

**2012 ANNUAL REPORT**

**OF THE**

**POLICE AND FIRE PUBLIC INTEREST**

**ARBITRATION IMPACT TASK FORCE**

**TO THE GOVERNOR AND LEGISLATURE**

September 12, 2012

The report below is hereby submitted pursuant to N.J.S.A. 34:13A-16.8, on behalf of the Police and Fire Public Interest Arbitration Impact Task Force (hereinafter referred to as the “Task Force”). The creation of the Task Force was part of P.L. 2010, c.105, which took effect on January 1, 2011. In that legislation, it provided that the Task Force shall be comprised of eight members as follows:

- (1) four to be appointed by the Governor;
- (2) two to be appointed by the Senate President; and
- (3) two to be appointed by the Speaker of the General Assembly.

A chairperson is selected from among the appointees of the Governor and a vice chairperson from among the appointees of the Legislature. The Chair of the Public Employment Relations Commission (PERC) shall serve as non-voting executive director of the task force. Appointments to the Task Force were to be made by January 31, 2011 and the Task Force was to meet initially within 60 days of the law’s effective date.

### **Role of the Task Force**

*It shall be the duty of the task force to study the effect and impact of the arbitration award cap upon local property taxes; collective bargaining agreements; arbitration awards; municipal services; municipal expenditures; municipal public safety services, particularly changes in crime rates and response times to emergency situations; police and fire recruitment, hiring and retention; the professional profile of police and fire departments, particularly with regard to age, experience, and staffing levels; and such other matters as the members deem appropriate and necessary to evaluate the effects and impact of the arbitration award cap..<sup>1</sup>*

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<sup>1</sup> The Task Force anticipates that it will be able to address these criteria more specifically when it issues its next report. This report was delayed in the hopes of having some data based on awards under the 2% cap, but there currently is only one decision which is final, Borough of Seaside Park and PBA Local 182, Docket No. IA-2012-022. That award, however, did not issue until April 9, 2012 (and was not appealed) and, therefore, an analysis of its effect pursuant to the factors listed above could not yet be determined. This report reflects data through May 18, 2012.

*Specifically, the task force shall study total compensation rates, including factors subject to the arbitration award cap and factors exempt from the arbitration award cap, of police and fire personnel throughout the state and make recommendations thereon. The task force also shall study the interest arbitration process and make recommendations concerning its continued use in connection with police and fire labor contracts disputes. The task force shall make findings as to the relative growth in total compensation cost attributable to factors subject to the arbitration award cap and to factors exempt from the arbitration award cap, for both collective bargaining agreements and arbitration awards.*

N.J.S.A. 34:13A-16.8(e).

The Task Force is required to report its findings, along with any recommendations it may have, to the Governor and the Legislature annually, on or before April 1 of each year. The Task Force's final report due on or before April 1, 2014 shall include, in addition to any other findings and recommendations, a specific recommendation for any amendments to the arbitration award cap. Upon the filing of its final report on or before April 1, 2014, the task force shall expire.

### **April 1, 2012 Report of the Task Force**

#### **A. Trends in Interest Arbitration and Impact of P.L. 2010 c. 105**

##### **1. Petitions Filed for Interest Arbitration**

As the chart attached hereto at **Tab A** indicates, the number of cases submitted for interest arbitration in calendar year 2011 dropped dramatically from the prior year. From the peak of 121 filings in 2010, PERC received only 23 new filings in 2011. This represents an almost 81% drop in the number of filings and differs significantly from the prior five years, during which filings topped 100 cases in each of those years. While there is no direct evidence to explain the drop in filings, the Task Force believes some of this may be attributed to uncertainty by the parties over the applicability of the new procedural rules and 2% base salary

cap imposed by P.L. 2010 c. 105. PERC responded to many inquiries from affected parties and issued the FAQs attached at **Tab B** to help explain how parties might be impacted once the law took effect on January 1, 2011.

## **2. Interest Arbitration Cases Disposed of During Calendar Year 2011**

At the time the changes to the interest arbitration law took effect, PERC had a backlog of cases that were not covered by the new procedural time lines for completing an interest arbitration case. In calendar year 2011, interest arbitrators disposed of 124 cases, the highest rate of disposal in the last five years. See Tab C attached. This was achieved through PERC's improved case management and efforts to achieve resolution of long outstanding cases. One of the main concerns PERC had been made aware of, prior to the change in the law, was the amount of time, and the cost related to an interest arbitration proceeding. Once a case was in the hands of an interest arbitrator, however, PERC could not force a speedier resolution of outstanding cases. Those delays were one of the justifications for placing hard deadlines on the completion of an interest arbitration proceeding and related appeals of awards to PERC.

Since PERC only received 23 new interest arbitration filings in 2011, its backlog has significantly diminished. Compare those factors with 2010 when 115 arbitration cases were completed but 121 new cases were opened.

As a result of the drop in new filings, and resolution of outstanding cases, the number of interest arbitration cases open at the start of 2012 dropped precipitously. At the start of 2012, 85 interest arbitrations remained open, compared to 187 at the start of 2011 and 181 at the start of 2010. See **Tab D** attached.

### **3. Appeals**

In the past two years, PERC has experienced a dramatic increase in the number of appeals from interest arbitration awards. See **Tab E** attached. In 2010, PERC saw a 300% increase in appeals from 2009 (5 to 15) and an additional 17 appeals have been filed in 2011. There is no conclusive data to explain the rise in the number of appeals.

