

NEW JERSEY PUBLIC EMPLOYMENT RELATIONS COMMISSION

In the Matter of Interest Arbitration Between:

**STATE OF NEW JERSEY, DIVISION
OF STATE POLICE**

“Public Employer,”

- and -

STATE TROOPERS SOA,

“Union.”

**STATE OF NEW JERSEY, DIVISION
OF STATE POLICE**

“Public Employer,”

- and -

STATE TROOPERS NCO ASSOCIATION,

“Union.”

**INTEREST ARBITRATION
DECISION AND
AWARDS**

Docket No. IA-2022-002

Docket No. IA-2022-003

**Before
James W. Mastriani
Interest Arbitrator**

Appearances:

For the State:

John C. Romeo, Esq.
Gibbons, P.C.

For the SOA:

Richard D. Loccke, Esq.
Loccke, Correia & Bukosky

For the NCO:

D. John McAusland, Esq.
Law Office of D. John McAusland

Pursuant to N.J.S.A. 34:13A-16e(1), I was appointed interest arbitrator by the New Jersey Public Employment Relations Commission in accordance with P.L. 1995, c. 425, to resolve an impasse involving the State of New Jersey, Division of State Police [the “State”] and State Troopers Superior Officers Association of New Jersey [the “SOA”], the majority representative representing the ranks of Lieutenant and Captain. Also pursuant to N.J.S.A. 34:13A-16e(1), I was appointed as interest arbitrator to resolve an impasse between State of New Jersey, Division of State Police [the “State”] and the New Jersey State Police Non-Commission Officers Association [the “NCO”], the majority representative representing the rank of Sergeant. Because many issues were common, the pre-interest arbitration mediation sessions and the interest arbitration hearings were joined upon the mutual agreement of all parties. In short, the proceedings were consolidated with each bargaining unit advancing its own issues as well as those jointly submitted on common issues. The Award will encompass all issues raised with specificity on any issue that it is limited to either the SOA or the NCO unit.

I held joint mediation sessions on November 9, November 16 and December 21, 2021. These efforts did not succeed and resulted in the convening of formal interest arbitration hearings. Interest arbitration hearings were held on August 1 and 2, 2022. An overall record was developed containing evidence relevant to both impasses. It includes substantial documentary evidence, testimony, charts and financial reports and certifications. Testimony was received

from Captain Frank Serratore, President of the SOA, Lieutenant Michael Zanyor, Captain Alan Cooke, Sergeant Dan Oliveira, President of the NCO, Yvonne Catley, Acting Director of the Office of Employee Relations, and Lynn Azarchi, Acting Director of the State Office of Management and Budget. Due to the State of Emergency which impacted on the progress of the process, the parties requested and received PERC approval to extend the statutory time periods. Post-hearing briefs were filed and were simultaneously transmitted to each party by the arbitrator on or about August 26, 2022. At the request of the Unions, the record was reopened for a limited purpose on September 1, 2022. Due to the compressed time period to issue this Award, the summary of issues and analysis of evidence will necessarily be truncated although the entire record of the proceeding has been reviewed and thoroughly considered.

As required by statute, prior to the arbitration hearings each party submitted its last or final offer on all impasse issues to each other and to the arbitrator. They are as follows:

FINAL OFFERS OF THE PARTIES

New Jersey State Police Non-Commission Officers Association And New Jersey State Police Superior Officers Association

All proposals presented may be modified, withdrawn or amended at any time during this proceeding in accordance with the rules of the Public Employment Relations Commission, agreements of the parties and rulings of Arbitrator James Mastriani. Any tentative agreement reached must be approved by ratification of the total

active membership of the Non-Commissioned Officers Association (NCO) and/or the Superior Officers Association (SOA). Proposals are to apply to all personnel in both units unless the offer specifies a single unit.

1. **Term:** July 1, 2021 through June 30, 2025
2. **Cost of Living Adjustment:** All ranges and steps of the current base salary step structure to be increased by ten (10%) effective March 1, 2022 on a single time basis.
3. **Base and Maintenance Allowance Adjustment:**
 - a. **Base Salary:** All ranges and steps of the current base salary step structure (across the board) shall be increased as follows:
 - i. Effective and retroactive to July 1, 2021, a 3.5% increase
 - ii. Effective and retroactive to July 1, 2022, a 3.5% increase
 - iii. Effective July 1, 2023, a 3.5% increase
 - iv. Effective July 1, 2024, a 3.5% increase.
 - b. **Maintenance Allowance:** The maintenance allowance for employees covered by this Agreement shall be as follows:
 - i. Effective the first full pay period after July 1, 2021, the maintenance allowance for all employees shall be \$18,411.98.
 - ii. Thereafter maintenance allowance shall receive the same increases applied to ranges and salary steps in Proposal 3.
4. **Medical Benefits:**
 - a. Effective with the first open enrollment period following any interest arbitration award, all employees shall be permitted to enroll in the State Health Benefits Plan Design known as Direct 15 and pay contribution towards benefits in accordance with Chapter 78 to a maximum of \$10,500 annual contribution.

- b. The State Health Benefits Plan Design known as NJ Direct will maintain the current level of benefits and the current contribution dollar amounts set forth in the collective bargaining agreements shall be maintained throughout the term of any agreement established as a result of an interest arbitration award.
5. **NCO ONLY. Elimination of Ten Hour Adjustment Rule:** The Collective Bargaining Agreement shall be amended to stop the adjustment of scheduled hours in Work cycle to avoid payment of overtime compensation for additional hours over the scheduled 160 hours monthly.

**ARTICLE V (NCO)
HOURS OF WORK AND OVERTIME**

* * *

B. Adjustment of Hours

~~When an employee Works hours beyond those scheduled on a particular day, the extra hours worked may be reduced by adjusting the work schedule on another day or days in the work cycle shall be overtime hours. No more than ten (10) extra hours may be adjusted in a cycle. When a work schedule is adjusted, the employee shall not be required to come to work for a period less than four (4) hours. Extra hours worked beyond ten (10) shall be compensated as overtime hours provided the employee involved has served the one hundred and sixty (160) hours scheduled or has been available to perform that service, or has been on authorized leave for scheduled hours not worked.~~

~~Effective July 1, 2006, there shall be no reduction of extra hours worked as to any unit member where said hours are spent in the performance of duties ordinarily assigned to or performed by a patrol/road Sergeant.~~

~~Assignment of a double shift is not considered to be extra hours. This is a schedule change.~~

C. Overtime and Overtime Compensation

All hours Worked beyond one hundred and sixty (160) hours compensated in a cycle ~~or any adjusted extra hours beyond ten (10)~~ shall be overtime hours. Overtime hours are paid at the premium rate of time and one-half.

The employee may select cash compensation or compensable time off for one-half of the overtime payable in a Work cycle. The Division may select cash or compensable time off for the other half of the overtime payable in a work cycle. Compensable time off will be recorded in a "bank" up to the maximum of one hundred and twenty (120) straight time hours. Any overtime earned by an employee with one hundred and twenty (120) hours banked is payable only in cash.

6. **SOA ONLY. Increase in Police Captain Differential:** The Collective Bargaining Agreement shall be amended to increase the Captain's percentage differential effective July 1, 2021.

**ARTICLE X (SOA)
SALARY, MAINTENANCE AND FRINGE BENEFITS**

* * *

4. Effective the first full pay period after July 1, ~~2018~~2021 and thereafter, a 57.0% differential in base salary shall be maintained between the ranks of State Police Captains and Lieutenants. The 57.0% differential will be predicated upon the Lieutenants highest base salary. Base salary does not include maintenance allowance, clothing allowance or other bonus payments.

All previous Association proposals are withdrawn and replaced with this proposal. Any State of New Jersey proposal not directly addressed by these proposals should be deemed rejected.

THE STATE OF NEW JERSEY

The State proposes maintaining the applicable collective negotiations agreements with no changes, other than those set forth below. Any proposal by the STNCOA or STSOA on any Article or

Sub-article other than those listed below, should be deemed rejected by the State:

1. **ARTICLE XIII — COMPENSATION:**

- A. The State proposes a two year contract, expiring on June 30, 2023.

