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Governor Christie's "Tool Kit"

Background: In May 2010, Governor Christie proposed a package of 33 bills that are *labeled* as a "tool kit" to help local governments, school districts and higher education institutions control costs, as well as cap state spending.

The vast majority of these proposals would do little to reduce or control costs, and instead are motivated by politics and Governor Christie's continued desire to undermine and erode collective bargaining and other worker protections.

Furthermore, although the governor is "selling" the package as one that would give local governments, school districts and higher education institutions flexibility, the reality is that many of the proposals actually restrict their ability to fund and provide essential services.

Core Issues: Although there are a total of 33 bills, the following categories (some contain multiple bills) are of significant concern:

1. **Constitutional amendment to implement a 2.5% cap on state spending**, excluding state aid to municipalities and school districts. The limit could be exceeded by passage of an emergency measure by two-thirds of each legislative house. When the economy improves and revenues increase, this amendment would effectively prevent the restoration of severe cuts to vital services.
2. **A 2.5% cap for property tax levy increases**. Exceptions would require a 60% vote of the local government electorate on a public question.
3. **Cap all collective negotiations agreements at 2.5% on economic issues**. This is a unique proposal. No other state has a proposal like it. Included are salaries, hours in relation to earnings, paid vacation, paid holidays, health insurance and other economic benefits. Pension payments would be included in the cap if there is not a constitutional amendment requiring pension funding. Mediators, fact finders and super conciliators cannot recommend settlements that exceed 2.5%. Interest arbitrators cannot issue awards for police and fire units that exceed 2.5%.
 - Arbitrators must consider impact of contracts on property taxes.
 - Arbitrators are barred from making awards that exceed the 2.5% cap.

It is important to note that this cap on labor cost increases is a “line-item” limitation. This type of “line-item” specific cap does not exist for any other single category in a local government budget.

4. Dismantling Civil Service:

- Allows for a local government to opt-out of Civil Service. The opt-out would be triggered by either a petition of 15% of valid votes cast in the local government during the last general election or by ordinance. Under both circumstances, the issue would then be placed on the ballot for consideration by the electorate. Currently, there is no way for local governments to leave Civil Service.
- Removes State college employees from Civil Service.
- Places limits on employees’ rights to appeal discipline to Civil Service under certain circumstances.
- Increases Civil Service exam fees and establishes appeal fees.
- Nine Month Seasonal Positions: Changes existing law that currently limits temporary appointments to not more than six months in a 12 month period, to permit seasonal positions for a maximum of nine months, when the Civil Service Commission Chairperson has approved a list of seasonal titles submitted by the employer.
- Shifts more powers from the Civil Service Commission to the Chairman of the Civil Service Commission.
- Dismantles seniority based layoff rights, permitting employers to pick and choose which employees are laid off.
- Revises layoff rules to allow less senior, but more essential employees to avoid bumping.

5. Grievance Arbitration:

- Limits arbitrator pay to \$1,000 a day for grievance arbitration and limits the growth of these fees.
- Creates new but undefined “professional qualification” standards for arbitrators.
- Changes selection of arbitrators from current system (participation of parties) to the function of PERC by lot without party participation.

6. Furloughs:

- Would prohibit negotiations over furloughs, permitting employers to unilaterally reduce compensation and hours of work and violate collectively bargained rates of compensation.
- Would give more power to local governments to furlough workers without triggering certain Civil Service protections such as bumping rights and seniority.
- No furloughed employee shall be paid for the furlough.
- Employer can designate any planned paid leave as unpaid furlough time.
- Employees may not substitute paid leave for furlough days.
- Amends existing law to specifically include staggered and non staggered furloughs.

Other Issues:

Pension Change for Union Officers on Leave: Eliminates eligibility for non-government groups and associations. This includes union officers or employees on an approved leave of absence. Union officers with 10 years of service would be “grandfathered.”

Cap sick leave payouts: \$15,000 for current employees for future accruals.

Vacation Carry Over Cap: Employees of local governments and school districts would be permitted to “carry forward” vacation time for only one year for future accruals.

Shared Services:

- When local governments decide to share services, certain Civil Service protections are waived.
- When layoffs occur due to shared services, severance payments are eliminated.
- Removes protections in collective bargaining agreements relative to terminations as a result of mergers.

Allows Municipalities to Offset Property Tax Refunds against State Income Tax Refunds

Council on Local Mandates: Empowers additional parties (including the League of Municipalities) to challenge state laws they consider to be unfunded, and in turn annul them. Numerous personnel related issues could be argued as “unfunded” and, therefore, eliminated. The League of Municipalities is notoriously anti-labor and anti-public employee.

Recommendations Impacting Education & Higher Education Specifically:

- Allows school districts to impose a “last best offer” contract under certain circumstances.
- Requires Executive County superintendents to approve all union contracts. Any contract including the following could not be approved: an increase above the 2.5% cap, pupil contact time per day regulation, minimum work regulations, prohibition on contracting out certain services.
- Revises fact finding standards for higher education when awarding a new contract to account for state aid, effect on tuition and benefits provided to employees. This would disrupt statewide bargaining units that have been in existence for 30 years.
- Empowers college and university board of trustees to conduct all labor negotiations.
- Allows higher education institutions to hire faculty for probationary periods.
- Allows for separate workers compensation system management for higher education institutions.

Election Reform:

- Send only single ballots to a household instead of multiple ballots to all voters in a single household.
- Move school board and fire elections to November.

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