#### **B. Reporting of Data**

The Task Force has addressed one of its concerns about contract reporting and availability of information. In our 2011 report, we made recommendations to PERC regarding the compilation and reporting of interest arbitration awards. On PERC's web site, [www.state.nj.us/perc](http://www.state.nj.us/perc), the list of public sector labor agreements has expanded as a result of those efforts. The Division of Local Government Services ("DLGS") in the Department of Community Affairs has circulated notices to every municipality, county and other public employers within their jurisdiction to remind them of their obligation to provide PERC with electronic copies of current public sector collective negotiations agreements. By having this information readily available on a public web site, parties will instantly have available comparative contract information from multiple entities in the event of an interest arbitration filing. As noted previously, this obligation already existed for all public sector labor agreements (not just police and fire contracts) under N.J.S.A. 34:13A-8.2 (which requires public employers to "file with the commission a copy of any contracts it has negotiated with public employee

representatives following the consummation of negotiations.”).<sup>2</sup> Attached hereto at **Tab F** is a copy of the notice PERC is sending to municipalities which requires certification of submission of all current collective negotiations agreements to PERC as a condition of budget submission to DLGS.

### **C. Contract Summary Information**

One of the most difficult items to assess in the past, for police and fire agreements, was the actual cost of the contract. The Task Force is committed to developing a system that reports, as closely as possible, the total cost (increase to base salary) of a labor contract. Attached hereto at **Tab G** is a summary form PERC is requiring public employers to complete when it reaches a new police/fire labor agreement.<sup>3</sup> As noted in the attachment, the Task Force is seeking detailed data identifying what “base salary”<sup>4</sup> items existed in the expired collective negotiations agreement and the total cost of those items in the 12 months preceding expiration of the collective negotiations agreement. The form then asks the employer to identify the percentage and dollar impact that will be caused, for any adjustments to the identified base salary items, for the duration of the successor collective negotiations agreement. Moreover, employers are to

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<sup>2</sup>N.J.S.A. 34:13A-16.8(d)(2) also provides that, in order to facilitate the work of the task force, PERC is required to post on its website all collective negotiations agreements and interest arbitration awards entered or awarded after the date of enactment, including a summary of contract or arbitration award terms in a standard format developed by the Public Employment Relations Commission to facilitate comparisons. All collective negotiations agreements and any side bar agreements shall be submitted to PERC within 15 days of agreement execution.

<sup>3</sup> This information, as well as the instruction sheet for employers, is already available on PERC’s web site. [www.state.nj.us/perc](http://www.state.nj.us/perc)

<sup>4</sup>“Base Salary” is defined in N.J.S.A. 34:13A-16.7(a) as the salary provided pursuant to a salary guide or table and any amount provided pursuant to a salary increment, including any amount provided for longevity or length of service. It also shall include any other item agreed to by the parties, or any other item that was included in the base salary as understood by the parties in the prior contract. Base salary shall not include non-salary economic issues, pension and health and medical insurance costs.

provide information about the cost of other financial benefits provided employees, the cost of health insurance (and contribution levels).<sup>5</sup>

Currently, PERC does not have all of this information in its possession when it publishes its salary increase analysis of police and fire awards. For example, in 2011, it reported that the average salary increase from interest arbitration awards that year was 2.05% and the average salary increase in voluntary settlements reported that year was 1.87%. Those numbers, however, do not report, in most instances, the total percentage increase to base salary costs caused by such things as step increments and longevity payments. One purpose of the new law was to better identify and recognize those often hidden, but significant, increases to the public employer's budget.

#### **D. Alternate Dispute Resolution and Voluntary Settlements**

It is anticipated that parties which might be subject to the 2.0% cap may try to reach more voluntary agreements, or use mediation and fact-finding prior to filing for interest arbitration. PERC has witnessed an increase in the number of requests for assignment of mediators and fact-finders compared to prior years (4 impasse filing in 2010 and 22 impasse filings in 2011).

One of the items that the Task Force will continue to review in the coming year is the increase in requests for mediation and fact-finding as compared to the same time period prior to enactment of the new interest arbitration statute. The Task Force will also review the relationship between voluntary settlements and interest arbitration awards subject to the 2% cap. Further, we will need to review whether PERC's resources for mediation and fact-finding need to be adjusted and how the new procedures for appeals of interest arbitration awards are working.

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<sup>5</sup>Public employers under the State Health Benefits Plan and subject to P.L. 2011 c. 78 should have no difficulty completing this section of the form.

### **E. Number of Interest Arbitrators Available and Arbitration Costs**

Pursuant to N.J.S.A. 34:13A-16(f)(6), the total cost of services of an arbitrator shall not exceed \$7,500.00. That requirement is in full effect for all interest arbitrations filed after January 1, 2011. PERC's most recent data revealed that the average cost of an interest arbitrator (for cases not subject to P.L. 2010 c. 105) was \$17,942 in 2009; \$17,742 in 2010 and \$14,384 in 2011.

At this time, PERC currently has seven (7) trained interest arbitrators who are randomly assigned by computer to interest arbitration matters under the cost limitations of P.L. 2010 c. 105. The Task Force will continue to review the number of trained arbitrators available for this panel.

### **F. Future Issues for Analysis**

N.J.S.A. 34:13A-16(f)(5) provides now that the decision of an interest arbitrator shall be rendered within 45 days of PERC's assignment of an arbitrator. Further, N.J.S.A. 34:13A-16(f)(5)(a) provides that appeals of an award to PERC must be filed within seven (7) days of receipt of an award and the Commission's decision must be rendered no later than 30 days after the filing of the appeal with PERC. The Task Force fully understands the need for finite deadlines on the interest arbitration and appeal process. In our discussions, the Task Force will continue to analyze the current deadlines to determine whether they are too restrictive to allow time to adequately prepare, present and brief a case before an arbitrator (and for a comprehensive award to be rendered). Additionally, the Task Force will review the time for processing appeals by PERC to determine whether the current 30 day period allows PERC sufficient time to review



an appeal, render a comprehensive decision and fit within the Commission's statutory notice requirements, meeting schedules and agenda planning.