Subject to Legislative enactment providing full appropriation of funds for these specific purposes, the State proposes across the board wage increases as follows:

- a. 2% across-the-board increase retroactive to the first full pay period after July 1, 2021
 - b. 2% across-the-board increase retroactive to the first full pay period after April 1, 2022
- B. The State proposes increases to the maintenance allowance for employees covered by this Agreement as follows:
- a. Retroactive to the first full pay period after July 1, 2021, the maintenance allowance shall be \$16,565.67.
 - b. Retroactive to the first full pay period after January 1, 2022, the maintenance allowance shall be \$17,315.67.
 - c. Retroactive to the first full pay period after April 1, 2022, the maintenance allowance shall be \$17,661.98.
 - d. Effective the first full pay period after January 1, 2023, the maintenance allowance shall be \$18,411.98.

2. **ARTICLE X (STNCO) / ARTICLE VII (NC SOA) – HOLIDAYS:**

- A. The State agrees to add Juneteenth as a Holiday

BACKGROUND

The State's Division of State Police has a history of negotiations with sworn officers including rank and file troopers (STFA), Sergeants¹ (NCO) and Lieutenants and Captains (SOA). These three units are among many bargaining units who have collective negotiations agreements with the State covering approximately 50,000 employees. The STFA unit includes approximately 1,500 Troopers. The NCO unit includes approximately 900 Sergeants. The SOA unit includes approximately 240 Lieutenants and approximately 63 Captains. The other units include:

- AFSCME New Jersey Council 63, American Federation of State, County and Municipal Employees, AFL-CIO ("AFSCME")

Health, Care and Rehabilitation Services

- Council of New Jersey State College Local, AFT, AFL-CIO ("AFT")

State colleges/universities, teaching and/or research faculty, librarians, professional academic support personnel holding faculty rank, etc.

- Communication Workers of America, AFL-CIO ("CWA")

Four (4) collective negotiations units including Administrative/ Clerical, Professional, Primary Level Supervisors and Higher Supervisors.

- International Federation of Professional and Technical Engineers, AFL-CIO ("IFPTE")

¹ The Sergeants unit includes Staff Sergeant, Detective Sergeant, Sergeant Detective Sergeant First Class and Sergeant First Class.

Operations, Maintenance, Services and Crafts.

- New Jersey Law Enforcement Commanding Officers Association (“NJLECOA”)

Correctional Police Captains, Major, Supervising Conservation and Parole Officers, etc.

- New Jersey Law Enforcement Supervisors Association (“NJLESA”)

Correctional Police Sergeants, Conservation Officers 2, Supervising Interstate Escort Officers, etc.

- New Jersey Policeman’s Benevolent Association (“PBA”), Local 105

Correctional Police Officer, Senior Correctional Police Officer, Senior Parole Officer, Senior Correctional Police Officers, Parole Officers and Interstate Escort Officers, etc.

- International Brotherhood of Electrical Workers (“IBEW”), Local 30

Managers (Non-Law Enforcement)

- IBEW, Local 33

Deputy Attorneys General (DAGs)

- PBA, Local 383

Division of Criminal Justice Investigators

- PBA, Local 383A

Division of Criminal Justice Investigator Sergeants

- PBA, Local 383B

Division of Criminal Justice Investigator Lieutenants

The Unions have offered substantial record evidence as to the operations and responsibilities of the Division of State Police. The expansive nature of their roles in protecting New Jersey residents, their competence, preparedness, deployments and supervisory responsibilities was explained in the testimony of Union witnesses and, in particular, by Captain Frank Serratore President of the SOA. According to Captain Serratore, state police functions have expanded in recent years. The State does not contest the value of the broad statutory authority, proficiency or the dangerous environment in which unit employees often work. The Division is led by a Colonel who, in a recent document concerning executive non-represented salaries, stated “The NJSP is an accredited professional law enforcement agency which has earned the reputation of being one of the nation’s premier law enforcement agencies. The scope and breadth of the NJSP mission is unparalleled compared to other law enforcement agencies at the local, county, state and federal levels.” [Un. Ex. #23]. The Unions cite to prior interest arbitration awards which have outlined the Division’s operations and the work performed by Troopers, Sergeants, Lieutenants, Captains.²

Although the parties disagree on financial impacts of their respective proposals and the significance of cost of living data, most issues in this case arise

² In *State of New Jersey, Division of State Police and State Troopers Fraternal Association et al.*, Docket No. IA-2020-039, 040 and 041 (September 21, 2011 “Mastriani Award”) and *State of New Jersey, Division of State Police and State Troopers Non-Commissioned Officers Association*, Docket No. IA-2016-007 (January 31, 2016 “Cure NCO Award”).

from their disagreement over the relevance and weight to be given to the record evidence on the statutory criterion in N.J.S.A. 34:13A-16(g)(2):

- (2) Comparison of the wages, salaries, hours and condition of employment of the employees involved in the arbitration proceedings with the wages, hours and condition of employment of other employees performing the same or similar services with other employees generally:

and, in particular, subsection N.J.S.A. 34:13A-16(g)(2)(c) which focuses on internal comparability:

- (c) In public employment in the same or similar jurisdictions, as determined in accordance with section 5 of P.L. 1995, c. 425 c. 34:13A-16 (2); provided, however, each party shall have the right to submit additional evidence concerning the comparability of jurisdictions for the arbitrator's consideration.

In brief, the State contends that its offer of 2% across the board (ATB) in each contract year (July 1, 2021 through June 30, 2022 - Year One and July 1, 2022 through June 30, 2023 – Year Two) effective July 1, 2021 and April 1, 2022 respectively,³ is consistent, and in alignment with, an alleged established internal pattern of settlement between the State and “all of its other unions/employee organizations.” Similarly, the contract expiration dates of June 30, 2023 and the maintenance of the existing State healthcare plan are asserted to fit the “pattern.” The State further contends that among all of the many comparison groups it has presented to support the “pattern”, the STFA unit of some 1,500 rank and file

³ Full pay periods after each effective date.

Troopers is the most significant comparison group with the NCO and SOA units. Pursuant to the above, the State seeks rejection of the NCO/SOA proposals for a contract duration that adds an additional two (2) years beyond the expiration dates of the internal comparisons, 3.5% ATB increases in each year, a 10% COLA adjustment effective March 1, 2022, Maintenance Allowance increases beyond that negotiated by the STFA, the option to enroll in Direct 15 of the State Health Benefits Plan (SHBP) and caps on employee contributions toward health insurance benefits. The State sees these proposals as ignoring the pattern of settlement and also inconsistent with the remaining statutory criteria.

The Unions strongly disagree that the labor agreements the State refers to forms a pattern of settlement which forecloses the awarding of its proposals for a four (4) year contract duration, 3.5% ATB, the 10% COLA adjustment, the increase in Maintenance Allowance and its health insurance proposals. It offers many reasons as to why it believes the State's position is without merit. The reasons include, but are not limited to, evidence of the State's overall positive budget health, recent dramatic increases in the CPI, maintaining the attractiveness of future promotions of rank and file Troopers into the ranks of Sergeant, Lieutenant and Captain, the comparative higher dangers of law enforcement work compared to civilian units, an interest arbitration award issued and recently decided by PERC on appeal affirming the arbitrator that the State cannot solely rely on an internal pattern of settlement (*See State of New Jersey and New Jersey Law Enforcement*

Superior Officers Association, IA-2022-005 (Cure, Arb April 17, 2022), *State of New Jersey and New Jersey Law Enforcement Superior Officers Association*, P.E.R.C. 2022-51, IA-2022-005 (June 30, 2022)), bargaining history on the issue of duration, that certain other State bargaining units received increases or adjustments well beyond the alleged pattern of 2%, and that wage comparisons with other police jurisdictions for superior officers within and beyond the State of New Jersey justify greater wage increases for members of the NCO and SOA units.

The disputed issues do not all implicate internal comparisons. The NCO seeks the partial elimination of the Ten Hour Adjustment Rule. This is a procedure in Article V(B) that permits the adjustment of ten hours of work beyond normal hours to time off in lieu of paying overtime for additional hours over the scheduled 160 hours monthly. Another “non-pattern” issue concerns the SOA who seeks to increase the Captain’s differential in base salary in Article X from 5.0% to 7.0%. The State rejects both of these proposals and seeks to continue the status quo in the current agreement except for the changes it has proposed in its two year last offer (wages, increases in the maintenance allowance and the addition of the Juneteenth holiday).

