirees, senior citizens, and others will relocate to other states. Many parents, with children, who have mortgages will be locked into higher and higher taxes until their homes are repossessed, as those who can relocate will also leave the State. Permitting the use of strikes in the public sector is the equivalent of permitting a public utility to turn off their services -- electricity, natural gas, water -- because they want a rate increase. In the meantime, those who cherish the right to strike should look for employment in the private sector.

Thank you.

SENATOR CARDINALE: Helen Hirsch.

H E L E N H I R S C H: Good evening.

SENATOR CARDINALE: Ms. Hirsch, it just says on our list, "taxpayer."

MS. HIRSCH: Yes.

SENATOR CARDINALE: Would you like to identify yourself in any additional way? What part of the State do you come from?

MS. HIRSCH: I am from Tenafly. While I am a member of the Board of Education there, I do not represent the Board at all. My feelings, however, are for the youngsters. I am a novice at this. This is my very first public speaking engagement, and I think that is an indication of how strongly I feel about the subject.

I am here as an advocate for children and for all the taxpayers of the State, two constituencies without lobbyists. New Jersey has been struggling to educate our youngsters. It has tried a variety of approaches for school funding, none of which has been especially satisfactory or equitable. Every thinking person must be distressed when he is confronted with the "Why Johnny Can't Read" articles. One explanation that is

given very frequently and vociferously, is that more money is needed. This inevitably is translated into higher salaries for teachers. Raising salaries routinely does not improve education. Raising salaries does not improve dedication or motivation. It only rewards longevity, since the union does not divide the larger part evenly.

Until now, when union contracts have been negotiated, there has been some give and take. There has been a relatively level playing field. I say "relatively" because school boards, by law, are enjoined from discussing negotiating approaches with other boards. Teachers' unions are guided and supported by statewide staffs and co-unionists. Boards do not have unlimited taxing power, but they are obliged to craft budgets which they feel can be managed by their townspeople. If teacher strikes were legalized and their duration settled in the courts, the children would suffer. The taxpayers would suffer with the inevitably higher settlement, not to mention the higher ongoing pension and Social Security costs. Then, too, when districts are harnessed with contracts which the town cannot, or will not handle, the children suffer again.

Since personnel costs represent the bulk of the budget, the only hope for containment is staff reduction. Class sizes must be increased. Subjects and activities which enrich their lives must be dropped. The Legislature has decried boards of education. The Legislature has laid down a series of mandates. The Legislature has referred to home rule, in one context or other. If the vital matter of budget is put into the hands of outsiders, why bother with boards of education?

New Jersey teachers are well rewarded. They enjoy incomparable health benefits not generally available in the public sector. After three years, they have guaranteed lifetime employment not possible in the public sector. They need not compete. Teachers in other places envy them.

Please do not bring this legislation up for a vote.
Thank you.

SENATOR CARDINALE: Mr. Stacy Holmes, Superintendent of Little Ferry.

S T A C Y H O L M E S: Good evening, Senator. My name is Stacy Holmes. For the past eight-and-a-half years, I have enjoyed the privilege of serving the children of Little Ferry as their Superintendent of Schools. At this time, I am also the Vice President of the Bergen County Association of School Administrators.

I would like to thank you for scheduling this hearing, and thank you also for considering the various points of view that are coming to your attention this evening.

First of all, I think there is some common ground here. Lately, many board of education and local teachers' associations have wasted too much time, money, and goodwill in the contract bargaining process. When their talks do become strained, too often the children and the public at large become drawn into the crossfire. The media are only too accommodating when self-serving tidbits are skillfully ladled out to the reporters. Boards sometimes give teachers good reason to wonder if the contract talks are not taking too long and are heading towards unreasonable objectives. Teachers sometimes give boards good reason to doubt if services to children might be in some kind of jeopardy.

While all of this goes on, nothing in the law, as it now stands, and no one in the Public Employment Relations Commission can provide definitive assistance. The teachers' association and the board of education ultimately, and in every case, I remind you, find their own way out of the mess, and they realize as they do that their solution came about in spite of, and not because of, anyone outside the district.

As I say, few of us who have actually lived the process in all its ugly variations would disagree that there is

a problem with the way boards of education and teachers' associations presently negotiate employment contracts in New Jersey. However, there is sharp disagreement as to what should be done about this problem. The bills we discuss this evening -- A-1607, sponsored by Mr. Roma of the 38th district here in Bergen County, and S-797 sponsored by Mr. Kosco, also of the 38th district -- do not respond constructively to the problem. The Bergen County Association of School Administrators opposes these bills. The Little Ferry Board of Education opposes these bills.

These bills would give teachers the right to strike. The bills do not honestly or clearly extend that right in their language, but after one wades through the pages of legislative sophistry in these bills, it is obvious that they intend to allow teachers to strike for weeks and weeks, while complicated legal maneuvers go on in Superior Court.

As a practical matter, delaying the Court's ability to issue a final back-to-work order will allow teachers to strike. Even if the teachers should finally lose on the merits in Court, the teachers will have already accomplished the objectives of the strike in the streets. For boards of education under the pressure of a teachers' strike, justice delayed is justice denied.

These bills would also provide binding arbitration in the event of a post strike impasse in negotiations. Let me make three points about binding arbitration: First, consider the record of employment contract arbitration with police and fire departments in New Jersey. A fair survey would reveal mixed reviews at best on that process with police and fire personnel. The costs to the taxpayers have been very high, and even the process itself is not always run smoothly. One nearby police department worked two years without a contract, even with binding arbitration in place.

Second, consider the record of the PERC neutrals in school districts already. They would not be in the position to arbitrate a strike unless they had already failed as PERC neutrals to mediate, and failed as PERC neutrals to resolve it through fact-finding. How can we bring this failed process two times over in for a third time? Please, let the PERC neutrals show us a little more promise in their current roles as mediators and fact finders before we consider expanding their responsibilities.

But my third point about binding arbitration is the most important point. A legislative mandate for arbitration, or for anything else for that matter, is absolutely unacceptable unless the State pays for its own mandate. State mandate/State pay. (applause)

For example, this is what I mean: If your State mediator wants a local board of education to increase its offer by, let's say, \$100,000, in order to settle a contract with its teachers, then you legislators would have to back up your State arbitrator by increasing that board of education's State aid by \$100,000 for that year. And, if your State arbitrator applies the money to the base salary of the teachers, which is most often the case, you legislators would need to increase that board of education's aid by \$100,000 each and every year thereafter, forever. That is what is needed if the State is to pay for this idea, and that is just one year in one district out of 600 in New Jersey. If you don't pay, the local districts do pay, and we are sick to death of State mandates that local districts have to pay for. (applause)

I now turn to the troublesome procedural history of this legislation. If a matter that concerns every teacher and every board of education in the State is not a matter for the Education Committee of the Assembly and the Education Committee of the Senate, then someone is really missing the point. Meaning no disrespect to this Committee, Senator, I would hope

that these hearings also go on in full force before the Education Committees, because this is an education matter.

Also, on a procedural point, let me object most strenuously to holding the Little Ferry School District up to statewide ridicule by these bills coming out with 38th district sponsorship in both the Assembly and the Senate, at the same time that we are coming off a difficult strike situation in Little Ferry, which, of course, is in the 38th district.

At this time, the teacher negotiations problems in Little Ferry are pretty well resolved. The credit goes entirely to the fantastic group of teachers -- yes, the fantastic group of teachers we have in Little Ferry, and a courageous Board of Education. But in this first year of healing, we are already undertaking programs for the children that are unprecedented in the district. When the community was called upon to respond to the terrible flood of last week, teachers, Board members, parents, and other school staff were key players on the team that worked together to make sure that each flood victim was safe. We are, once again, working together, but the pain is still in recent memory, and our recovery is a delicate one.

We do not expect to see three television stations and six newspapers out in front of the schools, like we had last year. After all, there is no ugly sensation to report this year. But we did hope that we could get on with our services to children in peace. Even though they may have intended no harm to the children of Little Ferry, the sponsors of these bills nevertheless bring fresh scorn upon teachers, Board members, and children, who deserve, instead, the utmost in sensitivity, forethought, and restraint from their legislative representatives.

Let me now turn to two major conceptual flaws with these bills. First of all, this proposed legislation takes sides in the negotiations process. These bills seek to give

teachers a new weapon in the bargaining process. This will only force boards to come up with some countervailing force. In short, negotiations armaments will increase on both sides, just like the Soviet/American cold war nuclear buildup did. Let us give disputing parties new ways to come together in peace. Let us not give disputing parties new weapons with which to fight one another.

My second major conceptual objection to this proposed legislation is its redundancy. If a board of education does not negotiate in good faith, then a cause of action is already available for teachers to get relief, with no change in the existing law. Either party may file an unfair labor practice petition before PERC. We have too much expensive regulation already. We do not need PERC and the Superior Court of New Jersey tripping over each other trying to do the same job.

Now, if the current process is not working to the satisfaction of the Legislature, that is another matter. Maybe we do need to give PERC some help towards enforcing the proper conduct of negotiations, and, in fact, I would suggest the following:

- 1) We need a clear definition of what is and what is not bargaining in good faith, and

- 2) We need harsh penalties both for bad faith bargaining and for falsely alleging bad faith bargaining.

Let me close with a history lesson and a reminder. The history lesson is about labor strikes in America. One-hundred-and-fifty years ago, or so, labor organizations, and especially strikes, were judged to be criminal conspiracies. That had to change. American workers need the right to organize, and even, at times, to strike. But let us remember the issues and the industries involved back then.

Lethally dangerous workplaces, child labor, and discrimination were some of the issues. It is hard to imagine strikes ever would have become legal, if the biggest issues

were things like a dispute over a 6 percent versus a 7 percent salary increase. And no one can seriously believe that abandoning children at the schoolhouse would ever be considered the same act as not showing up for work at a widget factory. We know that the same widgets that might have been manufactured today can be made tomorrow just as well, in most cases, but the same is not true of children and of schools. Forcing children in July to make up for time lost to a teacher strike in October, is one of the most absurd and cruel propositions we have ever encountered. Education delayed is education denied for children, just as I said justice delayed is justice denied for boards of education.

And that brings me to my reminder: Those of us lucky enough to serve the public schools take on a great responsibility. Once we accept the professional mantle and undertake to teach children, we must simultaneously give up our selfish interests at all times and in any ways that might harm children. In this Christmas week, perhaps we should remember especially now how much difference a single child can make. With that in mind, perhaps we can resolve never again to settle a dispute among adults at the expense of a child.

Thank you for this opportunity to be heard on these bills.

SENATOR CARDINALE: Tony Del Tufo, Essex County School Boards Association.

A N T H O N Y D E L T U F O: Senator Cardinale, members of this Committee--

SENATOR CARDINALE: Just hold on. There are some people leaving. Please clear the room very quietly, if you would. We have a speaker-- Thank you.

MR. DEL TUFO: Senator Cardinale, and members of the Committee: I want to thank you for the opportunity to speak to you tonight regarding S-797. I represent 21 school districts

from Essex County as the President of the Essex County School Boards Association.

I am not going to repeat many of the things you have heard tonight from those of us who oppose this legislation. In addition to being a member of the School Boards, I have been a member of the NJEA for almost 40 years. As an educator/school board member, I know both sides of the issue. Strikes benefit no one. Most importantly, they hurt children. Also, the lasting effects of strikes impair the relationship between the teachers and the school board for years after the strike ends. It seems to me that this bill is likely to cause more strikes, not prevent them.

I believe there are appropriate avenues to resolve issues between teacher associations and school boards. As President of the Essex County School Boards Association, representing over 100,000 children in Essex County, I urge you to vote no on this bill.

Thank you very much.

SENATOR CARDINALE: Steven Calenda, United Homeowners Association of Fort Lee.

S T E V E N C A L E N D A: Thank you, Mr. Chairman and members of the Commerce Committee, for allowing me to speak against the two bills we are talking about -- A-1607 and S-797 -- sponsored by Assemblyman Pat Roma and State Senator Kosco, respectively. These bills would allow the judge to impose binding arbitration whenever there was a salary negotiation dispute between the teachers' union and the local school boards. This would put the teachers' union -- the NJEA -- on a par with the police and fire fighters, who now enjoy this right. The hazards and dangers that the fire fighters' and policemen's jobs involve cannot be compared to those of the teachers.

If this legislation is enacted, it would cause our property taxes to increase in the years to come. If teachers

are on strike, they will lose no time, because the bills provide that they lose no time and will suffer no monetary losses whatsoever. If these bills are enacted, they will do the following: eliminate bargaining by the local boards of education; cause teachers' salaries to increase much faster and much above inflation and cost of living; binding arbitration would place negotiations in the hands of outsiders, who have no interest locally; increase property taxes; and promote and legitimize strikes.

In conclusion, I beg that these bills be withdrawn. Thank you.

SENATOR CARDINALE: Judith Conk, Oradell Public School District, and the Bergen County Association of School Administrators.

J U D I T H A N N S A R R I S C O N K: Good evening, Senator Cardinale and other members of the Commerce Committee. My name is Judy Conk, and I am Superintendent of Schools in Oradell. I speak with you tonight not only representing my own district, but representing the views of my colleagues in the Bergen County Association of School Administrators and the New Jersey Association of School Administrators, but, most of all, for the children in school districts throughout this State. I must strongly urge you to vote against Senate Bill No. 797 and Assembly Bill No. 1607.

During my almost 25 years in education, I have experienced the impact of a teachers' strike in five different districts as both a teacher and administrator in two states. I have lived through the immediate interruption of the educational program for students, no matter how hard we tried to maintain an adequate setting for the children. But the strike, unfortunately, is only the beginning. It is often the aftermath of the strike which continues to negatively impact the cooperative effort among teachers, parents, administration,

and board of education which is all vital for a quality education for our students.

The proposed bills will undoubtedly increase the use of the strike as a technique by the union in order to force boards of education into compulsory arbitration. This would be devastating, especially as we try to maintain an educational program which will support the skills necessary for our students in the 21st century. We cannot, at this time, support any action which would significantly hinder this goal. In addition, with labor's ability to recoup any fiscal losses brought on by a strike, the length of this type of action would be increased. This absolutely cannot be allowed.

I know that my colleagues would agree that the present negotiations process in schools is not a perfect one, but then compromise is never easy. We have all huddled over negotiations tables till the wee hours of the morning in order to hammer out an agreement that best meets the needs of all parties. The passage of these bills will limit our ability to effectively negotiate. We need to examine the facts. As has been stated before, over the past three years an average of less than four districts per year have had to face the far-reaching implications of a strike, while over 600 districts have successfully negotiated agreements without interfering with the educational process of the students. This has not been the experience in the State of Pennsylvania, as stated earlier, where strikes are legal and the result has been seven times the number of strikes. Our students do not deserve this at a critical time in the transformation of the educational process to meet their future needs.