## Appendix

|               |  |
|---------------|--|
| Tab A         | Chart of Interest Arbitration Petitions Filed during Calendar Year |
| Tab B-1 – B-7 | Frequently Asked Questions – Interest Arbitration Procedures       |
| Tab C         | Chart of Interest Arbitration Disposed during Calendar Year        |
| Tab D         | Chart of Interest Arbitration Cases Open at Start of Calendar Year |
| Tab E         | Chart of Interest Arbitration Appeals Data during Calendar Year    |
| Tab F         | Notice to Public Employers – Public Sector Contracts               |
| Tab G         | Police and Fire Collective Bargaining Agreement Summary Form       |

**POLICE AND FIRE PUBLIC INTEREST  
ARBITRATION TASK FORCE MEMBERS**

**Members**

David Cohen, Esq. – Chair  
Director of Office of Employee Relations  
State of New Jersey

Robert A. Fagella, Esq. – Vice Chair  
Zazzali, Fagella, Nowak, Kleinbaum & Friedman

Robert M. Czech  
Chair & CEO Civil Service Commission  
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NJ State Fraternal Order of Police

William J. Lavin  
President New Jersey State Firefighters

Dominick Marino  
Professional Firefighters Association of New Jersey  
International Association of Fire Fighters

Thomas Neff  
Director, Division of Local Government Services  
Department of Community Affairs  
State of New Jersey

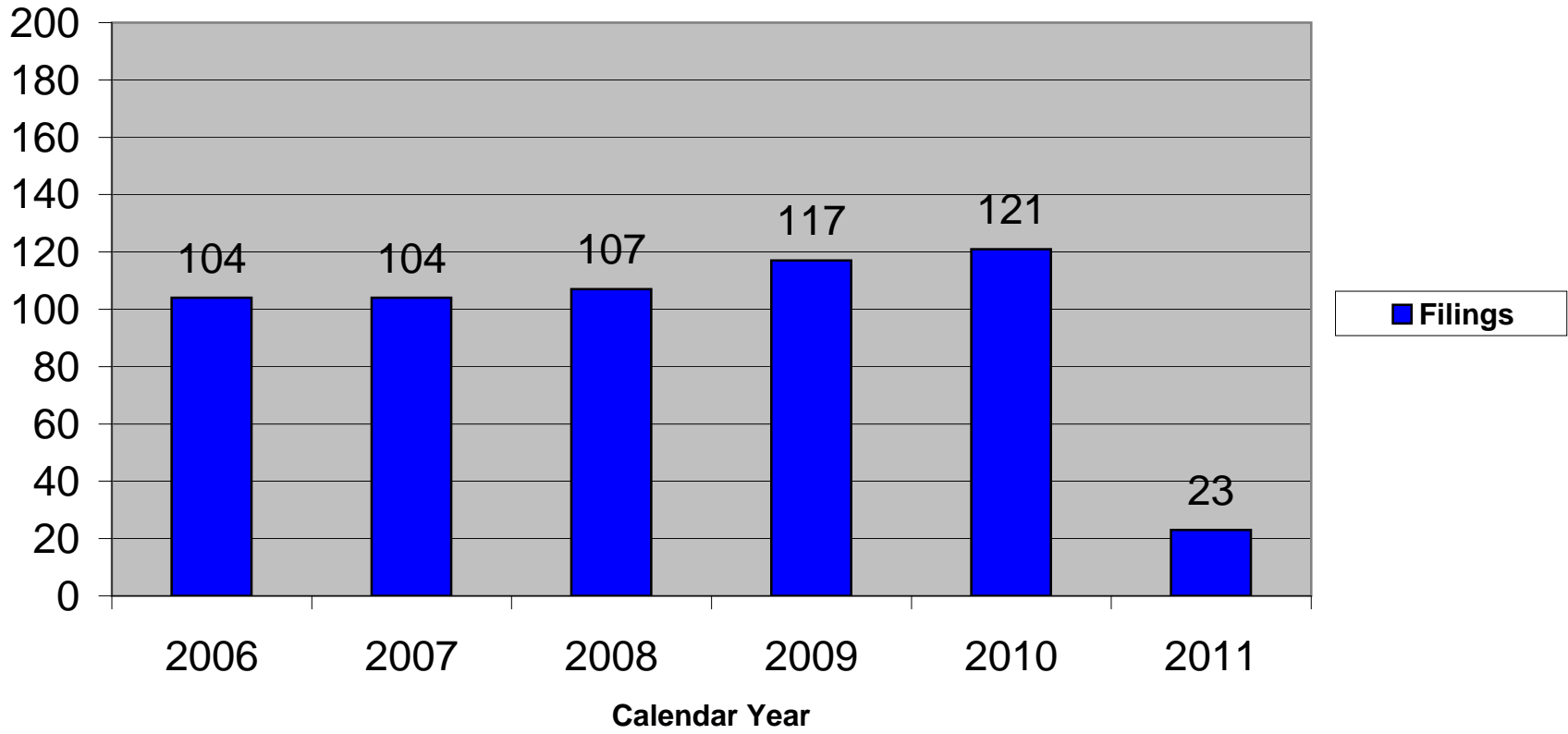
Hon. Declan O’Scanlon, Jr.  
Assemblyman

**Staff**

P. Kelly Hatfield  
Chair  
Public Employment Relations Commission  
Task Force Executive Director (non-voting)

Lorraine H. Tesauro  
Director of Conciliation & Arbitration  
Public Employment Relations Commission  
PERC Staff Liaison to Task Force

### IA Petitions Filed During Calendar Year



## **Frequently Asked Questions Interest Arbitration Procedures**

**Introduction:** This document is intended to inform parties to the interest arbitration process about the impact of amendments to the interest arbitration law (N.J.S.A. 34:13A-14a *et seq.*) made by the passage of P.L. 2010, Ch. 105, effective January 1, 2011. The law may be viewed through this link:

[http://www.njleg.state.nj.us/2010/Bills/A3500/3393\\_R1a.HTM](http://www.njleg.state.nj.us/2010/Bills/A3500/3393_R1a.HTM)

**1 Q Do all of the Commission's current rules reflect the December 2010 changes to the interest arbitration statute?**

A No. However the Commission will engage in rulemaking to conform its rules to the recent statutory changes. In the meantime, parties should refer to the statute and these frequently asked questions.