As the parties acknowledge, the interest arbitrator is required to make an award based on a reasonable determination of the issues giving due weight to

those factors deemed relevant for resolution of the dispute. This involves determining which factors are relevant, why any factor is deemed to be irrelevant and the setting forth a “reasoned explanation” for the terms of the award. As set forth in N.J.S.A. 34:13A-16(g), the factors or criteria are:

- (1) The interests and welfare of the public. Among the items the arbitrator or panel of arbitrators shall assess when considering this factor are the limitations imposed upon the employer by (P.L. 1976, c. 68 (C. 40A:4-45.1 et seq.)).
- (2) Comparison of the wages, salaries, hours, and conditions of employment of the employees involved in the arbitration proceedings with the wages, hours, and conditions of employment of other employees performing the same or similar services and with other employees generally:
 - (a) In private employment in general; provided, however, each party shall have the right to submit additional evidence for the arbitrator's consideration.
 - (b) In public employment in general; provided, however, each party shall have the right to submit additional evidence for the arbitrator's consideration.
 - (c) In public employment in the same or similar comparable jurisdictions, as determined in accordance with section 5 of P.L. 1995. c. 425 (C.34:13A-16.2) provided, however, each party shall have the right to submit additional evidence concerning the comparability of jurisdictions for the arbitrator's consideration.
- (3) The overall compensation presently received by the employees, inclusive of direct wages, salary, vacations, holidays, excused leaves, insurance and pensions, medical and hospitalization benefits, and all other economic benefits received.

- (4) Stipulations of the parties.
- (5) The lawful authority of the employer. Among the items the arbitrator or panel of arbitrators shall assess when considering this factor are the limitations imposed upon the employer by the P.L. 1976 c. 68 (C.40A:4-45 et seq.).
- (6) The financial impact on the governing unit, its residents and taxpayers. When considering this factor in a dispute in which the public employer is a county or a municipality, the arbitrator or panel of arbitrators shall take into account to the extent that evidence is introduced, how the award will affect the municipal or county purposes element, as the case may be, of the local property tax; a comparison of the percentage of the municipal purposes element, or in the case of a county, the county purposes element, required to fund the employees' contract in the preceding local budget year with that required under the award for the current local budget year; the impact of the award for each income sector of the property taxpayers on the local unit; the impact of the award on the ability of the governing body to (a) maintain existing local programs and services, (b) expand existing local programs and services for which public moneys have been designated by the governing body in a proposed local budget, or (c) initiate any new programs and services for which public moneys have been designated by the governing body in its proposed local budget.
- (7) The cost of living.
- (8) The continuity and stability of employment including seniority rights and such other factors not confined to the foregoing which are ordinarily or traditionally considered in the determination of wages, hours and conditions of employment through collective negotiations and collective bargaining between the parties in the public service and in private employment.
- (9) Statutory restrictions imposed on the employer. Among the items the arbitrator or panel of arbitrators shall assess when considering this factor are the limitations imposed upon the employer by section 10 of P.L. 2007, c 62 (C.40A:4-45.45).

My review of the criteria will be based on the evidence presented, applicable precedent, as well as applying well established standards which are ordinarily or traditionally considered in determining terms and conditions of employment. The party seeking to modify existing terms and conditions of employment must justify the basis for change. This burden cannot be met by merely demanding a proposal without providing sufficient evidentiary support. No proposal can be deemed presumptively valid or will be awarded absent credible evidence or reasoning justifying change. I will set forth the issue, supporting arguments on award on each issue followed by a separate Award section.

DURATION

The analysis of the parties' substantive positions first requires a finding as to whether there is a pattern of settlement limiting the award to two years and, if so, whether there is an evidentiary basis to deviate from the pattern. The State's summation of the precedent on pattern has been accurately articulated. The validity of its application to the issue of duration, salary and health insurance is dependent on review of the unique facts of this case inasmuch as the alleged presence of a pattern of settlement requires a case by case determination. It is also noted that the examination of whether there is a pattern does not limit the application of evidence of internal comparability. I first review this question as it relates to contract duration.

The Unions have proposed a contract term of July 1, 2021 through June 30, 2025 for both the NCO and SOA units. The State proposes a two year contract expiring on June 30, 2023. The issue of duration in this case is not a simple procedural issue which can be divorced from the issues of substance. It is directly linked to many key economic issues in the parties' final offers which are in dispute. For example, the State rejects the Unions' wage proposals for the third and fourth contract years because of the four year length of their contract proposals. Because it believes the Unions are bound to a contract expiration of June 30, 2023, it offers no substantive wage proposal for years 3 and 4. The sharp difference in the parties' positions on whether there is a pattern governing the length of the contract appears in their vigorous arguments on the issue. I set them forth in part as follows:

NCO/SOA

The Associations proposed a term of July 1, 2021 through June 30, 2025, a four year term. The Employer proposed a term of July 1, 2021 through June 30, 2023, a two year term. The Employer's proposal would leave a short nine and half months, or 288 days from the date of the award in this case until the expiration of the agreements.

The opening section of the Employer Employee Relations Act declares the policy of the State of New Jersey to prevent labor disputes and promote peace between public employer and their employees. N.J.S.A §13A-2. In a unanimous 2021 decision, the New Jersey Supreme Court recognized the importance of the goal of maintaining labor peace in the context of the administration of the Employer Employee Relations Act. *Rozenblit v. Lyles*, 245 N.J. 105, 125 (2021). A 288 day contract certainly seems to be a recipe for continued strife between the parties at odds with the goals of the EERA.

A review of the recent history of the parties supports a longer contract. In 2016, the NCO Association engaged in an incredibly contentious interest arbitration resulting in a five year agreement covering 2012 through 2017. *IMO State of New Jersey Div. of State Police and State Troopers NCO Association*, IA-2016-007 (Cure, Arb. Jan. 31, 2016). The State of New Jersey sought a six year term from 2012 to 2018. The union sought a five year term, however, [the arbitrator] noted the prior pattern of four year terms:

The NCOA is seeking a five year term. The NCOA argues that historically agreements between the parties have been for four years. Apparently, the NCOA would be amenable to such a four year term but notes that the shorter term would require the parties to resume bargaining almost immediately. The NCOA also notes that the statute mandating the 2% Hard Cap is set to expire in 2017.” (NJSA 34:13A-16.7A). The NCOA believes there might be a possibility for more fruitful negotiations to the expiration of the 2% Hard Cap law. In addition, the NCOA hopes there might be some relief from the requirements of Chapter 78. I award the NCOA’s proposal. The possible elimination of the 2% Hard Cap will certainly change the environment for public sector unions, and provide the parties for the chance to exercise more economic freedom at the negotiating table. This agreement shall expire on June 30, 2017.” *Id.* at 28-29.

Following the Interest Arbitration, the Associations negotiated for nearly 3 and a half years to reach agreement on a new contract. The 2017 to 2021 Agreements were reached on December 31, 2020, only six short months before their expiration. Shortly following expiration, this Associations filed for interest arbitration. A break from the bargaining table is overdue.

Beyond the recent history, the past history of bargaining supports a four year agreement. For many decades, the two unions have negotiated almost exclusively four year terms. Since 2001, and with the exception of the Cure award which set term by decision, Acting Director Catley had not negotiated any term but four years with State Police unions since she began at the Office of Employee Relations in 2001. (T.92). While historically, there were some NCO agreements of three years in the 1990s, there were no NCO agreements of two

years. There have been no SOA agreements of less than four years in the history of the union. (Exh. R.18 (2012-17), R.19 (2008-12), R.20(2004-08); R.21 (2000-2004).

The other agreements from various agencies summarized by the State in Exhibit 44 are all, not only of the same termination date, June 30, 2023, but they are also all of the same length: 4 years. There are no 2 year deals in the comparable list offered by the Employer. The NJLECOA agreement covers 2019-23 (R.38), as does NJLESA (R.40), PBA-105 (U-26), CWA (R.34), AFSCME (R.31), and IFPTE (R.36). Each of these group's prior agreement was a five year deal covering 2014-2019. These groups have been in sync for years.

The State Police unions historically have not been "on sync" with these other groups. ...