I have seen teachers no longer communicate with one another because of the bad feelings of a strike. I have seen boards of education left in an adversarial position with their professional staffs long after the placards had been put away. I have experienced what it has been like as a building

principal when that cooperative spirit no longer is present. The children do continue to suffer the consequences of the actions of the adults, and they do not deserve this.

You must reconsider and vote against Bills S-797 and A-1607 in order to maintain the integrity of the present bargaining system and support uninterrupted education for the children in the State of New Jersey.

Thank you for your time.

SENATOR CARDINALE: Thomas Petrush, past President of the Park Ridge Board of Education.

T H O M A S P E T R U S H: Thank you, sir. I honestly believe my statement will be rather unique.

I am a recent past President of the Park Ridge Board of Education. I have recently retired as a science teacher at Northern Highlands Regional High School, in Allendale. As Board President, I encouraged the Park Ridge Education Association to consider the present economic times. I indicated I would attempt to maintain all staff and programs if they would accept a reasonable contract on the order of the CPI.

They refused, and insisted on county average settlements and stated they were not interested in saving jobs at the lower seniority stage. While I was still teaching, the Park Ridge Education Association did the following prior to settlement of a three-year contract -- '90-'91, '91-'92, '92-'93 -- at 7.7 percent, 7.65 percent, and 6.5 percent respectively:

- 1) Seventy -- 70, seventy -- Park Ridge Education Association teachers picketed in front of my school, Northern Highlands Regional High School.

- 2) Removed me from my role as a Board negotiator by virtue of invoking a NEA bylaw that could have removed me from NEA membership, thereby losing some retirement benefits, in particular life insurance I had with the NEA for many years.

3) As a result of their animosity publicly demonstrated, my home was vandalized, a front light was shot out, extensive lawn damage, house bombarded with eggs, and obscene phone calls at all hours.

I ran for reelection in April 1992. I lost. Over 100 of my campaign signs posted legally in Park Ridge were destroyed. The Park Ridge Education Association cited and abetted my defeat by supporting two residents for the two available seats, of which one was mine. The two successful candidates saturated Park Ridge with mailouts containing distortions and absolute untruths.

Following the April '92 election, at Board meetings I attempted to have the two successful candidates justify their mailouts. They refused, and were supported in their refusal by the new Board President. I am convinced the taxpayers will rarely get their just due, if a board of education, any board of education, has a majority of board members with children in school.

I have been told time and time again by parents, "Tom, you are right. They should not be receiving 7 percent, 8 percent, 9 percent increases. But, as parents with kids in school, I can't support you publicly."

Now you, as legislators, if you possess courage, you will reject all three bills that will further enhance teacher unions to become even more dominating. However, if you reject these bills, be prepared to be subjected to vindictive recrimination from them. The present Negotiator Chairman for the Park Ridge Education Association was also Chairman for the Allendale Board of Education while he was a member of the Board of Education in his town. At no time was he in danger of removal from the NEA, nor is he at present. I wonder why, do you?

Thank you.

SENATOR CARDINALE: Tom Pierson, from Franklin Lakes.

T H O M A S P I E R S O N: Good evening, Senator. I just have a few brief comments.

I was reading Senate Bill No. 797 the other day and really became steamed up. I recognize that today tenured teachers cannot be fired, and you have to recognize this is an extremely strong right. If, under this proposed bill, boards of education would lose control of teachers' salaries to a court-appointed arbitrator, we would lose control of salaries, and would lose control of the right to fire. When you can't fire and you can't control salaries, who is in control?

With the proposed law, the teachers and their unions would be in control of the schools. If the teachers' union further gets their way on a proposal that has been seen in the various newspapers, and in editorials by Betty Kramer that voting on school budgets should cease, local control of schools would come to an end. We would still pay, but we would have no say.

Today, people are interested in improving schools, but if the people do not have control over the tools, the right to fire, and the right to pay, then we have no control at all. If the control of the schools is in the charge of the teachers, this is a very strange thing. This only shows the arrogance to which the teachers' union, one of the richest ones in the State, and the strongest lobbyist, has risen to. It is shocking. But even if you look at the bill itself, the arbitration clause is ridiculous. The arbitrator cannot arbitrate; merely he has to choose between the last offer of the board and the final demand of the teachers. This is not arbitration. There is no compromise.

In our town we have seen how it is applied to the police. They have gotten extremely high salary increases, like 9 percent, and our foolish Mayor also tried to give it to the rest of the people in the town, even though they weren't

covered. He was slapped down by the citizenry, so when the citizenry had input, they would not put up with this nonsense.

In our town the school budget represents about 70 percent of our taxes, and 80 percent of the school budget is salaries in our town. So, if this were passed, an arbitrator, and ultimately our great friend, Justice of the Supreme Court Wilentz, would have control over 56 percent of our local property taxes. If you liked what he did with "thorough and efficient," he will have a lot of fun with this bill, because I know certainly when the Court has a right to appoint an arbitrator, the Court, as you know, can appoint a lot of other conditions -- or create a lot of other conditions. And I know, Senator, that you don't particularly like the Court anyway. (laughter)

I think this is an issue of democracy, and the issue is today -- it is not an issue just here, it is an issue everywhere -- are we citizens controlling our government, or are we merely subjects? I'm saying if we are not going to be subjects, this thing should be defeated. It should not be passed.

Thank you.

SENATOR CARDINALE: Eileen Lohman, from New Milford.

E I L E E N L O C K M A N: My name is Eileen Lockman, and I am from New Milford.

SENATOR CARDINALE: Oh, Lockman. I'm sorry.

MS. LOCKMAN: That's all right. It is one of those names.

I am a taxpayer, a voter, and the parent of a young child. There has been a lot of discussion here tonight about binding arbitration, comparing the police situation with the teachers. I would like to say that I am one of those people who feels, yes, our teachers and our police should be paid an appropriate salary. It is an important job that they both do. But, they are two different jobs, with different risks, a

different amount of time involved, and, at a certain point, when is enough enough? I think that is the concern of many of my neighbors and myself and why I am here tonight about the legislation being discussed. I am sorry I didn't come with a fancy, prepared presentation.

There has also been discussion here tonight about a level playing field and the need for a measure of fairness in collective bargaining. First, the data that has been discussed here tonight does not support that there is a need. I don't see that coming across at all. Second, the strength of the union certainly does not indicate a need there.

I am not arguing against the unions. I often say that we have a middle class in this country because of the unions. But I am speaking as a taxpayer, and I feel threatened. I feel very threatened about what is happening moneywise. Who is going to pay the bills? When everyone is talking about the teachers' dignity, in those situations where they did strike, what about the taxpayers' dignity? That is a serious concern. (applause)

Regarding the legislation we are talking about here today, from my perspective we are talking about ways to get more money at a time when many taxpayers are struggling to hold onto jobs and their homes. I resent that. It smacks of the 1980s' "greed is good" attitude, that we should pass this legislation to make it easier for teachers to get higher salaries.

The Board of Education is elected to balance the educational needs with those of the community, and, yes, some of them are trying to hold the line on costs in our town. There was a time when teachers were underpaid. That is something we all talked about; the need to bring teachers up to the appropriate salary level. This is not the case nowadays, and there are benefits and perks and tenures and a lot of other things that go with it. When do we draw the line?

The pending legislation being discussed here today-- Please, do not take away our school budget vote. Do not eliminate the cap which at least makes an effort to control our costs through the revenue increases. Do not impose binding arbitration that would eliminate our elected Board of Education's efforts to hold the line, and would not consider our ability to pay as taxpayers. That is what has been talked about a lot here tonight. I hope, Senator Cardinale, that that is what you will focus on. I know that was in your campaign, a lot about what we taxpayers can pay. Please keep that in mind.

Thank you.

SENATOR CARDINALE: Thank you.

Letitia LaForgia, from the Oradell Board of Education. I hope I pronounced that correctly. And if not, we will still let you speak.

L E T I T I A L a F O R G I A: Thank you, Senator. It was very good, Letitia LaForgia.

Thank you for this opportunity to share my views regarding Senate Bill No. 797 and Assembly Bill No. 1607. Tonight I speak on behalf of my colleagues and other boards of education. I, myself, am President presently of the Oradell Board of Education. I strongly urge you to vote no on these bills.

This is a challenging time for officials elected by communities to represent the needs of the children in the schools. Remember, Senator, we are talking about children. That is primary; that is number one. That is something these bills seem to have forgotten about. We are often faced with negotiations that not only deal with financial issues, but also have extensive instructional implications. It is important that we retain the integrity of the present negotiations process.

Strikes are devastating to communities. They divide people and impact the students negatively. To date, New Jersey

has taken a strong stand in opposition to strikes. These bills encourage unions to go on strike and the courts will have to decide whether or not to order teachers to return to work. The financial implications cannot be minimized. In the interim, boards will be forced to make up days lost to the strike and pay striking teachers full pay. The teachers suffer no economic loss no matter how many days they withhold their services, but the educational loss to the children is disastrous.

The percentage of strikes in the educational community are minimal, but this will change if these bills are passed. This proposed legislation allows teachers, at any time during negotiations, to exercise their right to strike in order to trigger compulsory arbitration. This will put a tremendous pressure on a board to concede to high union demands in order to prevent a strike. This will no doubt drive the cost of settlements higher, at a time when our taxpayers are feeling a tremendous financial crunch. We want the public to continue to be able to support a quality education for all our students. Teachers should be held in high esteem by the students they teach and the community that employs them.

This is not part of my testimony, but as I listened to some of my colleagues, I wrote down a few things that I feel bear mentioning at this point. In our community -- and I know in other communities and other boards of education throughout the State -- we support staff development. We give tuition reimbursement. We have a very fair entry level salary, with automatic increments every year. So, when teachers cry out, "We don't have a contract. We are not getting a raise"-- Just by virtue of putting their foot in the door in September, they get an increment. So, that is a fallacy.

If this legislation passes, it could succeed in building a wall between teachers and community which will be difficult to tear down.

I feel that as an elected official, I have the responsibility to protect the interests of the children and the community. Any legislation which would thwart my ability to protect these interests through an undermining of the existing negotiations process -- which may not be perfect, but we certainly do try -- must not be passed.

On behalf of the Oradell Board of Education, I strongly urge the legislators to vote against these bills. It is critical to the future of the quality of education for the students in New Jersey. Do not tie the hands of the elected boards of education by limiting our negotiations ability and forcing us into a position which would not be in the best interests of the students and the local community taxpayer.

Thank you, Senators.

SENATOR CARDINALE: John Vasicek? (no response)
Charles Coviello, Bergen County Taxpayers Coalition?

C H A R L E S C O V I E L L O: Good evening, Mr. Chairman, and Committee. My name is Charles Coviello, and I'm President of the Bergen County Taxpayers Coalition. I would like to read a statement on how the Coalition feels about the Senate bill and the Assembly bill.

The Bergen County Taxpayers Coalition is opposed to two bills -- A-1607 introduced by Assemblyman Roma, and S-797 introduced by Senator Kosco -- that would allow a judge to impose binding arbitration whenever there is a salary negotiation dispute between the local board of education and the teachers' union. We believe that this proposed legislation is a response from the New Jersey teachers' union against the Board of Education of the small town of Little Ferry, a Board that had the courage to stand up to an illegal strike of a teachers' union last year. This legislation, if enacted, will cause our property taxes to increase significantly in the years ahead. Our statement is based on data published by The Bergen Record detailing the effect of binding arbitration on

policemen's salaries. These salaries have increased in recent years much faster than the inflation rate.

Binding arbitration places negotiations into the hands of an appointed outsider who does not feel the effect of his decision on the community; namely, higher property taxes. This legislation makes a mockery of the principle of local control by weakening or eliminating the bargaining ability of local boards of education -- the taxpayers' only protection from the teachers' union whose aggressive salary demands lead a reasonable person to assume that it considers the taxpayers and homeowners as mere cash cows to be arrogantly exploited.

There is a need to have compassion for the typical taxpayers, including those whose salaries have been frozen, those who live on fixed incomes, and those who have lost their jobs. The school tax cannot and must not rise faster than the inflation rate. It is the responsibility of the State legislators to stop the rapid increase of property tax.

State legislators Roma and Kosco should withdraw their proposed legislation. Support of this legislation by any legislator should be viewed as a betrayal of the trust of the taxpayer.

Thank you.

SENATOR CARDINALE: Robert Smith, Jr.?

R O B E R T B. S M I T H, JR.: Senator Cardinale and members of the Commerce Committee: Concerned Taxpayers of Waldwick request that S-797 and A-1607 be rejected by this Committee. The imposition of court-ordered binding arbitration would deteriorate the process of collective bargaining between democratically elected school boards and teachers' unions.

The teachers already enjoy the special privileges of guaranteed tenure with minimal accountability. They do not need any further immunity from the economic forces that exist in the real world. The zealous support that the NJEA has given

to these bills, which they have called one of their "top goals," is evidence that their enactment is not in the interest of the taxpaying public.

Police salaries have doubled in the ten years since binding arbitration was made compulsory for municipalities. Senator Cardinale was quoted by The Bergen Record as saying that, "For a while it worked, but now the PBA has learned how to manipulate the system." In 1990, the police unions prevailed in more than two-thirds of final arbitration awards statewide. There is no reason to believe that the NJEA will be any less adept at manipulating the system. Even under the present system, teachers' salaries have increased at a greater rate than those in private industry. It is time to get sanity into the teachers' contracts.

This proposed legislation will create a "crisis in negotiation" and will encourage teachers to engage in illegal strikes in order to achieve their goal of compulsory binding arbitration. Taxpayers will see their property taxes increase significantly because of the generous awards of the arbitrators who have, in effect, been granted dictatorial power over their tax rate.

In the next election the voters of New Jersey will weed out those public officials who devote themselves to special interest groups and abandon the taxpayers who elected them to office.

Senate Bill No. 797 and Assembly Bill No. 1607 should be rejected in the best interest of New Jersey taxpayers.

Senator, in closing, I'd like to ask if you'd please advise or advertise when and where your future meetings will be held?

Thank you.

SENATOR CARDINALE: For the benefit of the public, we do advertise our meetings. There are certain requirements under the law with respect to public notice and we give those.

I think the attendance here tonight is kind of witness to the fact that at least this meeting was widely known about. I think we can thank the newspapers for having put in a little blurb here or there. And they did put in a couple of little blurbs. I saw some of them. But these meetings do get advertised, sometimes -- to some degree -- even by word of mouth; people who do find out about it and tell others.

Gus Keeck, President of the Homeowners Association of Palisade Park?

P A T R I C I A R O D A L: Because Gus has a speech impediment, he's asked me to read his statement. My name is Patricia Rodal, and I'm from Palisades Park also.

This is a letter to Roma and Senator Kosco. Sorry. Assemblyman Roma and State Senator Kosco:

"Mr. Roma and Mr. Kosco, I, August Keeck, President of the Homeowners Association of Palisades Park, would like to take this opportunity to voice my opposition to your proposed bills, legislation A-1607 and S-797 for the following reasons:

"1) These bills have been proposed without adequate public notification. This secretive procedure surely favors the NJEA since local boards and New Jersey School Boards Association were not aware of their existence, and therefore, have not time to prepare logical arguments of opposition.