**2 Q What if a party refuses to negotiate prior to the expiration of the contract?**

A The new law expressly provides that either party may, prior to contract expiration, file an unfair practice charge with the Commission alleging that the other party is refusing to negotiate in good faith. The Commission shall order the non-prevailing party to bear all legal and administrative costs associated with the filing and resolution of the charge. Impasse resolution procedures will not be delayed by the processing of the charge.<sup>1</sup>

**3 Q When may the employer or employee organization file for interest arbitration?**

A The earliest filing date continues to be on or after the date on which their collective negotiations agreement expires.<sup>2</sup>

**4 Q Does the law change the method for filing an interest arbitration petition?**

A The method of filing for interest arbitration is unchanged, as is the requirement that both parties pay filing fees. As conventional arbitration is the only terminal procedure under the new law, the form for filing an interest arbitration petition is being changed to omit the choice of alternative types of interest arbitration. Hard copies of the new form will be available upon request. It may also be downloaded from the Commission's web site ([http://www.state.nj.us/perc/NJ\\_PERC\\_Petition\\_to\\_Initiate\\_Compulsory\\_Interest\\_Arbitration\\_-\\_Form.pdf](http://www.state.nj.us/perc/NJ_PERC_Petition_to_Initiate_Compulsory_Interest_Arbitration_-_Form.pdf)).<sup>3</sup>

- 5 **Q When must a response to a petition be filed?**  
A The non-petitioning party shall notify the Commission in writing of all issues in dispute within five days of receipt of the petition.<sup>4</sup>
- 6 **Q When and how are arbitrators selected?**  
A On the first business day after the Commission receives a petition, the Commission shall select an arbitrator using a computer program that will make a random selection from its special panel of interest arbitrators.<sup>5</sup> Mutual selection of an interest arbitrator is no longer permitted.
- 7 **Q May the parties still invoke mediation or fact-finding?**  
A Yes, but those proceedings terminate immediately upon the filing of an interest arbitration petition.<sup>6</sup>
- 8 **Q What is the terminal procedure in interest arbitration?**  
A The unsettled issues shall be determined by conventional arbitration only.<sup>7</sup>
- 9 **Q What are the parties' responsibilities at an arbitration hearing?**  
A The parties shall submit their final offers on economic and non-economic issues in dispute. In addition to presenting evidence relevant to the nine statutory factors that an arbitrator must consider in rendering an award, all parties shall introduce evidence regarding the limitations imposed upon the local unit's property tax levy and present written estimates of the financial impact of their last offer on the taxpayers with the submission of their last offer.<sup>8</sup>
- 10 **Q When must an arbitration award be issued?**  
A The arbitrator shall issue an award within 45 days of assignment.<sup>9</sup> An arbitrator who fails to render a timely award shall be fined \$1,000 for each day the award is late.<sup>10</sup>
- 11 **Q When will the award be implemented?**  
A An arbitrator's award shall be implemented immediately.<sup>11</sup>
- 12 **Q How can a party appeal an arbitration award that is issued after January 1, 2011, but was docketed under the former law?**  
A For any award received after January 1, 2011, within seven days of receiving an award, an aggrieved party may file a notice of appeal with the Commission. As a decision on an appeal must be issued within 30 days, the Commission has suspended application of the briefing schedule in N.J.A.C. 19:16-8.1. The appellant shall file an original and nine copies of a brief along with its notice of appeal. The

respondent has seven days to file any cross-appeal or its answering brief.<sup>12</sup>

**13 Q When will the Commission decide an appeal?**

A The Commission's decision shall be rendered no later than 30 days after the filing of the appeal with the Commission.<sup>13</sup>

**14 Q What about a scope of negotiations dispute that arises during an interest arbitration proceeding?**

A In addition to the rules that are superceded by the recent statutory changes, the Commission has suspended application of N.J.A.C. 19:16-5.7(h), which prohibits an arbitrator from rendering a decision on any issue which is the subject of a petition for scope of negotiations determination filed with the Commission. The requirement that an arbitrator issue a decision within 45 days of assignment precludes application of this rule. Any scope of negotiations dispute can be decided by the Commission as part of any appeal of an arbitration award.

**15 Q What are the costs?**

A The parties share equally in the costs of arbitration. The arbitrator's fee shall not exceed \$1,000 per day and the total cost of the services of the arbitrator shall not exceed \$7,500. If the parties cancel an arbitration hearing without good cause, the arbitrator may impose a \$500 fee. The parties shall share equally in paying that fee if the request to cancel or adjourn is a joint request. Otherwise, the party causing such cancellation shall be responsible for payment of the entire fee.<sup>14</sup>

**16 Q What are the statutory restrictions on the economic components of an arbitration award?**

A. If the contract expires on January 1, 2011 or any date thereafter until April 1, 2014, then the 2% cap on arbitration applies and,

1. An arbitrator shall not issue any award which, on an annual basis, increases base salary items by more than 2.0 percent of the aggregate amount expended by the public employer on the bargaining units base salary items in the twelve months immediately preceding the expiration of the collective negotiations agreement.

2. The parties may agree or the arbitrator may decide to distribute the aggregate monetary value of the award over the term of the collective negotiation agreement in unequal annual percentages.