... The Public Employment Relations Commission has found that pattern, even if established by the evidence, is only one of the factors to be considered and can be outweighed by other evidence in the record:

The arbitrator acknowledged the importance of maintaining an established pattern of settlement and stated that such a pattern promotes harmonious labor relations, provides uniformity of benefits, maintains high morale, and fosters consistency in negotiations. While the arbitrator considered the County's settlements with nine of its 29 negotiations units, he declined to give the settlements controlling weight. He reasoned that even if the settlements constituted a pattern among those units, the County's offer would result in lower increases than those received by sheriff's officers and public safety employees statewide and by employees in public and private employment in general. . . . The arbitrator's analysis comports with the Reform Act and our case law, including *Union Cty. IMO County of Essex and Essex County Sheriff's Officers PBA Local 183*, P.E.R.C. 2005-52, IA-2003-37 (Jan. 27, 2005).

The Public Employment Relations Commission recently reached a similar conclusion in the recent Corrections supervisors interest arbitration appeal. *State of New Jersey and NJ Superior Officers Law*

Enforcement Assoc., PERC No. 2022-51, IA 2022-005 (Jun. 30, 2022). Arbitrator Cure found:

I recognize that the State has vigorously argued that there is a well-established pattern of settlement for the numerous state bargaining units, and the State contends that there is no justification for departing from that pattern. While I acknowledge that the collective agreements reached by the State with other correction department bargaining units, and with other State employees supports the State's position concerning pattern of settlement, that is only one of the nine statutory factors that I am required to analyze in making my award. One other statutory factor that stands out and will be considered in analyzing the record before me is the increase in the cost of living. While inflation had been under control for many years, for a myriad of reasons some stemming from the COVID-19 pandemic and disruptions to the supply chain, that is no longer the case. *IMO State of New Jersey and New Jersey Law Enforcement Superior Officers Association*, IA-2022-005 (Cure, Arb. Apr. 17, 2022).

The State of New Jersey appealed alleging that Cure failed to follow the pattern of settlement. The Commission rejected the State's position finding that relying on factors outside of the alleged pattern was permitted under the statute:

The State on appeal reiterates an argument it made to the arbitrator: The other units agreed to the 2% pattern while inflation was already significantly above average. The State relies on twelve month percentage changes in the national consumer price index CPI-U when the various other units settled: 6.8% when NGLCOA settled in November of 2021, 6.2% in October 2021, 5.2% when NJLESA settled in September of 2021 and 4.2% when PBA 105 agreed to the pattern in April 2021. The State . . . argues that [inflation] does not justify a deviation from the State's pattern. On the contrary, we find that the fact that other units settled when the inflation rate (although rising) was markedly lower supports neither a modification of the award, nor a finding that the arbitrator gave undue weight to the cost of living factor. *IMO State of New Jersey and New*

Jersey Law Enforcement Superior Officers Association, P.E.R.C. 2022-51, IA-2022-005 (June 30, 2022).

Based upon the evidence in this case, The Employer has not established a pattern of settlement because at least three of the units relied upon did not receive 2% increases, as the State alleges, and because the remaining agreements predated a major change in economic conditions: substantially increased inflation and significantly improving financial performance of the State of New Jersey.

State

Pattern is an important labor relations concept that is relied on by both labor and management. *Somerset County Sheriff's Office v. Somerset County Sheriff's FOP Lodge # 39*, 2008 N.J. Super. Unpub. LEXIS 373, at *16 (N.J. Super. App Div. Jan. 25, 2008) (quoting *Union County Corrections Officers, PBA Local 999 v. County of Union*, 30 NJPER 38 (2004)). In particular, “[i]nterest arbitrators have traditionally found that internal settlements involving other uniformed employees are of special significance.” *Id.* at *26.

An internal pattern of settlement implicates several of the mandatory criteria for consideration set forth in N.J.S.A. § 34:13A-16(g). As noted, N.J.S.A. § 34:13A-16(g)(2)(e) requires arbitrators to compare the wages, salaries, hours and conditions of the employees in the proceeding with those of employees performing **similar services** in the same jurisdiction and with “other employees generally” in the same jurisdiction. Thus, this sub-factor requires the arbitrator to consider evidence of settlements between the employer and other of its negotiations units, as well as evidence that those settlements constitute a pattern. See N.J.A.C. § 19:16-5.14(c)(5) (identifying a “pattern of salary and benefit changes” as a consideration in comparing employees within the same jurisdiction).

An internal pattern of settlement also implicates N.J.S.A. § 34:13A-16g(8), concerning continuity and stability of employment. This is because “maintaining an established pattern of settlement promotes harmonious labor relations, provides uniformity of benefits, maintains high morale, and fosters consistency in negotiations.” *Somerset County*, 2008 N.J. Super. Unpub. LEXIS 373, at *16. To that end, “interest arbitrators have traditionally recognized that deviation from

a settlement pattern can affect the continuity and stability of employment by discouraging future settlements and undermining employee morale in other units.” *Id.* In other words:

Consistency in treatment among bargaining units of the same employer is unquestionably a generally accepted element of good labor relations policy. Sound and consistent labor relations are certainly in the public interest. It prevents “whipsawing” in negotiations and it reduces the potential for decline in morale, which often accompanies the perception of disparate treatment.

City of Jersey City and Jersey City Police Officers Benevolent Ass’n, Docket No.: IA-2017-012 (2017) (Mastriani, J.) (internal quotations omitted) (emphasis added). And “[w]hile no criterion is alone entitled to controlling weight, an internal pattern should not be lightly disregarded.” *State of New Jersey and NJSOLEA*, IA-2001-003 (2001) (Buchheit, S.).

In accordance with these principles, arbitrators routinely rely on a public employers’ internal pattern of settlement in adjudicating interest arbitrations involving units of that same employer. See e.g., *Id.* ; *County of Atlantic and Fraternal Order of Police, Lodge 34 (Corrections)*, IA-2014-014 (2014) (Mastriani, J.); *State of New Jersey and State Law Enforcement Conference*, IA-2000-004 (2000) (Mastriani, J.). And PERC has routinely affirmed arbitration decisions which rely on an internal pattern of settlement. See e.g., *City of Jersey City and Jersey City Police Officers Benevolent Ass’n*, 44 NJPER ¶ 77 (2017); *Somerset County*, 2008 N.J. Super. Unpub. LEXIS 373; *Union County Corrections Officers, PBA Local 999 and County of Union*, 30 NJPER ¶ 38 (2004).

Record evidence establishes that the State has maintained an internal pattern of settlement with statewide negotiations units as to: (1) contract expiration date; (2) annual ATB salary increases; and (3) healthcare benefits. This pattern of settlement provides for a CNA that expires on June 30, 2023—the end of the State’s fiscal year 2023, an annual 2% ATB increase to base salary, and acceptance of the statewide health benefits plan, where employees may enroll in the “NJ Direct” plan, among others, and contribute to the cost of their health benefits as a percentage of total salary. See transcript of arbitration hearing dated August 2, 2022 (“Tr2”), at 66:25-68:24. The

following statewide negotiations units have agreed to CNAs which conform to this pattern of settlement:

- (1) the STFA;
- (2) AFSCME New Jersey Council 63, American Federation of State, County and Municipal Employees, AFL-CIO (“AFSCME”);
- (3) the Council of New Jersey State College Local, AFT, AFL-CIO (“AFT”);
- (4) the Communication Workers of America, AFL-CIO (“CWA”);
- (5) the International Federation of Professional and Technical Engineers, AFL-CIO (“IFPTE”);
- (6) the New Jersey Law Enforcement Commanding Officers Association (“NJLECOA”);
- (7) the New Jersey Law Enforcement Supervisors Association (“NJ LESA”);
- (8) the New Jersey Policeman’s Benevolent Association (“PBA”), Local 105;
- (9) the International Brotherhood of Electrical Workers (“IBEW”), Local 30;
- (10) IBEW, Local 33;
- (11) PBA, Local 383;
- (12) PBA, Local 383A; and
- (13) PBA, Local 383B.

See R-22, R-28 through R-44; Tr2:67:25-73:6. Collectively, these units consist of more than 50,000 State employees. *Id.* Awarding terms consistent with the State’s pattern of settlement in this instance would ensure harmonious labor relations, uniformity of benefits, and consistency in negotiations among the statewide bargaining units. See *Somerset County*, 2008 N.J. Super. Unpub. LEXIS 373, at *16. Conversely, ignoring the pattern of settlement in this instance would

undermine these core values, foster discord among the employee population, decrease morale, and inhibit the State's ability to harmoniously resolve future labor negotiations.