"2) These bills would allow a judge to impose binding arbitration when there is a salary negotiation dispute between a local school board of education and the teachers' union. They would also give the teachers the right to strike, and yet receive full pay. That fact alone weighs very heavily in favor of the NJEA, leaving the school boards with very little bargaining power. I believe it could lead to lengthy strikes and substantial tax increases to a public already overloaded, particularly in today's economy with many people out of work or who have had their salaries frozen.

"Police and firefighters whose contracts are subject to binding arbitration have been the winners in such situations. We, in Palisades Park, were imposed a 28 percent tax increase this year and cannot face the higher taxes that these bills would ultimately bring about. At the present time more than 50 percent of our taxes go to the schools.

"In all fairness there are undoubtedly some injustices in our present system, but to have a law that allows teachers to strike is unconscionable. People on strike remind me of small children who stamp their feet when they can't get their own way. Are we going to teach our children that they can get whatever they want and still be rewarded with salary?

"Mr. Roma and Mr. Kosco, please consider the loyal constituents who voted you into office to be their legislators, and see that we as citizens are treated with fairness, even as you try to remedy some of the bad situations that exist. These bills that you are proposing are definitely in favor of the NJEA. No legislator should cater to any special interest group. Must we be your watchdog? Please consider these facts, and withdraw A-1607 and S-797.

"Mr. Roma, Palisades Park is your hometown. The members of the Homeowners Association intend to start a petition against these bills unless you and Mr. Kosco agree to withdraw them.

"Respectfully, August Keeck, President."

SENATOR CARDINALE: Is there a Robert Feldman from Waldwick here?

ROBERT FELDMAN: Right here, sir.

SENATOR CARDINALE: You were on the same line as Mr. Smith. Do you have separate testimony?

MR. FELDMAN: No, sir.

SENATOR CARDINALE: Thank you.

MR. FELDMAN: Oh, I just want to mention one thing.

SENATOR CARDINALE: Surely. I thought we were going to get away with one. (laughter)

MR. FELDMAN: I'll be quick. It's in regard to our quest to give us public notice of any future meetings on this subject, because we really never got a notice of it as the public. We found out about it in a roundabout way. We saw no advertisement on it. And we, as an Association, called the school board members and called the School Board Association, and that's how they were notified. Everything was done almost at the last minute by telephone, and it was due to our organization finding out. So this, as far as we're concerned, was something that was happening for the teachers.

SENATOR CARDINALE: I just want you to know-- In my legislative office from the time that the notice was officially given until now, about 250 letters -- some in favor, some against -- have come in. Somehow, somebody found out about this meeting. I don't know how, but they did.

MR. FELDMAN: Sir, we found out. We're very active, and we called everybody all over the State.

SENATOR CARDINALE: I personally saw an ad in The Bergen Record.

MR. FELDMAN: And the superintendents called around.

SENATOR CARDINALE: I don't want to belabor the point. I personally saw a statement in The Bergen Record. It had a great big picture of Pat Roma. It was a huge article written about this subject and about the fact that we're going to have this meeting.

MR. FELDMAN: We put it in. (laughter) We're the guys.

SENATOR CARDINALE: That was a news article.

MR. FELDMAN: We're with you, but we're the messengers, and that's why we're making a simple request. If the two Congressmen (sic) want to pass this bill in conjunction with the teachers' union, let everybody have the information and then we'll decide it as we're doing now. This is the best way.

Thank you.

SENATOR CARDINALE: Let me just say something, because most of you really don't understand the legislative process. It's a unique thing for you to be at a legislative hearing. I don't think-- You know, there are some people who have testified early on who come to all the meetings, but most of you don't come to the meetings.

When a bill is introduced, that's a pattern for discussion. There are -- not always hearings like this -- but there are hearings at which things get refined and changed. And very often in the legislative process, a bill may be very different when it is recorded by the Committee and when it is eventually passed -- if it is eventually passed -- than it was when it was introduced. This is part of that process. Everything that everyone has said here tonight has been taken down by these recording devices, will be transcribed, will be part of a public hearing.

As the Chairman of the Committee, those members who are not here, will be given copies of that and-- I'm going to ask them not to vote if they don't read the public hearing record. Now, I can't enforce that because they have just as much authority to cast a vote in the Senate as I do. They represent the same number of people. They come from both parties, but we will attempt to make sure that everyone is knowledgeable about what all of the people who come here and testified have said.

If there is some better way that you could suggest for us to inform people-- We can't send out a general mailing to everyone in the State of New Jersey when we have a public hearing. We have a certain process that we go through. If you have comments that you would want to give to our Committee Aide about a way that you think might be better, we'll certainly consider that. There's no attempt to keep these meetings secret. Certainly if we wanted to keep it secret, we would

have had it in Trenton, you know? During the day, most of you would be at work. We don't intend to do that. It's a major issue. We want to have people have an opportunity to comment on it and give us their suggestions.

Thank you very much.

MR. FELDMAN: Senator, you have my respect and my trust. I suggest that in hearings of this magnitude that really affect the taxpayers, a notice be given to the newspapers and that would be sufficient.

Thank you very much.

SENATOR CARDINALE: Bernard Zatz, from Leonia?

B E R N A R D Z A T Z: Senator Cardinale, Chairman of the Commerce Committee, I'd like to communicate opposition to the proposed bill. The legislation as proposed would adversely affect the bargaining position of the boards of education.

The binding arbitration places negotiations into the hands of an appointed outsider who does not feel the effect of his decision on a community and the resultant effect of higher property taxes. It would also have an adverse effect on the quality of education, because as you increase the taxes, if the board of education has any empathy -- any sympathy -- for the taxpayers, they would tend to hold the line on total expenditures, and as a result, would be forced to cut back on various programs and increase class size.

The teachers' unions in recent years have requested and have been getting excessive salary increases on top of their existing excessive salaries. It is unreasonable and outrageous to pay teachers, including school librarians, gym instructors, school nurses, and guidance counselors, salaries when compared on an hourly basis that are double the compensation that is paid in private industry for similar functions.

It is wrong to put homeowners in a situation in which they could be required to pay exorbitant property taxes merely

to appease the teachers' unions which bases its arrogant demands on what some other community pays its school employees, rather than on what is paid by private industry for comparable skills on an hourly basis. It is unreasonable to have a pay scale that pays \$55 per hour for skills that private industry pays only \$15 to \$25 per hour.

In addition, it is inappropriate to grant salary increases that are double the inflation rate year after year as we have experienced in recent years. There's a need to have compassion for the typical taxpayers and homeowners whose salaries have been frozen, and for those who live on fixed incomes. We should not have a law that callously caters to the greed of the teachers' unions.

I would respectfully suggest that this measure not be reported out of Committee, and also hope that the sponsors withdraw this legislation from Committee. Support of this proposed legislation by any legislator should be viewed as a betrayal of the trust of the taxpayer.

Thank you.

SENATOR CARDINALE: Joseph Olivieri, United Homeowners of Fort Lee?

N I N A L E V I N S O N, Ph.D.: He has left. May I take his place, please?

SENATOR CARDINALE: Surely. Your name is?

DR. LEVINSON: I'm Dr. Nina Levinson, and you have me down--

SENATOR CARDINALE: You're on the list as well. Yes.

DR. LEVINSON: I'm on the list, too. Yes.

I'm Third Vice-President of the Homeowners Association. I agree with many of the previous speakers, and I'm not going to repeat what they have said. I'm opposing all of the legislation that's being considered, and I will enumerate that later on.

SENATOR CARDINALE: You know we're considering legislation? I hope you understand that.

DR. LEVINSON: Yes, I realize that. I will summarize that way.

SENATOR CARDINALE: That is the opposite of the bills that most people have talked about. There are bills in the Assembly that would have the opposite effect of some of this legislation. That's also under consideration. No one's commented--

DR. LEVINSON: Well, that would be appropriate bills to pass. (laughter)

I am also a member of the teachers' union, by the way, because I'm a Professor at Brooklyn College -- actually, I should say I'm a retired Professor, at this point. I keep forgetting it.

The union representative spoke of fairness. However, he forgot the fairness to the taxpayer -- namely, to us. We cannot afford it.

If there is any legislation which allows teachers to go on strike, it would be unconscionable. They will hold the children hostage and the ransom will be paid by the taxpayers. It is not for teachers to go on strike. I'm a teacher, myself, and I would have never gone on strike. I think that the teacher's first and utmost duty is toward the children and the education of the children, and the personal benefits are somewhat secondary. Our teachers are getting a very fair salary with very fair benefits, and they should not be so greedy as to want to go on strike and give our public -- our children, a really terrible, terrible time.

What else do I have here? I think it is the teachers' union that frequently is trying to arbitrate in bad faith. Arbitration -- mandatory arbitration and binding arbitration -- are against the interests of the majority of the people of New Jersey. It is the minority which would benefit in their pockets and the majority would fork over what they can no longer afford. I'm thinking, in particular, of those who are

living on Social Security, those who have lost their jobs and they're hanging onto their houses -- hopefully, that will be gone fairly soon -- and those on a fixed income that is forever dwindling with the increase in taxes that we are paying.

I'm opposing binding arbitration. I'm opposing permission to strike, and we need a cap for our schools as well as for our local taxes. Otherwise, both school boards and local officials will go haywire with our money.

Thank you.

SENATOR CARDINALE: Thank you.

Richard Thompson?

DR. LEVINSON: He also left.

SENATOR CARDINALE: Ann Campolongo?

A N N C A M P O L O N G O: Oh, gee.

SENATOR CARDINALE: See, I left the Fort Lee people toward the end because I figured you had a short ride to get home. (laughter)

MS. CAMPOLONGO: Thank you. We're still taxpayers, Senator Cardinale, regardless of where we live.

SENATOR CARDINALE: But, Ann, I've known you for so many years.

MS. CAMPOLONGO: I know. I was going to call you Dr. Cardinale, but in both professions, Doctor and Senator, you do a good job.

I won't be redundant. I oppose this bill. I deeply oppose this bill, and I'm sorry that Senator Kosco and Assemblyman Pat Roma are not here this evening. They had promised some of the members of our Coalition that they would be, but it's evident they don't want to hear anything contrast to this bill that they are sponsoring. So, I'll speak against them whether they're here or not. (laughter)

In contrast to this binding arbitration, which will raise taxpayers dollars immensely due to the fact that there is-- There's no statute or no law that says that the teachers

cannot strike. What there is, is case law, and this is what judges go by. When Little Ferry brought their predicament to a judge, the judge read case law. This is how he made his decision on the teachers going back to work. This binding arbitration supports striking. It tells us that the teachers are allowed to strike, that in 45 days -- within 45 days or up to 45 days -- they can stay away from their schools just so that they will get their increase in whatever salaries they wish.

Let me just read to you a bill that Assemblyman Roma and Assemblyman (sic) Heck is cosponsoring. This is in complete contrast to Pat Roma's bill regarding binding arbitration. This cosponsored bill with Assemblyman Heck and Pat Roma is called the Rebate Extension Bill, and in their words-- This is what Assemblyman Heck says. Then I will read what Assemblyman Roma says, and then you tell me if this binding arbitration and this bill don't go separate ways, and either Assemblyman Roma doesn't care or he's misinformed.

Assemblyman Heck said that, "Senior citizens who report less than \$3000 in income, excluding Social Security, are not required to file an income tax return." So this extension of a homestead rebate bill is for those people. It's to show them that they are extending this homestead rebate filing to the benefit of these homeowners and these taxpayers, senior citizens whose annual income, in this instance, is less than \$3000. There are many-- In the "Bergen County Planning Book of 1989" there were 10,000 senior citizens whose annual income was less than \$10,000, and that was how many years ago? Today, there are more.

And this is what Assemblyman Roma says about the bill: "To the elderly on fixed incomes, this rebate means a great deal. It can mean the difference between paying the rent or paying for groceries." There is something inherently wrong with a program that ignores the very people that it is designed to help.

And now, he has this bill come out -- binding arbitration -- which is allowing these same senior citizens that he wants to help-- It is telling them that they have to, out of their tax dollars, pay half the arbitrator's fee, pay an increase in the teachers' salaries because the teachers in no way, I mean, will go along with what the board of education is going to dispute with them. And the board of education, knowing some of the community's and the financial hardships in their communities-- This is why they go into dispute. What he's doing is totally wrong for the taxpayers of the State.

In another area of another paper, it says that Robert Broderick-- He's a lobbyist for the NJEA. Mr. Broderick dismisses predictions of widespread strikes, arguing that the school employees only walk out when pushed to extremes. What extremes? The extremes that they want higher salaries and that we can't afford it?

If this bill passes, it would estimate that no more than 1 percent of the districts would even be in a position to have binding arbitration each year. Well, if that's the case, why this bill? I don't understand. Why do we need a bill like this if he's saying -- if this supporter of the NJEA is telling us that even after this bill passed we will have only 1 percent of the teachers striking? This whole thing, this whole idea of binding arbitration and all these other legislative bills that are against the taxpayers, they're offensive to us. We've had problems with our tax laws long enough, and I think it's about time we get positive laws affecting -- not detrimentally -- but affecting us in a beneficial way.

I want to thank-- I won't go into anything else because it would be redundant. Everybody here wants to go to sleep. But, I just want you to know, Dr. Cardinale, Senator Cardinale, that I wish this bill rests in peace for eternity. (applause)

SENATOR CARDINALE: Al Friedman?

UNIDENTIFIED SPEAKER IN AUDIENCE: He left.

SENATOR CARDINALE: He's gone. John DiMetro? (no response) He left.

Ann, I guess you were the witness we were looking for all night. The last one.

I thank you all very much for coming to the meeting, for being more orderly than anybody thought you were going to be. There is no vote scheduled for this bill. I want you all to understand that. This has been a hearing so that we could develop information, and that's exactly what we are doing here. We're developing information and we will certainly--

C H A R L E S C. M I: I'm not on your list. Could I talk, too?

SENATOR CARDINALE: You're not on the list and you want to talk. Well, where are you from, sir?

MR. MI: I'll be very brief.

SENATOR CARDINALE: You can speak. Come. Come forward. You can speak.

MR. MI: First, I'm a believer of order. Well, I thank the distinguished legislators and the distinguished audience. First of all, I heard the Senator say, in your office you received for the bills and against the bills, roughly half and half -- something like that.

SENATOR CARDINALE: I didn't say that.

MR. MI: You didn't say that. Okay.

SENATOR CARDINALE: No, I said I received 250 letters. I didn't tell you whether it was half and half.

MR. MI: But, no, no. You didn't say that. But, tonight, can you, or anybody else -- your panel -- tell us what are the percentages for this bill, from the audience, what are the percentage against these bills? You know, can you give a rough ball park statement? How many are for this bill, and how many against it? Just a ball park statement?