3. No new monetary items shall be introduced. An award of an arbitrator shall not introduce base salary items and non-salary economic issues that were not included in the prior collective negotiations agreement.<sup>15</sup>

B. Beginning April 1, 2014, the 2.0% arbitration cap shall become inoperative for all parties except those whose contracts expired prior to April 1, 2014 but for whom a final settlement has not been reached. When final settlement in all such negotiations is reached, the 2.0% arbitration cap shall expire.<sup>16</sup>

C. In the case of a party that entered into a contract that expires on January 1, 2011 or any date thereafter until April 1, 2014, and where the terms of that contract otherwise meet the criteria set forth in the 2% arbitration cap, that party shall not be subject to the 2% arbitration cap when negotiating a future contract.<sup>17</sup>

**17 Q What is the definition of "base salary"?**

A. "Base salary" includes:

1. The salary set forth in a salary guide or table and any amount provided for salary increments.
2. Any amount provided for longevity or length of service.
3. It also shall include any other item agreed to by the parties, or any other item that was included in the base salary as understood by the parties in the prior contract.
4. Base salary shall not include non-salary economic issues, pension and health and medical insurance costs.
5. "Non-salary economic issues" means any economic issue that is not included in the definition of base salary.)<sup>18</sup>



**EXAMPLES**

How does the new law apply?

**18 Q Contract expired 12/31/2009  
IA petition filed in June 2010.  
Award pending (as of 1/1/11)**

A 2% cap on base salary does not apply  
(Contract began and ended before new law effective date)

All other time provisions\*, in the new law including but not limited to new time lines for the arbitrator, fees, arbitrator selection do not apply  
(IA petition filed before new law effective date).

**\*Once issued: Appeal time of 7 days applies and Commission has 30 days to issue a decision. See FAQ No. 12.**

**19 Q Contract expired 12/31/2009  
Parties engaged in negotiations, mediation.  
IA petition filed 1/5/2011**

A 2% cap on base salary does not apply  
(Contract began and ended before new law effective date)

All other provisions in the new law including but not limited to new time lines, fees, arbitrator selection apply.  
(IA petition filed after new law effective date)

**20 Q Contract expired 12/31/2010  
IA petition filed 1/10/2011**

A 2% cap on base salary does not apply  
(Contract began and ended before new law effective date)

All other provisions in the new law including but not limited to new time lines, fees, arbitrator selection apply.

(IA petition filed after new law effective date)

21 Q **Contract expires 6/30/2011**  
**IA petition filed 7/1/2011**

A 2% cap on base salary applies  
(Contract began before and ended after new law effective date)

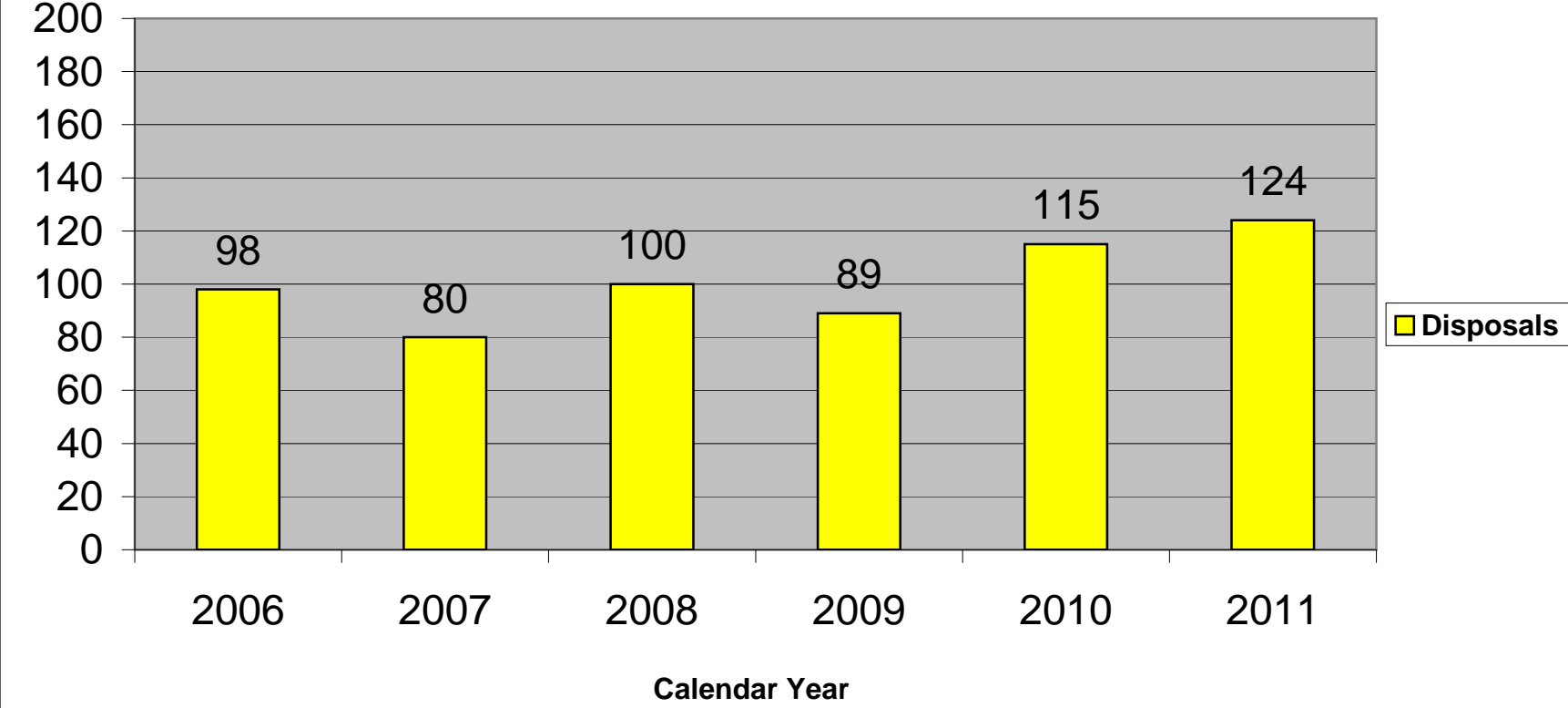
All other provisions in the new law including but not limited to new time lines, fees, arbitrator selection apply.