For these reasons, the State's pattern of settlement mandates that the Unions receive CNAs containing: (1) a contract expiration date of June 30, 2023; (2) 2% ATB increases; and (3) the State's healthcare plan, which the Unions already agreed upon in the 2017-2021 CNA, and thus constitutes the status quo on healthcare.

Award on Duration

Due to the parties' positions, the issue of duration must initially be determined because it sets the context for deciding the substantive components at issue. Those substantive issues must be reviewed within a determination of what the contract years will be.

Despite its forcefully articulated arguments, I find the State has not met its burden to establish that the principles of pattern of settlement have been met on the issue of contract duration. There is a distinction to be drawn between the contracts that all expire on June 30, 2023 with the Unions' proposal for an Agreement extending beyond June 30, 2023. The labor organizations who all negotiated four year contracts effective July 1, 2019 through June 30, 2023, with the exception of the STFA, had prior four (4) year agreements effective July 1, 2015 through June 30, 2019. This placed the STFA in alignment with the other State units except for the NCO and SOA. During this latter time period, the STFA had an agreement that expired on June 30, 2017 and it and the State negotiated

a two (2) year contract effective July 1, 2017 through June 30, 2019. The NCO and SOA units negotiated a five (5) year Agreement effective July 1, 2012 through June 30, 2017 and then negotiated a successor Agreement four (4) years in length effective July 1, 2017 through June 30, 2021. While the record does establish a pattern extending to all units who negotiated four (4) year agreements effective July 1, 2019 through June 30, 2023, the contract duration for NCO and SOA units fell outside of this and previous patterns, both in its now expired agreement and also in the one preceding the expired agreement. The history of bargaining for the NCO and SOA units reflects that they have not previously been in alignment with other State units and have not been foreclosed from negotiating an expiration date merely because it may differ from the others. In short, there is not a pattern of settlement on contract duration from which the NCO and SOA units are bound simply because all other State bargaining units have agreements that will expire on June 30, 2023. While the State may have a strong interest in achieving a labor policy requiring all of its units to have a common expiration date, I do not find that pursuit of labor policy, regardless of its wisdom, equates to a pattern of settlement requiring the NCO and SOA units to be limited to a two (2) year agreement. Moreover, there is no evidence that an expiration date for the NCO and SOA that is different from the other State units would have any deleterious or unstable impact on labor relations stability for units whose terms and conditions of employment have been set through June 30, 2023 but not beyond. These conclusions do not impact on the merits of any substantive term at issue nor the

merits of the State's position that there is a pattern of settlement on substantive issues separate and apart from the issue of contract expiration.

Accordingly, I find that the NCO and SOA proposal for a contract duration effective July 1, 2021 through June 30, 2025 represents a reasonable determination of the issue of contract duration and it is awarded.

COST OF LIVING ADJUSTMENT

The Unions have proposed an increase in base pay of ten (10%) effective March 1, 2022 to all ranges and steps of the current base salary step structure for officers in both the NCO and SOA units. It makes the following arguments in support of its proposal:

NCO/SOA

The Cost of Living Adjustment, which could also be denominated a range adjustment, if the State prefers that term, was explicitly designed to match up with the recent negotiated agreements of the State with PBA 383A/B, PBA 105 and the Deputy Attorneys General. Our proposal is less than that granted to PBA Local 383A/B (15% across the board) and much less than IBEW Local #33 (approximately 21%). It is slightly more than that provided to PBA Local #105 (8%). The average adjustment provided to these groups was 14.33%, so 10% is a reasonable target. March 1, 2022 is later than both IBEW #33 and PBA Local #33 and only a month before PBA Local #105's kicks in April.

Beyond the other range adjustments on which this proposal was modelled, the Cost of Living adjustment was designed to offset the tremendous rise in prices in the past year.

The State

N.J.S.A. § 34: 13A-16(g)(7) requires that an arbitrator consider “[t]he cost of living,” when rendering an interest arbitration award. The Unions have also incorporated a supposed increase in the cost of living into their final proposal, which includes a proposed “Cost of Living Adjustment,” which requests that “[a]ll ranges and steps of the current base salary step structure to be increased by ten (10%) (*sic*) effective March 1, 2022 on a single time basis.” R-6. For the following reasons, it would be inappropriate to award a 10% COLA to the salary guide on a going-forward basis.

Though not explicitly specified by the Unions, the requested COLA appears tied to the current level of the Consumer Price Index (“CPI”),* which rose to 9.1 in June 2022, as per the U.S. Bureau of Labor Statistics (“BLS”). R-49. The Union’s argument appears to be that, because inflation is presently at this heightened level, a 10% increase to salary ranges and guides is appropriate. That argument has no basis in the objective inflation data in the record.

In the event the Arbitrator were to grant the Unions’ request for the 10% COLA, the base salary figures on the guide would be increased by 10% effective March 1, 2022, and the subsequent three 3.5% ATB increases requested by the Unions would be calculated using the salary figure inclusive of the 10% COLA. Thus, though the Unions’ proposal states the COLA will be “on a single time basis;” make no mistake, as it has been proposed this 10% increase will carry forward in perpetuity. An increase of that magnitude has no basis in the cost of living data introduced into the arbitration record. BLS data clearly show that historical inflation levels dating back to 2012 have never remained near 10 for any substantial length of time. R-49. In fact, from 2012 through 2020, the CPI never rose above 3 for any given month. *Id.* Moreover, present projections of future inflation levels do not forecast that inflation for the remainder of this contract will be anywhere near the current levels. Economists surveyed as part of the Wall Street Journal’s April 2022 Economic Survey have forecasted an average CPI in December 2024 of just 2.35, with some economists projecting the CPI will fall as low as 1.4 before the end of the Unions’ proposed contract term. R-50. The Federal Reserve projects a similar drop in the personal consumption price index (“PCE”)** during that same period, with PCE inflation forecasted to fall from 5.2 to somewhere between 2.0 and 2.5. R-51.

For these reasons, despite the high current levels of inflation present in the economy, neither historical inflation data nor forecasts of future inflation suggest that the CPI or PCE are likely to remain at their current levels through the Unions' proposed contract term. Therefore, no rational reason exists to grant a 10% COLA that will carry forward in perpetuity, when inflation is projected to stabilize in the short-term.

*The CPI is a measure of the average change over time in the prices paid by urban consumers for a market basket of consumer goods and services; and is one of—but not the only—measure of inflation.

**The PCE index is another measure of U.S. inflation, tracking the change in prices of goods and services purchased by consumers throughout the economy.

Cost of Living Adjustment Award

I do not award the NCO/SOA proposal for a cost of living adjustment of ten (10%) percent effective March 1, 2022. I note that the statutory criteria does include an explicit criterion requiring consideration of cost of living as one of the nine (9) criteria. This criterion should be considered for its relevance and weight within the analysis of the salary issue rather than segregated separately into a proposal designed to elevate wages above and beyond the award on the salary issue. Even if the proposal is instead labeled a “range adjustment,” I decline to award the ten (10%) percent increase or any other amount separate and apart from the ATB, even assuming that an interest arbitrator has the lawful authority to mandate a range adjustment. In respect to the granting of wage increases above and beyond the annual 2% increases negotiated by certain unions, I find no evidence linking the adjustments (IBEW Local 33, PBA Locals 105, 383, 383A and 383B) in these units to cost of living. Accordingly, the Unions' proposal for a cost of living adjustment is not granted.

SALARY

The parties disagree on the disposition of the salary issue. The Unions' base salary proposal extends to four contract years as follows:

Base Salary: All ranges and steps of the current base salary step structure (across the board) shall be increased as follows:

- i. Effective and retroactive to July 1, 2021, a 3.5% increase
- ii. Effective and retroactive to July 1, 2022, a 3.5% increase
- iii. Effective July 1, 2023, a 3.5% increase
- iv. Effective July 1, 2024, a 3.5% increase.