SENATOR CARDINALE: I would think it would be safe to say that the majority of the witnesses who testified were against the bill.

MR. MI: Okay. The second one, I'm against these bills, too. But I would say, to stop considering the bills does not solve your problem or my problems.

What's your first priority? The bill said, and also to single out the teachers' association is not fair either-- We should introduce a bill to govern, to apply to all the unions, all the municipal organizations who can hold the gun out of your hand and my hand. One thing is that we don't want this bill.

What bill do we want? One bill we want is all these public contract settlements-- You know, we're against the mandate. No state should have a mandate, mandating all those municipal governments, which their taxes are billed annually, to mail the full tax to the homeowners of the labor settlement. The second one, we should have a bill, because you go to the market, right? You go to the store. Prices are high, you don't buy. But we should give the homeowner a referendum. Whatever the labor settlement by the municipal government official, not final; there's got to be a referendum of the taxpayers.

The third one, the State regulates the firemen -- volunteer firemen, and volunteer ambulance, but I think, as we stated, we should start to regulate -- to start some kind of voluntary teachers. Give them basic training. So, if the teachers were so concerned with the welfare of the children, they can take a pay cut. Myself, I want to say, right? Why they have to get an increase?

If that concern is so much about these children's welfare, I think let them take a pay cut. Why wouldn't they volunteer, like a volunteer fireman, volunteer ambulance? I mean, we don't need arbitration. We have a built-in

arbitration. The parents have their children-- They watch their children's welfare and education. Same time they watch their pocketbook. Right? So they have automatic ability and control. They're willing to pay; they're not willing to pay.

Another one to apply to all the unions, I know we should say any kind of arbitration cannot be final until voted for by the towns of residents. And also, the arbitration, if they have to be made, they have to be made no more than the original guideline published by U. S. government of the Cost of Living Index, with the consideration of the local economy and local general level of their income. So that's all.

I thank you very much, distinguished gentlemen.

SENATOR CARDINALE: Thank you. Everyone have a great, happy, healthy, holiday and New Year.

(HEARING CONCLUDED)

APPENDIX



New Jersey School Boards Association

Headquarters: 413 West State Street, P.O. Box 909, Trenton, New Jersey 08605
Telephone (609) 695-7600 Fax 609-695-0413

TESTIMONY BEFORE THE SENATE COMMERCE COMMITTEE ON BINDING ARBITRATION

by John M. Henderson, Associate Director
Governmental Relations Department
New Jersey School Boards Association

December 21, 1992

GOOD EVENING. I AM JOHN HENDERSON, ASSOCIATE DIRECTOR OF GOVERNMENTAL RELATIONS FOR THE NEW JERSEY SCHOOL BOARDS ASSOCIATION REPRESENTING THE 607 SCHOOL DISTRICTS IN THE STATE OF NEW JERSEY. WITH ME IS ESTHER STRASSMAN THE ASSOCIATION'S SENIOR ASSOCIATE DIRECTOR OF LABOR RELATIONS. WE ARE HERE TO EXPRESS THE NJSBA'S ABSOLUTE OPPOSITION TO S-797 AND A-1607, BILLS THAT WILL DRASTICALLY ALTER THE RELATIONSHIP BETWEEN SCHOOL BOARDS AND THEIR EMPLOYEES.

THE NJSBA SUPPORTS THE CURRENT SYSTEM FOR COLLECTIVE NEGOTIATIONS IN PUBLIC SCHOOLS, A SYSTEM GROUNDED IN THE BELIEF THAT THE PROCESS BELONGS TO THE PARTIES AND THAT MUTUAL AND VOLUNTARY AGREEMENT IS ESSENTIAL TO SUCCESSFUL LOCAL SETTLEMENTS.

NJSBA VIEWS THESE BILLS AS MOST DESTRUCTIVE TO A LOCAL COMMUNITIES INTEREST IN HAVING AN AFFORDABLE CONTINUOUS EDUCATION PROGRAM.

FIRST, S-797/A-1607 WILL AUTHORIZE STRIKES BY PUBLIC EMPLOYEES. IT LEGITIMIZES PUBLIC SCHOOL EMPLOYEE STRIKES BY AUTHORIZING THE USE OF COURT-ORDERED COMPULSORY ARBITRATION AS THE METHOD FOR RESOLVING LABOR

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DISPUTES. THESE BILLS, APPARENTLY INTENDED TO PREVENT OR AT LEAST MINIMIZE STRIKES, WILL HAVE EXACTLY THE OPPOSITE EFFECT: THEY WILL ENCOURAGE NEW STRIKES AND WILL EXTEND THE LENGTH OF EXISTING STRIKES. THIS IS WHAT WOULD HAPPEN.

THE BILLS WOULD ALTER PUBLIC POLICY DEALING WITH STRIKES. NOW, WHEN SCHOOL EMPLOYEES STRIKE AND A BACK-TO-WORK ORDER IS SOUGHT BY THE SCHOOL BOARD, THE COURT IS REQUIRED TO ORDER TEACHERS BACK TO WORK. THE COURT MUST DO SO BECAUSE IT IS THE PUBLIC POLICY OF THIS STATE THAT TEACHER STRIKES ARE ILLEGAL. THESE PROPOSALS CHANGE THAT POLICY TO REQUIRE THE COURT TO CONSIDER THE FACTORS LEADING TO THE STRIKE BEFORE DETERMINING THAT THE STRIKE IS UNACCEPTABLE. THAT SUGGEST THAT SOME STRIKES AND SOME INTERRUPTIONS OF EDUCATIONAL PROGRAMS ARE JUSTIFIED, AND THAT UNDER CERTAIN CIRCUMSTANCES, SCHOOL EMPLOYEES HAVE THE RIGHT TO WITHHOLD THEIR SERVICES FROM THE STUDENTS. THEREFORE, THESE BILLS CANNOT BE SEEN AS ANYTHING BUT THE FIRST STATUTORY AUTHORIZATION OF TEACHERS' STRIKES IN NEW JERSEY. THIS MUST NOT BE PERMITTED.

S-797/A-1607 THUS ADDS STRIKES TO THE ARSENAL OF THE LABOR UNION'S BARGAINING TOOLS. INSTEAD OF BEING AN ISOLATED AND ILLEGAL ACT TAKEN BY A FEW LOCAL UNIONS, STRIKES WILL BECOME A BARGAINING TOOL THAT WILL BE USED AND USED OFTEN. OVER THE PAST FOUR YEARS, AN AVERAGE OF LESS THAN FOUR DISTRICTS PER YEAR (LESS THAN ONE PERCENT OF ALL DISTRICTS!) HAVE HAD STRIKES, WHILE OVER 600 DISTRICTS HAVE COME TO AN AGREEMENT THAT BOTH PARTIES CAN HONOR WITHOUT RESORTING TO A STRIKE. IN PENNSYLVANIA, WHERE STRIKES BY SCHOOL EMPLOYEES ARE LEGAL, THERE HAVE BEEN AT LEAST 90 STRIKES DURING THAT SAME PERIOD OF TIME, ALTHOUGH PENNSYLVANIA HAS 100 FEWER DISTRICTS THAN NEW JERSEY.

S-797/A-1607 WOULD NOT ONLY ENCOURAGE NEW STRIKES BUT WOULD PROLONG EXISTING ONES. COURT-ORDERED MANDATORY ARBITRATION WOULD ALSO FORCE SCHOOL BOARDS TO MAKE UP DAYS LOST TO A STRIKE AND PAY STRIKING TEACHERS THEIR FULL PAY FOR THESE DAYS. THUS LABOR'S ABILITY TO RECOUP ITS FISCAL LOSSES ELIMINATES A MAJOR DETERRENT TO STRIKE. TEACHERS CAN STRIKE SECURE IN THE KNOWLEDGE THAT THEY WOULD SUFFER NO ECONOMIC LOSS, NO MATTER HOW MANY DAYS THEY STRIKE.

UNDER THESE BILLS ACCESS TO INTEREST ARBITRATION IS AVAILABLE ONLY AFTER A STRIKE. UNIONS INVOLVED IN DIFFICULT NEGOTIATIONS IN AN ACRIMONIOUS RELATIONSHIP CAN SLOW DOWN THEIR NEGOTIATIONS TO FORCE A STRIKE AND THEN GO TO THE COURTS FOR AN ORDER TO SUBMIT UNRESOLVED ISSUES TO ARBITRATION. THERE WILL BE MORE STRIKES; OF THAT WE CAN BE SURE.

WHICH LEADS TO OUR SECOND REASON FOR STRONGLY OPPOSING THIS LEGISLATION, IS ~~THAT~~ S-797/A-1607 WILL INEVITABLY DRIVE UP THE COSTS OF SCHOOL DISTRICT SETTLEMENTS. UNDER OUR EXISTING BARGAINING STRUCTURE, SCHOOL NEGOTIATIONS HAVE RESULTED IN A CONTINUOUS DOWNWARD SPIRAL OF SETTLEMENT RATES. THIS TREND WHICH IS EXPECTED TO CONTINUE UNDER THE CURRENT SYSTEM WOULD BE BROKEN BY THE ENACTMENT OF THESE BILLS. WHY? BECAUSE BOARD MEMBERS, ARE SENSITIVE TO THE DISRUPTIVE ASPECTS OF A STRIKE AND ARE COMMITTED TO PROVIDING UNINTERRUPTED EDUCATIONAL PROGRAMS. FACED WITH THE THREAT OF LEGAL STRIKES, BOARDS WILL BE HARD-PRESSED TO RESIST DEMANDS TO CONCEDE TO UNION POSITIONS. PRESSURE FOR A BOARD TO CONCEDE BEFORE THE STRIKE IS REINFORCED BY THE EXISTING PATTERN OF NEW JERSEY'S FIRE FIGHTERS AND POLICE COMPULSORY ARBITRATION AWARDS WHERE, HISTORICALLY, LABOR HAS PREVAILED IN MORE THAN TWO-THIRDS OF THESE CASES. IN CONNECTICUT, A STATE WITH BINDING ARBITRATION FOR SCHOOL EMPLOYEE DISPUTES,

THAT RATE IS 75 PERCENT. NO WONDER CONNECTICUT HAS MOST RECENTLY PASSED ALASKA AS HAVING THE NATIONS HIGHEST PAID TEACHERS. IF BINDING ARBITRATION WERE PASSED HERE, SCHOOL OFFICIALS LIKE MUNICIPAL OFFICIALS--AWARE OF THESE ODDS--WOULD PROPOSE PAY PACKAGES THAT ARE MORE GENEROUS THAN THEY WOULD OTHERWISE OFFER. SETTLEMENTS WILL, THEREFORE, BE HIGHER; OF THAT WE CAN ALSO BE SURE.

THE THIRD REASON FOR NJSBA'S STRONG OPPOSITION TO S-797/A-1607 IS THAT IT AUTHORIZES A NONELECTED, UNACCOUNTABLE ARBITRATOR TO IMPOSE THE COST OF EMPLOYMENT UPON TAXPAYERS. THE ARBITRATOR'S RELIANCE ON EXISTING PATTERNS OF SETTLEMENT, SUCH AS COUNTY SETTLEMENT AVERAGES, PERPETUATES THE STATUS QUO AND DELAYS LOCAL DISTRICT RESPONSES TO CHANGING ECONOMIC CONDITIONS. ARBITRATORS CAN AND HAVE ORDERED SETTLEMENTS IN EXCESS OF A MUNICIPALITY'S BUDGET CAP, THUS REQUIRING THAT MUNICIPALITY TO CUT SERVICES IN OTHER AREAS. DO WE WANT ARBITRATORS TO HAVE THAT SAME POWER OVER OUR SCHOOLS? DO WE WANT AN ARBITRATOR'S AWARD TO SET THE LENGTH OF THE TEACHER'S WORK DAY? TO DETERMINE THE NUMBER OF CLASSES TAUGHT BY TEACHERS? TO ESTABLISH LIMITS ON THE AMOUNT OF TIME TEACHERS SPEND WITH THEIR STUDENTS? WE THINK NOT--BUT THESE ARE ALL ISSUES THAT WOULD COME BEFORE OUR ARBITRATOR ALONG WITH THE COSTS OF INCREASES IN SALARIES AND BENEFITS.

ALL OF THESE NEGOTIABLE ISSUES ARE CURRENTLY DETERMINED BY THE PARTIES IN LOCAL NEGOTIATIONS THAT ULTIMATELY RESULT IN VOLUNTARY AGREEMENTS--AND IN 99.53 PERCENT, THE PARTIES HAVE SHAPED THEIR SETTLEMENTS WITHOUT RESORTING TO STRIKES. HOWEVER, THE PROCESS IS NOT ALWAYS EASY. REACHING CONSENSUS TAKES TIME--UNIONS AND BOARDS APPROACH THESE ISSUES FROM DIFFERENT PERSPECTIVES AND THE LAW DOES NOT REQUIRE EITHER PARTY TO CONCEDE ON ANY ISSUE. BARGAINING IN

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GOOD FAITH DOES NOT REQUIRE "GIVING IN." IN TIMES OF SHRINKING RESOURCES WHERE SCHOOL EMPLOYEES ARE PERCEIVED TO HAVE ACHIEVED IMPROVED ECONOMIC STATUS AND STRONG JOB SECURITY, TAXPAYERS ARE UNWILLING AND UNABLE TO SUPPORT CONTINUOUS OUT-OF-LINE INCREASES. BOARDS' BARGAINING POSITIONS REFLECT THESE CONCERNS--AND REACHING CONSENSUS TAKES LONGER AND IS MORE DIFFICULT--BUT THIS DOES NOT MEAN THAT THE SYSTEM HAS BROKEN DOWN. ON THE CONTRARY, IT MEANS THAT THE PROCESS IS RESPONSIVE TO CHANGING CONDITIONS--BUT IT CONTINUES TO YIELD A LOCAL AND VOLUNTARY BALANCE BETWEEN THE NEEDS OF THE UNION AND THOSE OF THE COMMUNITY. AND WHILE THE PARTIES ARE WORKING ON REACHING A CONSENSUS, HOWEVER LONG IT MAY TAKE, THE EMPLOYEES REMAIN COMPLETELY COVERED BY THE EXISTING CONTRACT WITH ALL OF ITS PROTECTIONS, HEALTH BENEFITS, AND SALARY INCREASES BASED ON MOVEMENT ON THE SALARY GUIDE. AND WHEN THE NEW CONTRACT IS NEGOTIATED IT IS THE NORM TO MAKE ALL ADDITIONAL INCREASES RETROACTIVE.

THIS YEAR, THERE HAS BEEN ONLY ONE SCHOOL DISTRICT STRIKE IN NEW JERSEY, A STATE WITH MORE SCHOOL DISTRICTS THAN PENNSYLVANIA, WEST VIRGINIA, DELAWARE, AND MARYLAND COMBINED. THIS IS NOT TO DIMINISH THE PAIN AND FRUSTRATION EXPERIENCED BY EVERYONE INVOLVED IN THAT OCCURRENCE AS MUCH AS IT WAS TO PUT IT INTO STATEWIDE PERSPECTIVE. CLEARLY, IT WAS ONE STRIKE TOO MANY.