(IA petition filed after new law effective date)

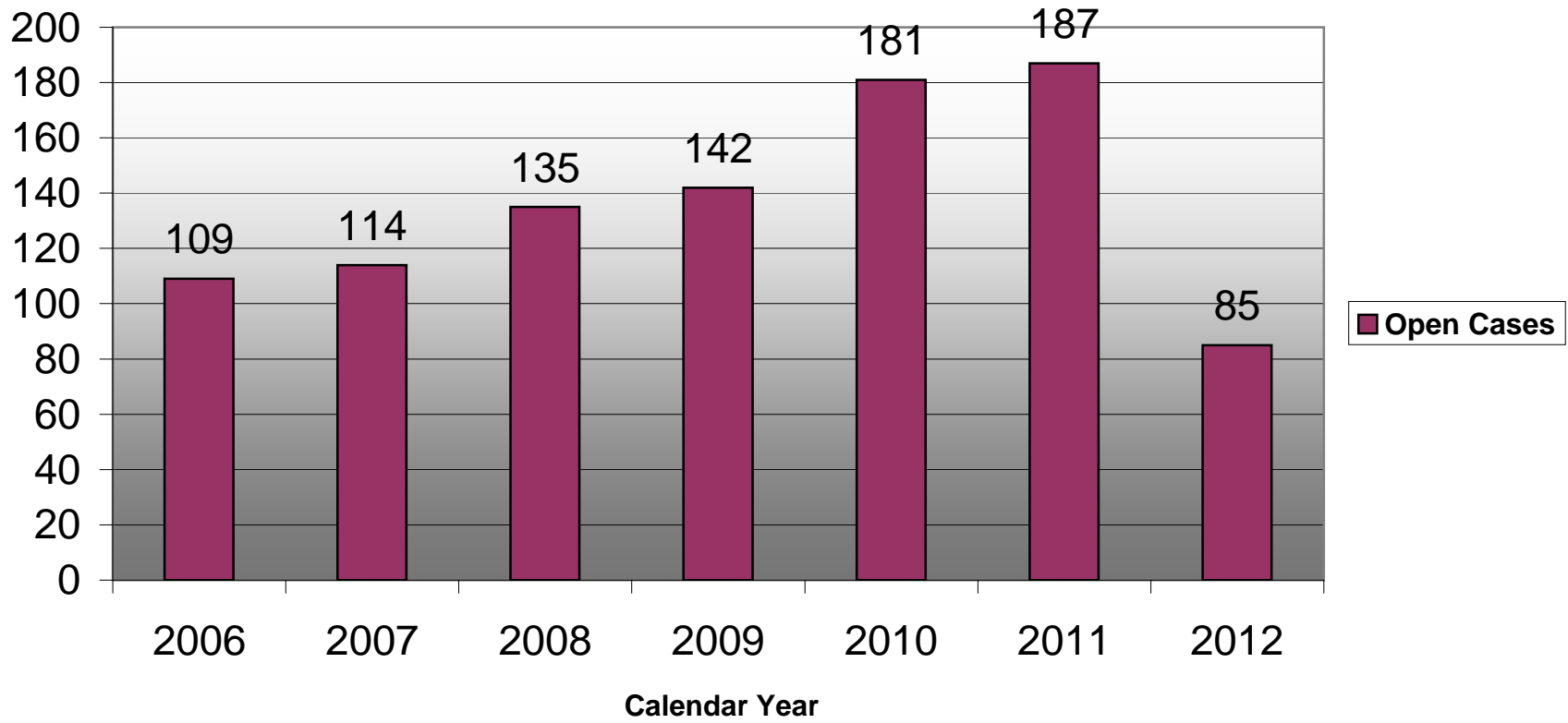
Footnotes

1. N.J.S.A. 34:13A-16a(1)
2. N.J.S.A. 34:13A-16b(2)
3. N.J.A.C. 19:16-5.12
4. N.J.S.A. 34:13A-16d(2), as amended by P.L. 2010, Ch. 105
5. N.J.S.A. 34:13A-16e(1), as amended by P.L. 2010, Ch. 105
6. N.J.S.A. 34:13A-16b(2), as amended by P.L. 2010, Ch. 105
7. N.J.S.A. 34:13A-16d(2), as amended by P.L. 2010, Ch. 105
8. N.J.S.A. 34:13A-16f(3), as amended by P.L. 2010, Ch. 105
9. N.J.S.A. 34:13A-16f(5), as amended by P.L. 2010, Ch. 105
10. N.J.S.A. 34:13A-16e(4), as amended by P.L. 2010, Ch. 105
11. N.J.S.A. 34:13A-16f(5)(b), as amended by P.L. 2010, Ch. 105
12. N.J.S.A. 34:13A-16f(5)(a), as amended by P.L. 2010, Ch. 105
13. N.J.S.A. 34:13A-16f(5)(a), as amended by P.L. 2010, Ch. 105
14. N.J.S.A. 34:13A-16f(6), as amended by P.L. 2010, Ch. 105
15. P.L. 2010, Ch 105, §2b
16. P.L. 2010, Ch 105, §4
17. P.L. 2010, Ch 105, §4
18. P.L. 2010, Ch. 105, §2a