The State's base salary proposal is for two years. It states:

Subject to Legislative enactment providing full appropriation of funds for these specific purposes, the State proposes across the board wage increases as follows:

- a. 2% across-the-board increase retroactive to the first full pay period after July 1, 2021
- b. 2% across-the-board increase retroactive to the first full pay period after April 1, 2022

The positions of the parties on the salary issue are comprehensive and emphasize the statutory criteria each believes relevant and to be given the most weight. Because of the expansive nature of their submissions, the following summary of the record on salary cannot subsume the entirety of their submissions. Instead I will address the points the parties have themselves most emphasized.

Each party contends that its salary proposal is more in alignment with the interest and welfare of the public. N.J.S.A. 34:13A-16(g)(1). Each recognizes that the interests and welfare of the public cannot be defined narrowly. In its post-hearing submission, the Unions cite to a prior award of this arbitrator who, in that case, provided his assessment as to this criterion.

While all of the statutory criteria are relevant, some are entitled to greater weight than others. There is seldom a line of demarcation that isolates the evidence concerning a single criterion from all the rest because there are interrelationships, and in some instances contradictions, between one or more of the criteria. The interests and welfare of the public [N.J.S.A. 34:13A-16g(1)] is paramount because it is a criterion that embraces many of the other factors and recognizes their interrelationships. The interests and welfare of the public clearly require that the Township support and fund an effective, efficient and productive police force. This criterion implicates the financial impact of an award on the governing body and taxpayers [N.J.S.A. 34:13A-16g(6)], as well as the Township's statutory budgetary limitations set forth in N.J.S.A. 34:13A-16g(5) and N.J.S.A. 34:13A-16g(9) because its funding obligations must be consistent with its financial capabilities. However, the interests and welfare of the public are implicated beyond these financial considerations and obligate the arbitrator to review wage and benefit comparisons [N.J.S.A. 34:13A-16g(2)(a), (b), (c)] because levels of wages and benefits of its police officers compared to other employees employed by the Township and elsewhere have been recognized by the legislature as one of the criteria and this evidence relates to employee and department morale, job satisfaction and productivity. The interests and welfare of the public are also implicated in the levels of overall compensation and benefits received [N.J.S.A. 34:13A-16g(3)] because such terms can contribute to, or adversely impact on, the continuity and stability of the Township's police officers [N.J.S.A. 34:13A-16g(8)]. Further, levels of existing terms are a reasonable benchmark upon which to evaluate either party's proposals for change. The cost of living criterion [N.J.S.A. 34:13A-16g(7)] also implicates the interests and welfare of the public because it is one of the indicators that influences the public's sentiment and willingness to support changes to contract terms and it also serves as a measure to evaluate how revised

contract terms could affect a police officer's standard of living. I evaluate the parties' proposals based upon these considerations. *IMO Township Of Washington and PBA Local 301*, IA-2009-053, at 10-11 (Mastriani, Arb. July 21, 2012).

NCO/SOA

The Unions cite many reasons why its salary proposals further the interest and welfare of the public. In respect to the lawful authority of the Employer (N.J.S.A. 34:13A-16(g)(5)), the Unions submit there are no statutory limitations on the amount of salary that can be awarded because the State is not limited by either the Tax Levy Cap nor the Expenditure Cap which the legislature imposed upon municipal and county governments. See P.L. 1976, c. 68 (C.40A:4-45.1 et. seq.). Even assuming there are any other restrictions separate and apart from the taxing and spending caps, the Unions cite to financial evidence reflecting that the State is in receipt of record tax receipts and holds a record amount of surplus at approximately \$6.8 billion. The Unions also point to funds and unspent federal aid money that the State presently holds. This includes approximately \$78 million in Federal Cares Act funding which has been allocated to the New Jersey State Police. The Unions estimate that the costs of the adoption of all of its proposals fall well below the \$78 million in Federal Cares Act funding. Similarly, the Unions cite to the \$6.2 billion in funding the State received from the American Relief Plan from which it currently holds \$4.14 billion.

The Unions contest the State's analysis of base salary costs which was one of the subjects of testimony from Lynn Azarchi, Acting Director of Office of Management Budget. While Ms. Azarchi testified that the SOA had a base salary cost of \$44,552,336.77 and the NCO at \$124,900,957.70, the Unions allege that her testimony did not include, nor did she know, whether there were changes in the bargaining unit by virtue of retirements or promotions or whether the numbers included overtime pay, some of which are wholly reimbursed to the State by outside entities who utilize State Police services. The Unions find inconsistencies between her cost projections and the estimated costs submitted by both the State and the Unions. The Unions further challenge the State's cost estimates of any step increases NCO unit members are entitled to receive.

The Unions emphasize the more recent increases in the cost of living, a criterion specifically included in N.J.S.A. 34:13A-16(g)(7). Among the many figures cited by the Unions is a 9.1% increase in the CPI-U for the 12 months ending in June 2022. The practical impact of the rising CPI is said to increase the cost of food and gasoline and to diminish the purchasing power of employees despite any wage increases they received in the prior labor agreement.

In respect to the continuity and stability of employment (N.J.S.A. 34:13A-16(g)(8)), the Unions cite to the mutual interest of the parties to provide for workforce stability through enhancing terms and conditions of employment,

especially for supervising law enforcement officers who work in a dangerous environment.

The Unions focus heavily on the evidence concerning comparability as set forth in N.J.S.A. 34:13A-16(g)(2). This includes comparisons with private sector employees. While acknowledging that there is little comparison between a private sector worker and a trooper supervisor, the Unions cite to the PERC private sector wage reports which show higher average increases in years 2018, 2019 and 2020 for private sector employees compared to the 2% received by unit employees during those years. The Unions also argue with respect to external comparisons with other law enforcement jurisdictions and, in particular, to comparisons of the superior officer ranks, both in municipal and county law enforcement departments. The Unions also refer to State police departments in Pennsylvania and New York and submit charts reflecting that the NCO and SOA are behind comparable troopers in other agencies based on total compensation received. The Unions also contend that the several municipal jurisdictions the State offered for comparison purposes were not supported by any evidence that the groups were relevant comparators and therefore these contracts should be deemed irrelevant.

Turning towards the State's position that the Unions are bound to a pattern of settlement, the Unions contend that the State has not proven that there is a pattern of settlement that the Unions are bound to and directly contest the

comparisons to other State units. One such focus is on a recent interest arbitration decision between the State and the NJ Superior Officers Law Enforcement Association. In that case, the arbitrator found that despite evidence supporting a pattern of settlement, other statutory factors including cost of living warranted a deviation from the pattern. In that case, the arbitrator found that an 8% legislatively mandated increase for rank and file correction officers beyond the 2% increase that had been negotiated was an influencing factor in awarding 3% wage increases in contract years July 1, 2021 through June 30, 2022 and July 1, 2022 through June 30, 2023. The arbitrator was also influenced by the data showing sharp increases in the cost of living. The Unions also refer to settlements with PBA Local 383A and 383B (Investigative Sergeants and Lieutenants) where despite receiving 2% increases over a four year period, the top step in the Sergeants rank was increased by 24.48% and the top step for the Lieutenant unit was increased by the same percentage. In respect to the STFA unit, while acknowledging the STFA received 2% increases, the Unions differentiate themselves with the rank and file unit by the fact that STFA unit members on the salary schedule received step increases in amounts up to 3% in addition to the 2% increases received at top step. This is said to be larger than increments received in the NCO unit. The Unions also refer to the unrepresented management ranks in the Division of State Police. These include those in the ranks of Major and Lieutenant Colonel, each of whom are projected to receive large wage adjustments based on comparisons with

other State Police agencies as reflected in a Division of State Police document proposing to increase the salaries for those who occupy these titles.

Beyond the above-cited salary terms for law enforcement employees, the Unions point to agreements the State reached with IBEW Local 33, the bargaining unit representing Deputy Attorneys General. Although unit employees received the 2% ATB increases, the parties later agreed to compress four separate pay scales into two pay scales effective January 18, 2020 representing salary adjustments which the Unions calculate to be worth 30.8%. Similar adjustments were provided to rank and file and superior criminal investigators representative by PBA Locals 383, 383A and 383B.