HOW, YOU MAY ASK, WOULD NJSBA CHANGE THE NEGOTIATIONS PROCESS TO AVOID EVEN THE ONE STRIKE WE HAVE HAD ^{THE} LAST YEAR?

WE DO NOT BELIEVE THAT DISRUPTIVE TEACHER STRIKES ARE DETERRED BY JAILING STRIKING TEACHERS. IT DEMEANS THEM PERSONALLY, EMBITTERS THEM WHEN THEY DO RETURN, MAKES THEM MARTYRS TO OTHER TEACHERS AND, IN ALL WAYS IMAGINABLE, MAKES A BAD SITUATION WORSE. WE BELIEVE THE LEGISLATURE SHOULD PASS A

Testimony
by John M. Henderson

-6-

NEW JERSEY VERSION OF NEW YORK'S TAYLOR LAW. THERE, STRIKING SCHOOL EMPLOYEES LOOSE TWO DAYS PAY FOR EACH DAY THEY ARE ON STRIKE AND THE EMPLOYEE UNION WOULD BE FINED AT A FIXED RATE PER UNIT MEMBER FOR EACH DAY THE STRIKE CONTINUES.

HOW WELL DOES THAT WORK? LAST YEAR IN ONE OF THE FEW STATES WITH MORE SCHOOL DISTRICTS THAN NEW JERSEY (750), THERE WERE NO STRIKES IN NEW YORK. HOW FAIR IS IT? LAST YEAR NEW YORK TEACHERS WERE THE NATION'S THIRD HIGHEST PAID...JUST AHEAD OF THE NATION'S FOURTH BEST PAID TEACHERS, THOSE FROM NEW JERSEY. WHY DOES IT WORK? BECAUSE THERE IS NO JUDICIAL LATITUDE AND ALL PARTIES KNOW EXACTLY WHERE THEY STAND BEFORE THEY ACT.

IN CONCLUSION, S-797/A-1607 LEGITIMATES AND WILL THUS CAUSE AN INCREASE IN STRIKES SO THAT THE UNIONS CAN MAKE USE OF THE BARGAINING TOOL OF BINDING ARBITRATION. AND WHERE STRIKES ARE MADE LEGAL THEY WILL BE USED. THE PENNSYLVANIA EXPERIENCE TELLS US THAT. S-797/A1607 WILL DRIVE UP THE COSTS OF SETTLEMENTS. THE CONNECTICUT EXPERIENCE TELLS US THAT. THE CURRENT PATTERN OF SETTLEMENTS ACHIEVED IN 99.53 PERCENT OF THE CASES VOLUNTARILY ENTERED INTO BY BOARDS AND TEACHERS HAS RESULTED IN TEACHERS IN NEW JERSEY BEING THE FOURTH HIGHEST PAID IN THE NATION. YET, THE PROCESS COULD BE IMPROVED BY ELIMINATING THE THREAT OF ILLEGAL INTERRUPTIONS IN STUDENTS' EDUCATIONAL PROGRAMS.

OUR SYSTEM COULD BE MADE BETTER AND WE HAVE SUGGESTED ONE WAY. BUT WE ASK YOU TO LOOK HARD AT THESE FACTS. WE BELIEVE THAT ANY READING OF THEM WILL LEAD YOU TO CONCLUDE THAT DESPITE ITS ROUGH SPOTS, OUR CURRENT SYSTEM HAS SERVED THE STATE WELL.

THANK YOU.

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STATEMENT

The Legislative Committee of the Bergen Municipal Coalition seeks amendments to the Public Laws of 1977, c. 85, regarding regulations of increases in awards to Public Fire and Police Departments through arbitration, specifically, seeking a bill that provides the following:

1. Shall in no case consider any factor which compares the overall compensation offered by the municipality with that offered by any other employer, unless they first determine that the municipality has the financial capacity to fund a settlement which is based on such a comparison;
2. Shall, if the arbitrator or panel of arbitrators do consider any factor which compares the overall compensation offered by the municipality with that offered by any other employer, make comparisons only with municipalities which are similar to the municipality involved in the dispute with respect to fiscal status, per capita income, overall compensation levels, including the cost of wages and benefits, and any other relevant factor.
3. Prohibit an arbitrator or panel of arbitrators from making an award which includes an annual percentage increase in the overall rate of compensation, including the total cost of wages and benefits and any other item which has a financial value, which exceeds the percentage increase permitted for by the municipal budget in accordance with the Budget CAP established pursuant to P.L.1976, c.68 (c.40A:4-45 et seq.) or the CPIW National Index.
4. The Bill shall require that an arbitrator be a resident of the county in which the dispute is located. The arbitrator shall also have experience in municipal finance or management, together with an understanding of the Municipal CAP Law and the sources of municipal revenue, in an amount and of a quality deemed appropriate by the Public Employment Relations Commission. The Commission shall also require, if necessary, training for arbitrators in these areas and shall determine the ability of the arbitrator through testing and certification.
5. The choice of an arbitrator or panel of arbitrators shall be made by the Public Employment Relations Commission on a lottery basis from the pool of certified arbitrators. No party to a dispute shall be permitted to be part of the process of selection of arbitrators or panel of arbitrators which decides a dispute. No arbitrator shall hold an elected or appointed office in State, County or Municipal Government other than be a member of the pool of arbitrators, nor shall an arbitrator be associated with the PBA or FMBA in any way, nor be a member of a municipal, county, or state Police Department or any paid or volunteer Fire Department.

Police wages soared in '80s

Salaries tripled for patrol cops

By Joe Donnelly
Record Trenton Bureau

TRENTON — Salaries of Bergen County municipal patrol officers who joined their departments in 1981 have more than tripled, on average, during the past decade, according to a recent survey of some two dozen Bergen towns by the New Jersey State League of Municipalities.

Higher-ranking police officers also fared well, though not as handsomely as patrol officers. The soon-to-be-released survey shows that chiefs' salaries have more than doubled over the same period.

The examination of police salaries in Bergen is the first of eight such surveys that the league hopes to conduct around the state over the coming months. Passaic County figures may be released as early as next week.

If the surveys in other areas of the state turn out like the one in Bergen County, municipalities could have a new heap of ammunition as they attempt to slow the decade-long growth in police salaries.

The data also could strengthen the resolve of state lawmakers, who are considering changes in laws that allow firefighters and police officers to gain lucrative binding arbitration awards when contract negotiations with municipalities reach impasses.

The higher salaries not only cause municipal payrolls to rise, but they also force towns to contribute more money each year to state-administered police pension funds, said Albert J. Wolfe, chief of the league's bureau of municipal

Are police salaries rising too sharply?

IN THE last year, New Jerseyans became aware that public school teachers had done well — very well, actually — in salary bargaining in the Eighties. Not much attention was paid to other employees of local government, though. Now we learn that police officers have been keeping pace with the teachers.

Police salaries doubled in the last decade, rising half again as fast as the cost of living. An informative, even eye-opening, report by The Record's Jenny DeMonte last Sunday told of town after town where police officers with five or six years' experience are paid \$46,000, \$48,000, even \$50,000 a year. Salaries like these have fueled soaring property tax rates.

Police work is often tedious but sometimes dangerous. An officer can put in day after day of routine patrol but be confronted without warning with a terrifying challenge: a demented nian holding a knife to a child's throat, a domestic dispute in which husband and wife combatants suddenly join in attacking the investigating officer. A good cop is also a diplomat, skilled at community relations. For too many years police officers, like teachers, were paid salaries that did not fully recognize their contributions to society.

Those days are gone, and good riddance to them. The question now is whether the locomotive propelling police pay increases has such a head of steam that salaries will hit six figures by the turn of the century. At the present rate, they will. This is unacceptable.

What can be done? The first step is public recognition that we have a problem. Ms. DeMonte's survey is of great assistance here. The second step is recognition that salary arbitration tends to favor police unions at the expense of municipal employers and the taxpayers who ultimately pay the bill.

There are several reasons.

First, the union knows that in "final offer" arbitration, it will at worst have to accept the town's proposal. The town has an incentive not to low-ball this offer, because if it is disregarded by the arbitrator as unrealistic, the only alternative is the union proposal,

which is always higher.

Second, arbitrators give a lot of weight to what police unions in nearby, comparable towns have won. There is a mutually reinforcing, ratcheting effect, one that teachers also discovered.

Third, arbitrators have given scant weight to the argument that towns just cannot afford a proposed pay raise. The arbitrators' response has been that local governments can always raise taxes.

The picture is not entirely bleak. The new, state-imposed municipal budget cap, limiting spending increases to 4.5 percent a year, will give arbitrators an objective measure of a town's ability to pay higher salaries.

What else can be done? The state law permitting arbitration of police-pay disputes could be amended, to tighten procedures or impose a statutory limit on pay in-

creases. Because police have significant influence in the Legislature, the chances of such legislation becoming law have seemed slim. But that was before the scale of the problem became apparent.

Another possible statutory revision would give the state Public Employment

Relations Commission authority to monitor and intercede in salary negotiations, to head off premature arbitration. That would also face tough opposition in the Legislature. But just because a fight is likely doesn't mean it shouldn't be undertaken.

Municipalities could contest excessive arbitration awards in court. The problem here is that the chances of success are slim. Judges usually defer to arbitrators on questions involving labor-relations expertise.

Another strategy is for towns to lay off employees, particularly policemen, to balance salary accounts. That would confront police-union bargainers with a choice harsh enough to moderate demands. The flip side of that course is that it diminishes the ability of the police department to serve and protect the town.

One thing's clear. The status quo is intolerable.

Police salaries could hit six figures by the year 2000.

PBA has winning tactic on raises

From Page A-1

three-year, 30.21 percent award — which exceeded most of them. The borough's offer had been 20.8 percent.

As a result, a hefty pay raise in one town could presage a similar boost in another. The effect is called "whipsawing" by federal labor experts.

Attorney Richard Loecke, who represented the police in Tenafly and Clifton as well as most police unions in North Jersey, discounts the notion, arguing that police deserve to be paid similar wages.

"There is a going rate for police, established through negotiations and arbitration," he said. "It should be similar among similar communities."

Political consequences

Critics argue that arbitrators rely too heavily on comparability and ignore other criteria. In 1990, as the economy and real-estate market crumbled, arbitrators should have paid more attention to issues like the cost of living and the municipality's ability to pay.

"We lose control over what we want to pay police because of binding arbitration," said Roger Kemp, Clifton's city manager. "It really ends up depending on what every other police department is earning." Arbitrator Jeffrey Tener said comparability has been the most convincing argument in arbitration cases. "It is a strong, easy comparison to make. And it is very convincing," he said.

Union officials, on the other hand,

maintain that their municipal counterparts sometimes take advantage of the third-party process to duck the political consequences of having to fund generous increases. Officials offer an unreasonably low package during arbitration hearings and then wink at police, who ask for what both sides have already agreed to, critics contend.

"It's easy for them to blame a contract on an arbitrator."

— Police lawyer
Richard Loecke

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The Sunday Record

\$125

Police salaries belie recession

PBA wins by comparisons

When it comes to arbitration, police and municipal officials agree on one thing: The Policemen's Benevolent Association's record of success can largely be attributed to a strategy of keeping the arbitrator's attention focused on the raises that have been granted by adjacent communities.

Comparability among salaries is just one of eight standards arbitrators must consider under state law. Yet in case after case, the arbitrators cite salaries paid to

other police departments as the reason for awarding a similar increase.

In Clifton, for instance, arbitrator Joel Weisblatt listed annual pay raises for every Passaic County community, then gave city police a 28.36 percent raise over three years that put them in the top third. The city had offered 17.42 percent.

And in Tenafly, arbitrator Michael S. Murray cited raises in 16 nearby Bergen County communities to back up his

See PBA Page A-12

PAYING THE POLICE

■ Percentage raises in 1990 more than doubled those of the private sector.

■ Salaries for patrolmen are pushing above \$50,000.

■ Pay has increased faster than the cost of living.



Increases of 9% are the norm

By Jenny DeMonte
Record Staff Writer

For many North Jersey workers, these are grim economic times. But for the region's police officers — and the state arbitrators who often have the final say on their salaries — the roaring Eighties never ended.

During 1990, with the economy stumbling into a recession, arbitrators doled out average annual raises of 9 percent to police unions in Bergen and Passaic

counties — higher than the region's inflation rate of 6.2 percent and more than double the 4.1 percent jump in private-industry salaries.

Backed by the state's binding-arbitration laws, police unions in most North Jersey municipalities have managed to double salaries in the last decade — a rate of increase well above the 66 percent rise in the cost of living for the period.

See COPS Page A-12

PAYING THE POLICE

How arbitrators are chosen in N.J.

By Jenny DeMonte
Record Staff Writer

The state's arbitrators are a group of 60 independent contractors who are assigned to cases by the Public Employment Relations Commission and are paid directly by the parties.

Arbitrators in New Jersey earn \$500 per session, with up to six sessions per case. Taxpayers end up footing the government employer's half of the bill as well as the fees of any negotiator hired by the municipality, which can run to \$10,000 for a labor attorney in a complicated case.

To be assigned to a case, an arbitrator must be included on a list of seven names submitted by PERC to the two parties. Each party then strikes three names from the list and ranks the remaining four, with PERC comparing the edited lists and assigning the case to the top finalist.

Critics say the selection process allows favoritism and blackballing.

PERC officials decline to disclose how

they choose the seven names, but several attorneys who routinely represent government employers claim the names of a half-dozen arbitrators appear regularly, while other names never show up.

"I recently did a review of lists and there were certain names that were listed with disproportionate frequency," said Robert Murray, a management attorney who has represented Atlantic City and Camden. "There's a quip among attorneys that 90 percent of arbitration cases got handled by 10 percent of the arbitrators. Maybe it's not a joke."

PERC's report of 1990 awards shows that nine arbitrators handled more than 65 percent of the cases. And one arbitrator, Joel Weisblatt, who handled the Clifton case, presided over 20 percent of the 125 cases in which an arbitrator was involved in an award.

Colleagues say Weisblatt's busy workload is a function of his skill. Weisblatt's records show that the majority of cases he

handles end up in a voluntary settlement by the two parties.

"He is very good at getting the parties to agree," said arbitrator Jeffrey Tener.

The records of other arbitrators paint a different picture. David Stein sided with the police in four of his six cases. In Bergenfield, Waldwick, South Hackensack, and Wyckoff. In two conventional awards, he gave a two-year package totaling 19.26 percent to police in Demarest and a three-year package totaling 28.36 percent to Fairview police.

Thomas DiLauro sided with the union in three of the four cases he handled — one was an award to a firefighters union — and, in his only conventional award, gave a three-year package totaling 29.6 percent to the police in Norwood.

In general, most arbitrators have graduate degrees in industrial relations and most have held jobs with PERC, a university, or a labor organization.