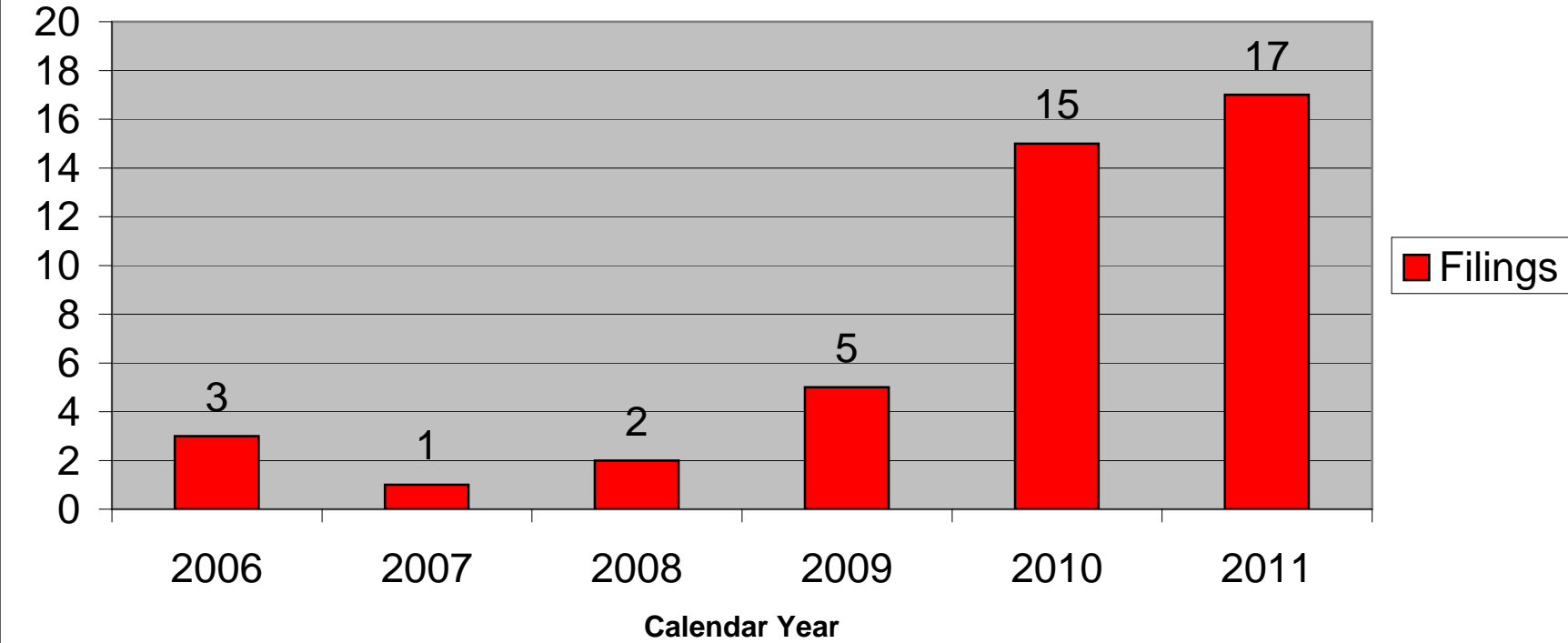
### IA Cases Disposed During Calendar Year



### IA Cases Open at Start of Calendar Year



### IA Appeals Data During Calendar Year





**STATE OF NEW JERSEY  
PUBLIC EMPLOYMENT RELATIONS COMMISSION**

PO Box 429  
TRENTON, NEW JERSEY 08625-0429

[www.state.nj.us/perc](http://www.state.nj.us/perc)

ADMINISTRATION/LEGAL  
(609) 292-9830  
CONCILIATION/ARBITRATION  
(609) 292-9898  
UNFAIR PRACTICE/REPRESENTATION  
(609) 292-6780

*For Courier Delivery*  
495 WEST STATE STREET  
TRENTON, NEW JERSEY 08618  
FAX: (609) 777-0089  
EMAIL: [mail@perc.state.nj.us](mailto:mail@perc.state.nj.us)

**Notice to Public Employers - Public Sector Contracts**

N.J.S.A. 34:13A-8.2 provides that "public employers shall file with the commission a copy of any contracts negotiated with public employee representatives following consummation of negotiations." This requirement applies to all public sector employers.

An electronic, **signed and dated** copy, complete with **certification**, along with a word processing version (Word, WordPerfect, etc) of all past and current contracts for each bargaining unit not listed on PERC's website must be e-mailed to [contracts@perc.state.nj.us](mailto:contracts@perc.state.nj.us). Please refer to our website to review the contracts on file for your jurisdiction.

A listing, by employer, of available contracts for each bargaining unit is available on the PERC website Reference Page under [Contracts by Unit](#).

Should no electronic version be available, a single sided, 8 ½ by 11 copy may be mailed to the agency PO Box. Contracts will **NOT** be accepted in booklet form. All contracts will be entered into our database and made available to the public through the Reference page of the Commission's web site, [www.state.nj.us/perc](http://www.state.nj.us/perc).

Additionally, N.J.S.A. 34:13A-16.8(d)(2), effective January 1, 2011 requires all public employers to provide copies of completed contracts from all bargaining units within the employer's jurisdiction. The law also requires a **summary of all costs and their impact** associated with the negotiated agreement for all bargaining units.

N.J.S.A. 34:13A-16.8(d)(2) provides that,

"...PERC is required to post on its website **all collective negotiations agreements** and interest arbitration awards entered or awarded after the date of enactment including a summary of contract or arbitration award terms in a standard format developed by the Public Employment Relations Commission to facilitate comparisons. All collective negotiations agreements shall be submitted to PERC within 15 days of contract execution."

*New Jersey Is An Equal Opportunity Employer*

**Tab F**

There are separate forms for "police & fire" and "non-police & non-fire" public sector collective bargaining agreements, i.e. state, county, municipal and education employees.