The State

The State's arguments on salary are comprehensive and addressed in its post hearing submission:

The Unions do not dispute that more than 50,000 state employees in the above-listed negotiations units have settled contracts that conform the State's pattern of settlement. Rather, the Unions would have the Arbitrator focus on minor alleged deviations from the pattern, all of which affected very small sub-sets of the State's employee population, and which occurred in unique circumstances that do not apply to these Unions. For the foregoing reasons, the Unions have not produced evidence warranting any deviation from the State's pattern of settlement.

A. The STFA is The Most Appropriate Comparator For The Unions, And Has Settled Its Contract in Accordance With The Pattern of Settlement.

The Unions introduced evidence at arbitration setting forth the terms and conditions of employment granted to several other negotiations units, the majority of which are from outside of New Jersey. It should be abundantly clear, however, that one negotiations unit in particular presents the best and most obvious comparator for these Unions: the STFA. As noted above, the STFA is the exclusive negotiations representative for all Troopers in the Division of State of Police other than Sergeants, Lieutenants, Captains, Majors, Lieutenant Colonels and the Colonel. R-22 at Article I. In other words, the STFA represents all sworn Troopers in the Division, other than the high-ranking officers who do not collectively negotiate, and the members of the SOA and NCO.

The link between the STFA, NCO, and SOA is fairly obvious. Other than the SOA and NCO, the STFA is the **only** negotiations unit representing sworn Troopers in the Division of State Police. Tr2, 58:19-59:8. SOA and NCO members work hand-in-hand with the STFA members on a day-to-day basis; and virtually all members of the SOA and NCO were formerly members of the STFA. See transcript of arbitration hearing dated August 1, 2022 (“Tr1”), at 67:6-18. Furthermore, the record establishes that the STFA has traditionally negotiated jointly with the SOA and NCO; and in fact, until the Legislature imposed the 2% cap on salary increases and the STFA went to interest arbitration over its 2012-2017 CNA, the STFA actually received the same exact benefits as the SOA and NCO as it pertains to ATB increases: ... In light of the obvious link between the STFA, NCO and SOA, the State has considered the STFA the “most analogous unit” to the Unions for budgetary purposes. Tr2. 115: 1-5. The Unions’ witnesses themselves acknowledge the continuity of interest between the STFA, NCO and SOA. ...

The relationship between these units is also evidence from the “Accelerated Step Placement” benefit provided to NCO members in their 2017-2021 CNA. R-1 at Article XIII(B)(8). By way of background, while the NCO unit agreed to the State pattern of benefits in its 2017-2021 CNA, also built into the NCO contract was a step readjustment in order to compensate certain NCO members who had previously had their salary steps frozen while they were members of the STFA. Tr1, 133:6-12; 134:5-135:5; Tr2, 49:2-15. Thus, these units are so intertwined that the NCO even negotiates for benefits stemming from a series of events which occurred while its members were represented by the STFA.

Based on the above-described record evidence, the STFA is the single most analogous statewide negotiations unit to the Unions. There is also no dispute that the STFA accepted the State's pattern of settlement, in its most recent CNA. R-22. And critically, the STFA's most recent CNA **does not** possess any of the terms requested by the Unions which would constitute a deviation from the pattern, such as a 10% adjustment to the salary guide, 3.5% ATB increases, a contract term beyond June 30, 2023, the ability to enroll in the "Direct 15" health plan, or an annual cap on the amount of their contribution to the cost of healthcare benefits. Tr2, 65:23-66:24. The Unions have admitted that the STFA's members are so intertwined with the SOA/NCO members, that they cannot be extricated from one another when addressing issues such as operational assignment and Division recapitulation. This is because the members of these units work hand-in-hand on a daily basis as members of the Division. Therefore, the policies favoring adherence to a pattern of settlement clearly apply here, as granting the SOA/NCO members additional benefits as compared to those provided under the STFA contract will almost certainly result in a "decline in morale, which often accompanies the perception of disparate treatment." *City of Jersey City and Jersey City Police Officers Benevolent Ass'n*, Docket No.: IA-2017-012 (2017) (Mastriani, J.) (Internal quotations omitted).

For these reasons, no basis exists to deviate from the pattern with regard to the terms and conditions of employment for the Unions, nor to grant the NCO and SOA any additional benefit not provided to the STFA under its most recent contract.

The State further contends that the evidence offered by the Union alleging that there have been deviations from the pattern have no relevance to the wage negotiations for the NCO and SOA. On this point, the State submits:

The Unions' point to five other negotiations units in support of their argument that State has deviated from the pattern of settlement: (1) PBA, Local 105; (2) IBEW, Local 33; (3) PBA, Local 383; (4) PBA, Local 383A; and (5) PBA, Local 383B. For the following reasons, the benefits granted to these units **do not** constitute a deviation from the State's pattern of settlement, and the circumstances under which benefits were granted to these two units are sufficiently distinct from present circumstances under which the Unions find themselves.

First, the benefits provided to these five units do not constitute a deviation from the pattern of settlement, because these units did, in fact, agree to CNAs that provide for 2% annual ATB increases, the NJ Direct healthcare plan and employee contributions, and a contract end-date of June 30, 2023. R-42 through R-44; Tr2, 68:25-70:23. Thus, despite the Unions' contentions, the State did indeed settle with these units in accordance with the pattern of settlement summarized above.

The State does not dispute, however, that much like the NCO did in the prior agreement vis-a-vis the accelerated step readjustment, these units did receive other benefits that were outside the scope of the pattern of settlement. First, as described at the arbitration hearing by Yvonne Catley ("Director Catley"), Interim Director of the Governor's Office of Employee Relations ("GOER"), IBEW, Local 33 received a "readjustment" to their pay scale in addition to the pattern's 2% ATB increase. *Id.* This is because IBEW, Local 33—which is comprised of Deputy Attorneys General ("DAsG")—is a relatively new unit, whose first CNA was not agreed to until 2013. *Id.* Prior to joining IBEW, the DAsG went several years with no increases whatsoever, which caused them to fall fair behind their already unionized counterparts in the Public Defender's Office, who have equivalent requisite qualifications and experience as the DAsG. *Id.*; Tr2, 83:6-84:1. Consequently, a determination was made to implement the readjustment to the IBEW, Local 33 salary range, for equity purposes, to bring them in line with their counterparts in the Public Defender's Office. *Id.* Clearly, this readjustment was the result of a unique series of circumstances that is **not** present with regard to the SOA or NCO. These Unions have existed for decades and have never gone through a lengthy period of no increases, as IBEW, Local 33 had. And from an equity perspective, these Unions do not have a counterpart—such as IBEW, Local 33 has with the Public Defender's Office—that makes substantially more despite equivalent qualifications. For similar reasons, PBA, Locals 383, 383A and 383B were also given an adjustment after having fallen behind as compared to relevant peers. Tr2, 70:19-23. Thus, the readjustments to the salary ranges for IBEW, Local 33 and PBA, Locals 383, 383A and 383B have no evidential value as to the current interest arbitration.

PBA, Local 105 similarly has no relevance to the current interest arbitration. As noted, PBA, Local 105 agreed to a CNA that conforms the pattern of settlement. R-42 & R-43. Afterward, the State

Legislature saw fit to grant the members of PBA, Local 105 an additional increase to their base salaries via the legislative process. Tr2, 71:4-20. This increase was not achieved through collective negotiations, and indeed GOER was not even consulted prior to its enactment. *Id.* Thus, for reasons that are not in the record at this arbitration, the Legislature determined that it was appropriate to grant correctional officers represented by PBA, Local 105 an additional statutory increase. The Legislature obviously could have legislatively granted a similar increase to the SOA and/or NCO, but as of this date has not. The Legislature's inaction in this regard is presumed to be intentional; Application of Malian, 232 N.J. Super. 249, 268 (App. Div. 1989) (noting that legislative inaction is presumed to be purposeful); and a Court or other quasi-judicial body is precluded from imposing requirements that the Legislature did not see fit to impose itself. Warren Hosp. v. New Jersey Dep 't of Human Services, Div. of Mental Health Services, 407 N.J. Super. 598, 615 (App. Div. 2009).

For these reasons, the increases to IBEW, Local 33 and PBA, Locals 105, 383, 383A and 383B cited by the Unions do not constitute a deviation from the State's pattern of settlement; and have no evidential value or relevance whatsoever to the current interest arbitration.