Like arbitrators across the nation, they

follow guidelines set by national arbitration associations, designed to prevent any compromising of their ability to be neutral.

In real life, that means they can chat with labor or management lawyers at cocktail parties, but not about cases or their attitudes toward negotiations, said Robert Glasson, PERC's director of conciliation and arbitration.

PERC, which is part of the state Labor Department, is responsible for overseeing the rights and rules of public employees throughout New Jersey, including arbitration.

The seven-member commission is appointed by the governor. Its chairman, James W. Mastriani, makes \$85,000 annually. Staff members, including Glasson, report to the commission.

While the commission does not have oversight on awards — appeals are made to the state courts — PERC can bar an arbitrator because of what it decides is unsatisfactory performance.

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Binding arbitration method under fire

by TERRI CORCORAN

TWIN-BORO NEWS AREA

Plans to petition the state to change the present law on the use of binding arbitration to settle municipal salary disputes are underway.

Representing 16 Bergen County towns, 55 members of the Bergen Municipal Coalition met on Sept. 30 at the Bergenfield Borough Hall. In a presentation to the members and State Assemblyman Patrick Roma (R - Palisades Park), John Rooney (R - Northvale), and Charlotte Vandervalk (R - Northvale), Bergenfield Borough Administrator and Coalition Chairman Gerard Leary demonstrated the conflict within the system stemming from the rising cost of borough police and fire departments against the falling percentage of budget increases.

Limited by state mandated budget restrictions, municipalities may increase their budgets by the percentage set forth from the state. In 1992, while the Bergenfield Police Department's salaries increased 9.5 percent, the budget increased 4.5 percent. In 1993, Bergenfield police salaries will increase 6 percent while the cap law is expected to permit the budget to increase 2.5 percent, according to Barry Skokowski, director of the Division of Local Government Services, at a financial officers legislative update meeting.

As police salaries consume greater percentages of the

budget, other services or municipal salaries will not receive proportionate increases.

"Municipalities cannot afford to give out these kinds of raises," said Legislative Committee Chairman and Emer-

son Mayor Harvey Truppi.

Under the present arbitration system, borough officials submit an offer and the Policemen's Benevolence Association (PBA) submits an offer. If the two parties cannot agree upon an amount, an ar-

bitrator will be selected by the attorney representing one of the parties. The arbitrator will examine the options and select one of the amounts. Both parties must accept the arbitrator's decision.

"In the 1980s, policemen's

salaries tripled," said Leary. "They could reach \$100,000 by the year 2000. Presently, the average police officer in Bergenfield with a complete package of base salary, benefits, and overtime, costs the town more than \$70,000.

There are 45 police officers in Bergenfield.

"There are many services and employees supported by municipalities; we must look into the whole picture," said Vandervalk. "We want to bring this into balance. It is a fairness issue."

"We are not anti-police, we are not anti-fair wage," said Truppi. "We have the least control over the singular largest part of the budget." The coalition expects cutbacks or layoffs if the increases continue despite the shrinking budget cap.

Bergenfield PBA President Kenneth Otto does not view the police department as over-compensated. "Many police officers I know are working two or three jobs to supplement their income," said Otto. Additionally, the police department in Bergenfield did not use an arbitrator this year and took a reduced increase from 9.5 percent to 6 percent while reducing starting salaries for new police officers by \$10,000.

"By working together we were able to accomplish the hiring of new officers to replace six who are retiring before they actually retired, which was never done before," said Otto. In the long run, this saved the borough by not leaving the police department short staffed during the year-long training period for the new officers.

Sgt. Rick McGarril said that the \$70,000 figure quoted by the borough is not completely paid (continued on page 18)



SALARY SETTLEMENTS - Bergenfield Borough Administrator and Bergen Municipal Coalition Chairman Gerard Leary speaks to representatives of 16 Bergen County towns about binding

arbitration and changing the system for deciding on municipal salaries.

(Photo by Tab Seaman, C.P.P.)

THURSDAY, OCTOBER 1, 1992

BERGEN

Bergen towns seek curbs on police pay contracts

By S. ROY GRAHAM
Record Staff Writer

BERGENFIELD — A coalition of Bergen County municipalities says police salaries are spiraling beyond the means of communities, and it is urging the state to change the law on binding arbitration.

Gerard Leary, Bergenfield's administrator and chairman of the Bergen Municipal Coalition, said Wednesday night that the average patrolman cost Bergenfield more than \$70,000 in base pay, overtime, and fringe benefits last year.

The coalition projects that increases in police salaries in 1993 would be 9.5 percent, he said, and municipalities have been told the state-mandated cap on spending would be 2.5 percent.

"How do you take 9.5 percent out of 2.5 percent without diluting municipal services?" Leary said.

Leary said the coalition wants to change the state's Interest Arbitration Statute, which requires state-appointed arbitrators to take into account "the going rate of increase" in police and firefighters' salaries in other municipalities.

Leary said if the PBA in one municipality negotiates an agreement for annual pay increases of 9 percent, arbitrators are bound to take that into account in settling contract disputes, even if taxpayers in another community can't afford to pay that kind of money.

There is an inherent conflict, Leary said, between the system of

arbitrating salaries of police and firefighters and the state's cap on municipal spending increases. He said the cap is often far lower than the arbitrator-ordered raises for a payroll that makes up the bulk of municipal budgets.

"It is difficult [for municipalities] when one law says do not spend more than 2.5 percent and the other law says spend more than 9.5 percent," Leary said. "We want to provide enough information for our legislators to change the existing law."

Representatives of the Bergen Municipal Coalition — a group of about 17 municipalities — said Wednesday night that in the last 10 years binding-arbitration rulings have favored the police and firefighters unions.

"There is nothing wrong with that," Councilman William S. Saunders of Tenafly, vice chairman of the coalition, said before the meeting. "But over the past decade, police salaries have doubled, and it hurts. It hurts a lot when we are ordered to pay 8 percent annual raises and at the same time the state caps municipal spending increases at less than 5 percent."

Saunders said Wednesday that police and firefighters in most North Jersey communities received average annual raises of 7 percent and 8 percent last year, even though raises in the private

sector averaged 3 percent and 4 percent.

"In effect, the state is asking taxpayers to subsidize raises for the [Policemen's Benevolent Association] public-sector workers that are substantially higher than raises in the private sector," Saunders said.

He said if the law isn't changed, municipalities would be forced to cut services in order to pay state-mandated salary increases for police and firefighters.

Assemblyman John E. Rooney, R-Northvale, Assemblyman Patrick J. Roma, R-Palisades Park, and Assemblywoman Charlotte Vandervalk, R-Montvale, attended the meeting, and all agreed that the statute needs to be revised.

Although the Bergen County League of Municipalities, which represents 58 of the county's 70 communities, was also meeting Wednesday, Saunders said there was no conflict. The league, he said, focuses on many issues that affect municipalities in the county. "We are a single-focus group," Saunders said.

Roma said several bills are pending in Trenton that would amend the system in several ways, including requiring that arbitrators consider a community's ability to pay. The Bergen County League of Municipalities and several communities have publicly supported those proposals.

11X

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RICHARD E. BENFIELD Editorial Page Editor
JAMES AHEARN Senior Editor

Big police raises amid the recession

TIMES are hard in New Jersey. Lots of people are out of work. Those who still have jobs are getting by on raises of 2 or 3 percent a year. Or nothing. And in some cases, pay cuts. That's in the private sector.

In the public sector, the picture is much rosier. Police officers are doing well. Very well. They have been winning contracts with annual raises of 7 and 8 percent and more. In the last decade police salaries in the state have more than doubled, while the consumer price index rose only 66 percent.

Police work is demanding, sometimes dangerous. Officers were underpaid for years, and no one wants to return to those days.

Officers deserve a living wage. But the wage-negotiations process has gotten out of whack. For instance, the state-imposed cap on municipal spending has been running 4.5 percent a year. Next year it is scheduled to drop to 2.5 percent. But police salaries

next year will rise 9.5 percent, according to the Bergen Municipal Coalition, a new organization.

Gerard Leary, Bergenfield's administrator and the chairman of the coalition, asks, reasonably, "How do you take 9.5 percent out of 2.5 percent without diluting municipal services?" Salaries account for more than half of the typical town budget. If police pay rises more than twice as fast as the cap will allow, the rest of the budget has to be cut.

The key factor in police salaries has become wage arbitration. If a town and its police force cannot come to terms in regular negotia-

tions, an arbitrator is chosen. He chooses the final offer of one side or the other. He cannot legally pick and choose from both offers, melding the two.

Police unions in North Jersey won a majority of recent arbitration awards. Police negotiators gave special attention to comparability, the theory that the salary won by police in one community sets a standard that should apply in neighboring towns. Municipalities would protest in vain that they couldn't afford Cadillac salaries on Chevy revenue bases. The answer would come back, "Well, you can always raise taxes."

Thankfully, the pace of high arbitration awards is slacking a bit. But even when towns win, they are getting stuck with substantial labor bills. Ridgewood "won" a two-year struggle with its officers, when the arbitrator ruled for the village. The victory means raises of 6.75 percent in one year and 5.75 percent the

next. Haledon won big, it was thought, when it was stuck with paying only 17 percent more for a three-year contract.

Remedial legislation is pending in Trenton. It would require arbitrators to take into account a town's ability to pay. It would also limit salary and benefit increases to the maximum allowed under the state cap law. The police unions are powerful, and until recently the legislation was given little chance of passage. But now that may be changing.

The time has come to redress the imbalance between recession-hit towns and their police.

How do you give police large pay hikes without cutting municipal services?

12X

The Record

TUESDAY, OCTOBER 27, 1992

State limits town budget hikes to 1.5%

Ceiling had been 4.5%

By JOHN MOONEY
Record Staff Writer

North Jersey officials got a jolt Monday when the state announced that it will place a cap of 1.5 percent on increases in both spending and taxation in 1993 county and municipal budgets — a sharp drop from the 4.5 percent of this year.

The cap is based on a formula that takes in inflation and spending nationwide. The recession and low inflation rate have contributed to bringing the 1993 spending ceiling to an unprecedented low.

Counties and municipalities can exceed the new cap, but not with-

out risking some political repercussions.

How low is it?

"It's so low it might as well be nothing," said North Arlington Mayor Leonard Kaiser.

And Pompton Lakes Administrator Art Magnotti said: "It's like pouring 10 gallons of water in an eight-ounce glass. It just isn't going to work."

A spokesman for the state Department of Community Affairs stressed that, as in other years, the county and local governments could go up to a 5 percent increase, if there was a separate vote of the governing body.

Wanaque Administrator Kevin Boyle alluded to that "wiggle factor," saying: "Right now, we don't have a cap problem. Everybody has an opportunity to go to 5 percent. Nobody is locked in."

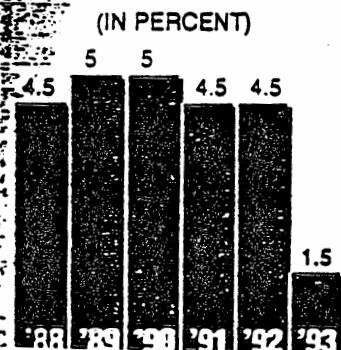
But the cap puts county and local governments on the political defensive.

"The cap establishes a standard that everyone is held to," said Jay Johnston, spokesman for the department. If governments wish to exceed the cap, Johnston said, they must do so by ordinance, which requires a public hearing.

The cap limits increases in a county's tax levy and in municipal spending that relies on taxation. The cap announced Monday is for governments with calendar year budgets that begin Jan. 1. Governments with fiscal year budgets that begin July 1 — communities

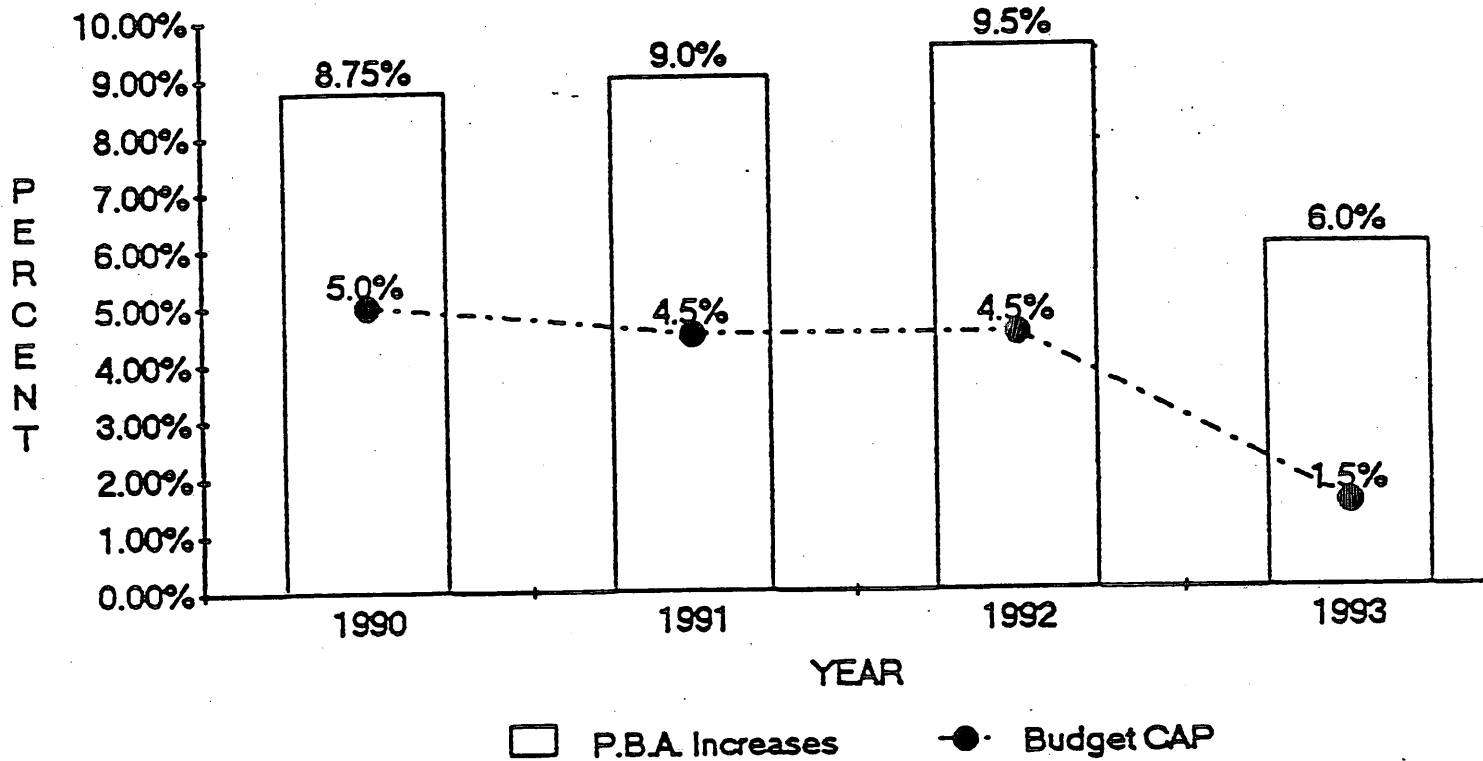
STATE-MANDATED CAP

The state-mandated annual limit on increases in county taxation and municipal spending supported by taxes. Municipal and county governments can exceed the cap only by a separate ordinance.