The [non-police & non fire units' summary form](#) highlights the negotiated costs associated with each unit, the costs for the new agreement and the estimated impact of the negotiated settlement.

The [summary form for police and fire](#) outlines the difference between economic and non-economic items reported in the previous agreement, details the increased items included in the newly negotiated agreement and the impact of those changes, pursuant to [N.J.S.A. 34:13A-16.8\(d\)\(2\)](#).

A summary form must be completed (and e-mailed to [contracts@perc.state.nj.us](mailto:contracts@perc.state.nj.us).) for any contract that begins on or after January 1, 2010 and settled, entered into or awarded after January 1, 2011. This request applies regardless if PERC has already received the contract.

[Directions and sample forms](#) are provided to assist in the completion of the requested summary forms. Please complete the **summary form and certification**, then submit an electronic, signed and dated copy of the form and certification along with a word processing version (Word, WordPerfect, etc) of all past and current contracts for each bargaining unit.

Thank you for your compliance with this statutory requirement. If you have any question regarding this letter or your obligation, please contact PERC at (609) 292-9898.



**POLICE AND FIRE**  
**COLLECTIVE BARGAINING AGREEMENT SUMMARY FORM**

**Section I: Agreement Details**

Public Employer: \_\_\_\_\_ County: \_\_\_\_\_  
 Employee Organization \_\_\_\_\_ Employees in Unit: \_\_\_\_\_  
 Base Year Contract Term: \_\_\_\_\_ New Contract Term \_\_\_\_\_  
 Type of Settlement:            Arbitrator's Award                      Fact-Finder Recommendation                      Voluntary Settlement

**Section II: Statutory Definition of Base Salary**

**N.J.S.A. 34:13A-16.7(a):** Base salary is the salary provided pursuant to a salary guide or table and any amount provided pursuant to a salary increment, including any amount provided for longevity or length of service. It shall also include any other item agreed to by the parties, or any other item that was included in the base salary as understood by the parties in the prior contract. Base salary shall not include non-salary economic issues, pension, and health and medical insurance costs.

|   | <b>Base Year - Total Costs</b><br><i>(Last Year of Previous agreement)</i> |  | <b>New Base Year - Total Costs</b><br><i>(First Year of Successor agreement)</i> |  |
|---|--|--|--|--|
|   | Column A   | Column B                                       | Column C   | Column D                                       |
|   | <u>Economic Inside Base Salary</u>   | <u>Non-salary Economic Outside Base Salary</u> | <u>Economic Inside Base Salary</u>   | <u>Non-salary Economic Outside Base Salary</u> |
| <b>Section III: Economic - Costs inside base salary</b>   |  |  |  |  |
| Salary .....  |  |  |  |  |
| Increment .....   |  | N/A  |  | N/A  |
| Longevity .....   |  |  |  |  |
| <b>Section IV: Additional Costs</b><br>List economic Items: indicate either inside or outside base salary as agreed to between the parties. |  |  |  |  |
| <u>Item Description</u>   |  |  |  |  |
| Item 1 .....  | _____  | _____  | _____  | _____  |
| Item 2 .....  | _____  | _____  | _____  | _____  |
| Item 3 .....  | _____  | _____  | _____  | _____  |
| Item 4 .....  | _____  | _____  | _____  | _____  |
| Item 5 .....  | _____  | _____  | _____  | _____  |
| Item 6 .....  | _____  | _____  | _____  | _____  |
| Item 7 .....  | _____  | _____  | _____  | _____  |
| Item 8 .....  | _____  | _____  | _____  | _____  |
| Item 9 .....  | _____  | _____  | _____  | _____  |
| Any additional items list on separate sheet                      Additional Items   | _____  | _____  | _____  | _____  |
| <b>Section V: Totals - Sum of costs in each column</b>  |  |  |  |  |
|   | _____<br>(Total Economic)<br>Section III & IV                              | _____<br>(Total Non-salary<br>Economic)        | _____<br>(Total Economic)<br>Section III & IV                                    | _____<br>(Total Non-salary<br>Economic)        |

**Section VI: Analysis of new successor agreement**

**NEW AGREEMENT ANALYSIS**

Total Economic Base Year(previous agreement) \_\_\_\_\_  
 Effective Date (m/d/yyyy) \_\_\_\_\_  
 Percent Increase .....

|  |       |       |       |       |       |
|--|-------|-------|-------|-------|-------|
| _____  | _____ | _____ | _____ | _____ | _____ |
| Actual dollar increase .....                     | _____ | _____ | _____ | _____ | _____ |
| Total Economic Costs (successor agreement) ..... | _____ | _____ | _____ | _____ | _____ |

**Section VII: Impact of Settlement - average annual increase over term of agreement**

Percentage Impact (average per year over term of agreement) \_\_\_\_\_  
 Dollar Impact (average per year over term of agreement) \_\_\_\_\_

**Section VIII**

| <u>Medical Costs</u>         | Base Year | Year 1 |       |       |       |
|------------------------------|-----------|--------|-------|-------|-------|
| Cost of Health Plan .....    | _____     | _____  | _____ | _____ | _____ |
| Employee Contributions ..... | _____     | _____  | _____ | _____ | _____ |
| Prescription .....           | _____     | _____  | _____ | _____ | _____ |
| Dental .....                 | _____     | _____  | _____ | _____ | _____ |
| Vision .....                 | _____     | _____  | _____ | _____ | _____ |

*The undersigned certifies that the foregoing figures are true and is aware that if any of the foregoing items are false, s/he is subject to punishment.*

**Section IX**

Prepared by: \_\_\_\_\_ Title: \_\_\_\_\_  
 \_\_\_\_\_  
 Signature \_\_\_\_\_ Date: \_\_\_\_\_