13X

P.B.A. INCREASES v. BUDGET CAP
Bergenfield: 1990-1993



14X

AVERAGE POLICE OFFICER

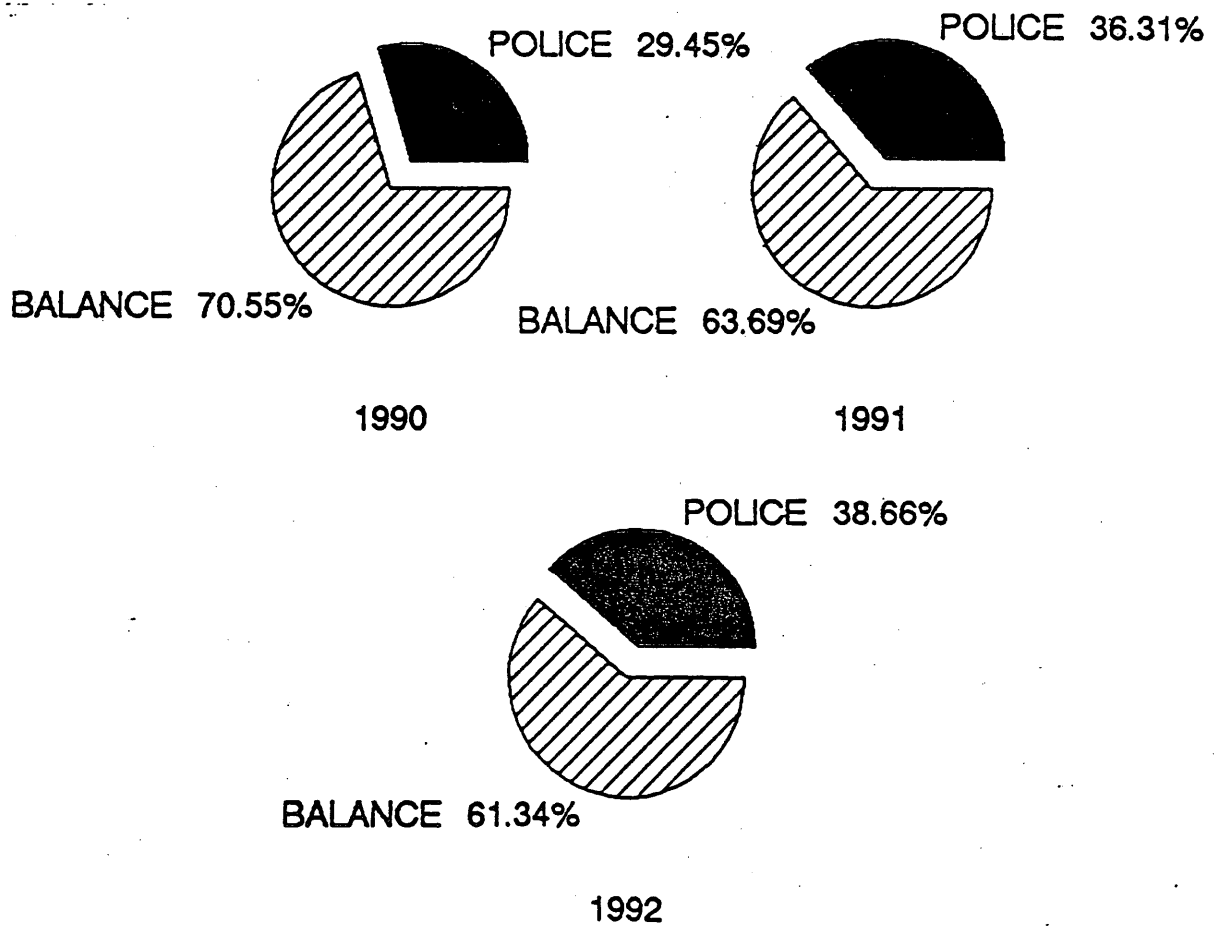
ACTUAL COST

	<u>1992</u>	<u>1993</u>	<u>1994</u>
LONGEVITY	1,693	1,796	1,896
EDUCATION	536	536	536
HOLIDAY	2,586	2,743	2,896
CLOTHING	600	600	600
OVERTIME	1,568	1,663	1,756
F. I. C. A.	919	975	1,029
PENSION	7,173	7,173	7,173
HEALTH	7,009	8,551	10,432
SUB TOTAL	22,084	24,037	26,318
BASE SALARY	49,715	52,743	55,683
TOTAL COST PER OFFICER	71,799	76,780	82,001
INCREASE PERCENTAGE		4,981 6.94%	5,221 6.80%

1995 87,577
 1996 93,532
 1997 99,893
 1998 106,685
 1999 113,940
 2000 121,688

15X

PERCENT OF TAXES



WE NEED YOUR HELP!!

**THE LAW NEEDS TO BE
CHANGED.**

Harry M. Keller III
213 Bayberry Lane
Franklin Lakes, NJ 07417

December 21, 1992

Honorable S. Gerald Cardinale
350 Madison Avenue
Cresskill, NJ 07626

Dear Senator Cardinale:

My name is Harry M. Keller and my home has been in Franklin Lakes for the past 30 years. Before retiring in 1990, I held responsible positions with BASF such as:

Region Manager for Logistics - managing eight NE warehouses and seven major business offices.

Marketing Director - servicing the Graphic Arts industry = nationwide.

Plant Manager - of the largest solvent ink factory in the world located in Lodi, NJ.

I am also a vestryman of St Albans Episcopal church, and believe strongly in volunteer community service having served on the Board of Directors of Passaic County United Fund, and Lodi Boys Club, and President of the Franklin Lakes Home and School Association.

I rise in opposition to Bills S797 sponsored by Senator Kosco and A1607 sponsored by Assemblyman Roma. These identical bills advocate binding arbitration for the NJEA, similiar to that which has permitted the P.B.A. to easily and unfairly outmanuver boro negotiating representatives during contract renewal negotiations.

These bills are another attack on home rule leveled at the electorate by the NJEA by trying to restrict the bargaining resources of our elected trustees while bargaining in good faith. with the NJEA.

18X

By the way this electorate is the same electorate that gave the Republican Party full legislative control in the 1991 elections. These people, this electorate even gave you total control with veto proof majorities in both houses of our bicameral system.

You must advise the sponsors that special interests with heavy purses didn't elect them, The people - the electorate did, and the people don't want any Bill ramrodded down their throats that will ultimately increase taxes as S797 and A1607 are sure to do.

During the past two years I have been invited to participate in the school district budget preparation process in both the Regional High School District and the K-8 District that serve Franklin Lakes. During these experiences I have become more acutely aware of the budget component that comprises, without fail, approximately 80% of total budgets and that is NJEA salaries and their extremely generous benefit packages. At budget time, teacher's salaries are non-negotiable. Thus, all contractual considerations must be incorporated into the budget. In doing so, budgets have been increased outrageously each year at the electorate's/taxpayer's disgust and that is precisely why you have seen so many budgets resoundingly defeated by the voters. With S797/A1607 in place, this problem will not only perpetuate but increase like a contagion throughout the heretofore neutral Districts.

These bills must never get to the body politik for a vote. They are an outrage to the taxpayer. The idea of the sponsors using this method of reverse patronage to compensate special interest election campaign patronage is another outrage.

Wake up sponsors, if you want to "keep your seats". Election day is only ten months away and the voters will obviously react against those who have betrayed them in high elected office.

What does the NJEA really want aside from the combination to the safe?

During the past decade the rate of salary increase for teachers has exceeded the rate of increase in cost of living by 90.7 %. (sourced from the Dept of Commerce and District School Superintendents)

Thank you Senator Cardinale for the opportunity to be heard in this distinguished forum)

Respectfully,



Harry M. Keller, III President
Franklin Lakes Taxpayers Association

34 Terrace Street
Haworth, New Jersey 07641

December 21, 1992

Senate Commerce Committee
The Honorable Gerald Cardinale
350 Madison Avenue
Cresskill, New Jersey 07626

1(201) 567-2324
FAX 1(201) 567-8514

The Honorable Gerald Cardinale,

REFERENCE S-797 / A-1607 completely opposed as per below

As President of the local Republican Club, I've recently spoken to many local voters and parents. Another local club president has found the same response. All are extremely upset at just the thought of bills S-797/A-1607 being presented. The thought of them becoming law, has people extremely angry. Parents are afraid to speak out as they know the teachers will take it out on their children. See attached note I obtained from a concerned parent, who is afraid to speak out. They are upset that \$600,000 PAC campaign funds in 1991, seems to be the real reason for the legislative concern about teachers' contracts. They intend to vote against anyone who assists the teachers in their contract demands.

Voters have given excellent salary and benefit increases for over a decade without experiencing better educational advances for their children. Extra state mandates, controls and other interference, has resulted in a decaying New Jersey School System. The children are the losers. Your outlandish bills S-797/A-1607 will only expand the damage to the future of our children. Teachers presently have some of the finest benefits, pay and future retirement packages compared to any worker in industry. They use the fear of the taxpayer's concern for their children to expand their demands of greed.

A local well-liked businessman is selling many unused family items. In a main street window, is a beautiful "like new" expensive bicycle for a fraction of its original cost. We are immersed in the holiday season and the bicycle has been there since Thanksgiving. The first goal for most parents, is to buy presents for their children. I would buy it for my daughter, but I do not have any spare money this year. Obviously many others also can not afford this item as the beautiful bicycle still sits alone in the window. This demonstrates the problem many people are having just to maintain their living. In a normal economy, the bicycle would have been purchased weeks ago. People are stressed to their limits.

Government demands, controls, ever increasing taxes, overspending, greed; all contribute to homeless and job loss. We still have many local people losing jobs. We have the highest rate of home foreclosures in the nation. We are now paying about the highest cost per student in the nation but results rank in the lowest half. In the industrial world, we again pay top dollar for dismal results. The overall job loss along with ever increasing taxes, are also causing many people to leave New Jersey.

My neighbor's children all have advanced degrees and have worked at their companies 10 to 25 years. One has been out of regular work

2/X

for over two years. Another for the past year. The third, is still working but due to the uncertainties of his employment, has started an Amway venture. The fourth is a department head of a state university and is extremely concerned about her future. Two or three jobs and working wives, are allowing them to survive with drastic changes to their lives. The 86 year old neighbor is distressed to see the struggle of his children, after their fine education and job record.

The fact is that in the real world - there are no guarantees. The teachers believe that they are not part of the real world.

Please tell me under what right do our teachers have to their demands. Yes, we are blessed with many teachers who are excellent and can really educate our youngsters. The real problem is we also have teachers who are burnt out, many have psychiatric problems, others can not teach; yet under present ever expanding restrictive laws, nothing can be done to protect our children from this danger. Once a teacher is tenured, they can not be removed or changed without extreme cost to the school system. For our children's education, we need corrective controls not more teacher demands. We require greater efficiency, longer hours and give backs, just to maintain our level, as money is also required for plant repairs and building. We must have better control over teacher qualifications to continue classroom work. They do not require additional controls over their employers.

A friend teaches in a New Jersey run inner city school. They ran out of supplies of paper and pencils for the children in November. Fix the problems. Do not create more.

With the future of our children as my prime concern, I insist that you vote no to bills S-797/A-1607.

Very truly yours,



Henry J. Gripenburg

Encl: 2

Enclosed is a copy of a letter I sent to the New Jersey Assembly Policy & Rules Committee for a Public Hearing on Small Business Issues. Comments truly express the problems experienced by most small business in New Jersey. Since I wrote the letter, my employees have dropped to 3 full time and two others now work only part time. And the teachers continue their demands on the decreasing ability of the taxpayer keep up.

September 30, 1992

Draft - printed on Letterhead
as sent

New Jersey Assembly Policy & Rules Committee
Public Hearing on Small Business Issues

COPY

Honorable Board Members,

I'm a third generation Bergen County resident. My wife and I have owned our own retail business for the past 22 years. Dumont has over 200 small businesses, most family owned.

I want to express a bit of my feelings, showing how the statewide decaying small business climate is really affected by ever increasing over regulation and taxation. Since King James of England and the Boston Tea Party, many new synonyms for government taxes have taken effect to add to the burden of both business and people, working and living in New Jersey. Permits, fees, inspections, licences, filing costs, insurances, surcharge and now many new use taxes - telephone, yellow pages, etc. all add to the burden. (We cut our yellow page advertising by half) The old 7% sales tax was more than my profit on many sales. Most local businessmen agree with that.

Like other similar labor intensive small business - most town merchants hire local people. Most employees have not had the pleasure of a college education. Many never finished secondary school or were cheated and were fraudulently given passage through high school. Most would never be hired by companies such as AT & T or an IBM. I've hired people where some are poorly educated, some slightly retarded, others down on their luck. Most worked hard and were happy to have a chance to prove themselves. Most moved on to better jobs. Some failed. Most gained pride in themselves and their future. We are not different or unusual, this is the legacy of most small businesses.

Worst, we can not afford to hire additional help. All local business people are working longer hours and hiring less help.

Before the recent tax increases, we employed 12 full time and 3 part time people. We now employ 5. All local business people and merchants have reduced their labor by similar or greater ratios. Borderline employees that would have been tolerated prior, have been dismissed. Owners and family work extra hours just to meet expenses. Today we can not afford to hire these or other additional people. If just in Dumont all the business would just hire one additional person, over 200 additional people would now be employed.

Most local business people want out of their business. Extremely low margins, little business, ever increasing high costs of taxes, fees, permits licenses, presently make most businesses unsalable. Most after 10 - 20 - 30 years of hard work. Renters or property owners all suffer the heavy burden of property taxes. Yet as business property, we have no say on local spending policies. The expending taxes and government codes, prevent us from finding buyers for our property. Foreclosures and tax sales are constantly increasing. We can not afford to remodel

COPY

our buildings. The cost of remodeling and additional taxes, make it uneconomical. In turn the need for carpenters, electricians, plumbers, painters, helpers, and apprentices diminish.

We can not afford to upgrade our vehicles. We have older and less vehicles than just a few years back. The cost of use, maintenance and insurance is becoming impossible. Less vehicles means less mechanics, helpers and apprentices.

As a business owner, I can not afford health & dental care for my family. My wife and I have not been to a dentist, doctor, or had an eye examine in years. It is not due to the lack of government health care. It is due to overspending by government in health care which has driven the cost out of reach. The surcharges have destroyed health insurance. If government involvement and red tape would get out of the insurance business, health care and education - our benefits would increase and our costs would go down drastically.

We can not absorb any additional costs of government. Taxes - government income for cost of government - under whatever name you wish to call them, must not increase. you must reduce cost like all business has been forced to do.

Government has taken away all incentive for anyone to want to stay in business. The free and open market no longer exists. Most of my local business friends would like sell immediately and go to work in a supermarket, K-Mart or other retail store. Even if it just sweeping floors.

Why as a long term home owner, am I responsible for property taxes on property that by tax appraisals makes my multi-generation family home impossible to retain? Yet by Mount Laurel, our town must provide housing for people who could be earning more than I do. They get controlled taxes and mine keep going crazy.

You have us on a constantly increasing earning achievement test to see if we can keep up with government spending and yet survive in our homes or business. You Win! We can not match your pace.

At the present time, I'm a very tired overtaxed, over regulated taxpayer; who is extremely concerned about the future quality of life for my family and friends.

Very truly yours,

Henry J. Gripenburg



NJ Home Owner // NJ Business Property Owner // NJ Business Owner
// Local Environmental Commission Member // Local Recycling Committee // Member - Elks - Past Trustee Member // " Dumont Chamber of Commerce " - Past President Member // Local Cemetery - Board of Directors // Past Member - " Dumont Clean Communities Committee "

24X

ALL TOWNS ARE HAVING SIMILAR PROBLEMS

February 13, 1992

WITH
EXTREME

FEAR

Mr. Thomas Roberts
Superintendent of Schools
25 Depew Street
Dumont, New Jersey 07628

Dear Mr. Roberts:

Because many parents in the public school system are afraid of repercussion to their children, we have decided to respond to your comments in the 1/29/92 Twin Boro news article anonymously.

All of our health benefits have been decreased - the medical deductibles have been doubled, and the amount of our contribution increased. Our salary increases have been less than 50% of educators over the past several years. The only philosophical question remaining is if we can afford to fund the high cost of education in our community. The answer is a resounding NO.

We implore you not to consider recommending a tax increase. Instead of considering a loss of 40 teachers, may we respectfully suggest your contributing to your health plan (as in New York State and most private employers) and a more reasonable salary increase, not 8.8%, which is well above the average in private industry and government.

We are saddened by the lack of sensitivity you have shown the voters (and parents) of Dumont. The citizenry has been overburdened with high property taxes for too long. We suggest that the educational community resolve its financial plight by doing what business and the middle class have done for years - reduce your expenses and stop seeking additional income.

We want quality education, but we can no longer afford your price.

Concerned Parents

cc: President, Board of Education

25X

STATE OF NEW JERSEY

INTRODUCED MAY 14, 1992

By Senator KOSCO

1 AN ACT authorizing compulsory arbitration in certain labor
2 disputes involving certain school personnel and supplementing
3 P.L.1941, c.100 (C.34:13A-1 et seq.).
4

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

7 1. It is the public policy of this State that, in labor relations
8 between school boards and teachers and support staff, the
9 voluntary resolution of employer-employee disputes through the
10 mutual recognition of common interests is in the best interests of
11 the students, faculty, staff, school board and the community; and
12 that, in cases where a crisis in negotiations has led to a
13 withholding of services within a school district, it is requisite to
14 the protection of the interests of the students, faculty, staff,
15 school board and the community that the court be empowered to
16 resolve the impasse by ordering compulsory arbitration of all
17 disputed issues that are classified as mandatory subjects of
18 negotiation. In order to carry out this policy, the Legislature
19 determines that enactment of the provisions of this act is
20 necessary.

21 2. In matters related to an impasse in negotiations between a
22 school board and the majority representative of a bargaining unit
23 composed of, but not limited to, teachers or support staff:

24 a. When an action for injunctive relief is filed, the court shall
25 provide an opportunity for the plaintiff and the defendant to
26 offer testimony before issuing any order.

27 b. In determining whether or not to grant injunctive relief, the
28 court shall give consideration to the history of the relationship
29 between the school board and the majority representative; the
30 efforts of the parties in resolving the impasse; and the probable
31 impact of a continuation of the impasse upon the interests of the
32 public.

33 c. The court may order the parties to submit all unresolved
34 issues to arbitration under the provisions of section 3 of this act
35 and any regulations the New Jersey Public Employment Relations
36 Commission may promulgate to implement this act. However, if
37 the court orders the parties to submit all unsettled items to
38 arbitration, the court shall immediately: notify the commission;
39 order that the teachers or the support staff, as the case may be,
40 return to work; and order that the school district make up any
41 school day or part thereof when school time was lost as a result
42 of the impasse in negotiation and that employees receive full
43 compensation for their services on the make up day or part
44 thereof.

45 d. Where a crisis in negotiations has led to a withholding of

26X

1 services within a school district, the majority representative or
2 the school board may petition the court for an order requiring
3 both parties to submit all unsettled issues to compulsory
4 arbitration under section 3 of this act.

5 3. Arbitration imposed by the court shall be under the
6 direction of the New Jersey Public Employment Relations
7 Commission in compliance with the provisions of this act, and
8 shall utilize the following procedure:

9 a. Not later than five calendar days after the date of the court
10 order, the parties shall separately provide a written statement to
11 the commission identifying their respective final offer on all
12 issues in dispute as a single package. The written statement shall
13 be provided in accordance with rules adopted by the commission.
14 The substance of a written statement shall not provide the basis
15 for any delay in effectuating the provisions of this section.

16 b. Upon the issuance of an order pursuant to section 2 of this
17 act requiring the parties to submit unresolved issues to
18 arbitration under this section, the commission shall take
19 measures to assure the selection and appointment of an arbitrator
20 from its special panel of arbitrators. No later than ten calendar
21 days after the issuance of the court order, an arbitrator shall be
22 assigned by the commission to complete the arbitration procedure
23 ordered by the court pursuant to section 2 of this act.

24 c. Upon the appointment of the arbitrator pursuant to
25 subsection b. of this section, the commission shall commence a
26 terminal arbitration procedure. The arbitrator shall make an
27 award on or before the 45th day after the date of the
28 appointment of the arbitrator, unless both parties agree by
29 mutual consent to a settlement of the issues in dispute or the
30 commission grants, at the request of the arbitrator and for good
31 cause, an extension not to exceed ten calendar days. The
32 arbitrator's award shall be confined to a choice between the last
33 offer of the employer on all issues as a single package and the
34 employee representative's last offer on all issues as a single
35 package. However, the arbitrator is authorized to omit from his
36 award any issue which the parties have resolved during the court
37 ordered arbitration process.

38 d. After the appointment of the arbitrator, the arbitrator shall
39 communicate with the parties to arrange for the submission of
40 briefs, if necessary, and for a mutually satisfactory date, time
41 and place for a hearing. In the absence of agreement, the
42 arbitrator shall have the authority to set the date, time and place
43 for a hearing. The arbitrator shall submit a notice containing
44 arrangements for the hearing within a reasonable time period
45 prior to the date of the hearing. The arbitrator, after duly
46 scheduling a hearing, shall have the authority to proceed in the
47 absence of any party who does not appear at the hearing.

48 e. The arbitrator shall decide the dispute, and shall make an
49 award based on a reasonable determination of the issues, giving
50 due weight to those factors listed below that are judged relevant
51 for the resolution of the specific dispute:

52 (1) The interests and welfare of the public.

53 (2) Comparison of the wages, salaries, hours, and conditions of
54 employment of the employees involved in the arbitration

27 X

1 proceedings with the wages, salaries, hours, and conditions of
2 employment of other employees performing the same or similar
3 services and with other employees generally:

4 (A) In public employment in the same or similar comparable
5 jurisdictions.

6 (B) In comparable private employment.

7 (C) In public and private employment in general.

8 (3) The overall compensation presently received by the
9 employees, inclusive of direct wages, salary, vacations, holidays,
10 excused leaves, insurance and pensions, medical and
11 hospitalization benefits, and all other economic benefits received.

12 (4) Stipulations of the parties.

13 (5) The lawful authority of the employer.

14 (6) The financial impact on the government entity, its
15 residents and taxpayers.

16 (7) The cost of living.

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

23 f. Arbitration shall be limited to mandatory subjects of
24 collective negotiations.

25 g. During the terminal arbitration procedure, the chosen
26 arbitrator may mediate or assist the parties in reaching a
27 mutually agreeable settlement.

28 h. The decision of an arbitrator shall include an opinion and an
29 award, which shall be final and binding upon the parties and shall
30 be irreversible, unless the court vacates, modifies or corrects the
31 award pursuant to N.J.S.2A:24-7 et seq., or for failure to apply
32 the factors specified in subsection e. of this section. Orders of
33 the arbitrator shall be reviewable by the Superior Court in the
34 county in which the dispute arose. The pendency of such
35 proceeding for judicial review shall not, of itself, stay the order
36 of the arbitrator.

37 i. The parties shall bear the costs of arbitration subject to a
38 fee schedule approved by the commission.

39 j. An arbitrator while functioning in a mediatory capacity shall
40 not be required to disclose any files, records, reports, documents,
41 or other papers, classified as confidential, received or prepared
42 by the arbitrator, or to testify with regard to mediation,
43 conducted by the arbitrator under this act on behalf of any party
44 to any cause pending in any type of proceeding under this act.
45 However, no provision of this subsection shall exempt an
46 arbitrator from disclosing information relating to the commission
47 of a crime.

48 k. An arbitrator may administer oaths, require the attendance
49 of witnesses, and the production of any books, papers, contracts,
50 agreements and documents as the arbitrator may deem material
51 to a just determination of the issues in dispute, and for that
52 purpose may issue subpoenas. If any person refuses to obey a
53 subpoena, or refuses to be sworn or to testify, or if any witness,
54 party or attorney is guilty of any contempt while in attendance at

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1 any hearing, the arbitrator may, or the Attorney General if
2 requested shall, invoke the aid of the Superior Court within the
3 county in which the hearing is being held, which court shall issue
4 an appropriate order. Any failure to obey the order may be
5 punished by the court as contempt.

6 1. The decision of the arbitrator may be enforced at the
7 instance of either party in the Superior Court with venue laid in
8 the county in which the dispute arose. The commencement of a
9 new public employer fiscal year after the initiation of arbitration
10 procedures under this act, but before the arbitration decision, or
11 its enforcement, shall not be deemed to render a dispute moot, or
12 to otherwise impair the jurisdiction or authority of the arbitrator
13 or the arbitrator's decision. Increases in rates of compensation
14 awarded by the arbitrator shall take effect on the date of
15 implementation prescribed in the award. The parties, by mutual
16 consent, may at any time amend or modify an award of
17 arbitration.

18 4. The New Jersey Public Employment Relations Commission
19 may promulgate rules and regulations necessary to effectuate the
20 purposes of this act.

21 5. On or before the 90th day after the second year following
22 the effective date of this act, the Commissioner of Labor shall
23 submit a report on the overall experience with this act during the
24 two years following enactment to the Assembly Labor Committee
25 and the Senate Labor, Industry and Professions Committee or
26 their successor committees. The report shall include a list of
27 contract settlements reached during the two-year period
28 immediately following the effective date of this act between
29 school districts and bargaining units that involved one or more of
30 the following: mediation; factfinding; a withholding of services;
31 or court-ordered arbitration under this act. When the settlement
32 process involved a withholding of services, the report shall
33 indicate: the number of days and hours of school time lost as a
34 result of the withholding of services; and whether a court order
35 was sought by the school board or the bargaining unit or both. As
36 part of the report, the commissioner shall also provide the data
37 for each of the categories identified in this section, except data
38 for court-ordered arbitration, for the two-year period
39 immediately preceding the effective date of this act.

40 6. This act shall take effect on the 90th day following
41 enactment.

42 43 44 STATEMENT

45
46 The bill provides that the court, when considering an action
47 related to an impasse in negotiations between a school board and
48 the majority representative of a bargaining unit composed of
49 teachers or support staff, shall before issuing any order: provide
50 an opportunity for the plaintiff and the defendant to offer
51 testimony; and give consideration to the history of the bargaining
52 relationship and other factors in determining whether or not to
53 grant injunctive relief.

54 The bill also provides that the court may order both parties to

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1 submit all unresolved issues to arbitration under the Public
2 Employment Relations Commission (PERC), provided that the
3 court also notifies PERC; issues a back-to-work order; and orders
4 the school district to make up any school time that was lost as a
5 result of the impasse in negotiations, with compensation provided
6 to the employees for any make up days or hours worked.

7 Under the bill, the majority representative or the school board
8 may petition the court for an order requiring both parties to
9 submit all unsettled issues to compulsory arbitration if a crisis in
10 negotiations has led to a withholding of services.

11 The arbitration procedure that may be ordered by the court
12 requires each party to submit its respective final offer, as a
13 single package, on all issues in dispute not later than five
14 calendar days after the date of the court order. PERC is
15 required, upon notification by the court, to assign an arbitrator to
16 the case not later than 10 calendar days after the date of the
17 court order, and the arbitrator is required to make an award not
18 later than the 45th day after the date of the appointment. The
19 arbitrator's final award is to be made from the two final offers
20 submitted by the parties, less any items which are resolved by
21 mutual agreement, and is to be based upon the same criteria used
22 in police and firefighter arbitration cases pursuant to section 3 of
23 P.L.1977, c.85 (C.34:13A-16). The parties, however, may
24 mutually agree to resolve all issues in dispute in lieu of an
25 arbitrator's award.

26 Finally, the bill requires the Commissioner of Labor to report
27 to the Assembly Labor Committee and the Senate Labor,
28 Industry, and Professions Committee on the legislation's impact
29 on contract negotiations during the first two years after the
30 legislation takes effect.

31 This dispute resolution bill is designed to ensure that the court
32 receives testimony to determine if the parties have complied
33 with the laws of this State concerning collective bargaining in the
34 public sector and with the public policy expressed in section 2 of
35 P.L.1941, c.100 (C.34:13A-2), which requires the prompt
36 settlement of labor disputes in the public sector. The bill is also
37 designed to give the court adequate means to resolve crises in
38 labor relations between school boards and their employees,
39 without infringing upon the court's right to interpret Article I,
40 paragraph 19 of the Constitution of the State of New Jersey as
41 the court sees fit. In the past, the court has asked the
42 Legislature for legislation that would provide for more "effective
43 and meaningful (court) orders, ... without which the courts are
44 virtually helpless to bring about an end to public employee strikes
45 with dispatch and compliance with court orders." This legislation
46 is an answer to the court's plea.

47 The arbitration procedure created by the bill is intended to
48 complement, not to replace or supplant, the existing system of
49 collective bargaining created pursuant to the "Public
50 Employment Relations Act," P.L.1941, c.100 (C.34:13A-1
51 et seq.). Its purpose is to bring finality to those contract
52 negotiations in the area of education which have proven to be
53 unresolvable under the existing arrangements for collective
54 negotiations in the public sector.

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Requires courts to take certain factors into account before
issuing orders in labor disputes involving educational personnel,
and authorizes court-ordered arbitration in certain disputes.

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