Salary Award

The record clearly reflects that for all of the State's bargaining units except one, there were 2% ATB increases in contract years three and four (January 1, 2021 through June 30, 2022 and July 1, 2022 through June 30, 2023) of their Agreements. The lone exception was an interest arbitration award issued on April 17, 2022 in the New Jersey Superior Officers Law Enforcement Association [NJSOLEA] unit. That Award included 2% for each of the first two years of the July 1, 2019 through June 30, 2023 contract consistent with the rest, and then 3% for contract years three and four. This, the Union contends, is a break in the wage

pattern. Although the Union does not dispute the State's submission reflecting 2% ATB increases in all units other than the NJSOLEA unit, it sees the adjustments in salary made to the PBA Local 105, IBEW Local 33, and PBA Locals 383, 383A and 383B units as further eroding the State's contention that there was a pattern of annual increases of a 2% ATB.

I find that the application of the statutory criteria strongly favors the State's position that 2% ATB increases for contract years July 1, 2021 through June 30, 2022 and July 1, 2022 through June 30, 2023 (Years One and Two) represents a reasonable determination of the salary issue for the NCO and SOA during these contract years. The greatest weight to be given in support of this finding is internal comparability. Moreover, among the State units, the 2% ATB increases for the STFA in those two contract years are strong evidence that 2% ATB increases must also be awarded in the NCO and SOA units. The record clearly reflects that there has been strong linkage between these three units historically. The record also establishes that the relationships among these units have been directed at ATB increases to the salary schedule without regard to the relative cost of step movement within each of the units. NCO and SOA arguments that 3.5% increases should be awarded over these two years are without merit. The linkage between the STFA and the NCO and SOA should not be disturbed.

Equally unavailing is the NJSLEO Award and the “adjustments” made to certain bargaining units who have received them. In the NJSLEO Award, the arbitrator clearly emphasized two main considerations leading to a 3% award in the final two years of the contract, years which are co-extensive with the first two years of the NCO/SOA contracts. One consideration the arbitrator referred to an 8% increase granted by the legislature to correction officers whom the NJSLEO supervisors that were above and beyond the 2% ATB increases. The other consideration of the arbitrator was the recent increases in cost of living data at the time the arbitration hearings were conducted. I read this Award of 3% as having considered these considerations in combination which I find are not applicable here and do not outweigh the 2% ATBs received by all other units.

I also do not find the Unions’ reference to the contracts involving PBA Local 105, IBEW Local 33, PBA Local 383, PBA Local 383A and PBA Local 383B, as influencing a result beyond the 2% ATB for contract years July 1, 2021 through June 30, 2022 and July 1, 2022 through June 30, 2023. The Unions accurately point to salary enhancements each unit received above and beyond the 2% ATB increases each negotiated. The circumstances under which the adjustments were received were fully explained by interim OER Director Yvonne Catley. The PBA Local 105 unit received 8% legislated increases after negotiating 2% ATB increases for 2017 through 2021. The other units were shown to receive salary range adjustments beyond the 2% ATB increases based on either consideration

for past years of having not received salary increases before being represented or promoting equity in salary comparisons between the unit employees and others performing similar work in units who the State deemed to be equivalent counterparts. The Unions have not established relevance between adjustments received by these units and its proposal for salary increases above and beyond 2% for contract years July 1, 2021 through June 30, 2022 and July 1, 2022 through June 30, 2023. I also find the continuity and stability of employment will not be adversely affected by these increases, and that external comparisons with law enforcement agencies are generally consistent with the 2% increases for these years.

I do not find inconsistency between the absence of a pattern to which the NCO and SOA are bound in respect to contract duration and the presence of strong internal comparability evidence on the issue of salary for the first two years of this Award.

Having concluded that 2% increases represent a reasonable determination of the wage issue for the first two years of the Agreement, I next turn to years three and four. There is no internal comparability data for the third and fourth contract years due to the fact that the first two years of the NCO/SOA expired Agreement paralleled third and fourth years of all other State unit contracts. Thus the

application of the statutory criteria will necessarily have to address factors other than internal comparisons.

As was the case during certain contract years in the past, there is no internal comparability evidence on salaries for “out years.” However, it is more common than not that salary increases, if any, for future contract years are based on reasonable projections of the evidence that ordinarily and traditionally go into such determinations. Here, the first two years have been determined at 2% ATB based on the strong internal comparability evidence for those years.

I am persuaded, based on the Unions’ presentation of private sector data, cost of living evidence and external comparability evidence in law enforcement in other jurisdictions, that a reasonable increase beyond the 2% ATBs awarded for the first two years represents a reasonable determination of the salary issue. The evidence on private sector data shows a sharp increase during the last year. The cost of living data shows increases after years of relative dormancy. Wage increases in general on law enforcement in more recently negotiated agreements are pushing beyond 2%, although there is no specific amount of increase in any unit that is controlling. The Unions have established that the existing level of the State’s finances are sound and can fund increases beyond the 2% level without adverse financial impact on the State, its residents and taxpayers. While these factors weigh in the Unions’ favor, there are other considerations that serve as

constraints. There is some economic uncertainties such as the potential for a looming recession, as well as adverse impacts on spending and revenues resulting from less economic activity from fuel and higher prices.

After considering all of the relevant factors and, in particular, the interests and welfare of the public, I find all parties will be fairly served by annual across the board increases of 2.75% in each of the final two contract years (July 1, 2023 through June 30, 2024 – Year 3 and July 1, 2024 through June 30, 2025 – Year 4). The impact on the existing base salary schedules for all unit employees is as follows:

**Appendix A
NCO**

Rank	6/30/21 <i>Existing</i>	7/1/21 2.0%	4/1/22 2.0%	7/1/23 2.75%	7/1/24 2.75%
Sgt. First Class	\$124,307.05	\$126,793.19	\$129,329.05	\$132,885.60	\$136,539.96
Det. Sgt. First Class	\$124,307.05	\$126,793.19	\$129,329.05	\$132,885.60	\$136,539.96
Sergeant	\$110,755.93	\$112,971.05	\$115,230.47	\$118,399.31	\$121,655.29
Det. Sergeant	\$110,755.93	\$112,971.05	\$115,230.47	\$118,399.31	\$121,655.29
Staff Sergeant	\$110,755.93	\$112,971.05	\$115,230.47	\$118,399.31	\$121,655.29

**Appendix B
SOA**

Rank	6/30/21 <i>Existing</i>	7/1/21 2.0%	4/1/22 2.0%	7/1/23 2.75%	7/1/24 2.75%
Captain	\$145,721.26	\$148,635.68	\$151,608.40	\$155,777.63	\$160,061.51
Lieutenant	\$138,782.13	\$141,557.77	\$144,388.93	\$148,359.62	\$152,439.51

The costs of the Award cannot be calculated with precision. There are prior and future retirements, promotions and resignations which affect cost. Each party has different methods of calculation and whatever differences there may be are not consequential as to the terms awarded.

The costs for Contract Years One and Two for the SOA are set forth in State Exhibit #4. For Contract Years Three and Four, they are as set by the base costs as of June 30, 2023 as multiplied by 2.75% for Contract Year Three and by another 2.75% for Contract Year Four. The same methodology shall be applied for the NCO unit as set forth in State Exhibit #5.

MAINTENANCE ALLOWANCE ADJUSTMENT (NCO/SOA)

The Unions have proposed the following increases in the contractual maintenance allowance:

Maintenance Allowance: The maintenance allowance for employees covered by this Agreement shall be as follows:

- i. Effective the first full pay period after July 1, 2021, the maintenance allowance for all employees shall be \$18,411.98.
- ii. Thereafter maintenance allowance shall receive the same increases applied to ranges and salary steps in Proposal 3.

The State proposes the following increases in the Maintenance Allowance:

- a. Retroactive to the first full pay period after July 1, 2021, the maintenance allowance shall be \$16,565.67.
- b. Retroactive to the first full pay period after January 1, 2022, the maintenance allowance shall be \$17,315.67.
- c. Retroactive to the first full pay period after April 1, 2022, the maintenance allowance shall be \$17,661.98.
- d. Effective the first full pay period after January 1, 2023, the maintenance allowance shall be \$18,411.98.

NCO/SOA

The figure of \$18,411.98 is obviously taken from the STFA agreement. In all prior agreements, Maintenance increases have tracked base wage increases. We seek to return to that pattern.

The State of New Jersey has the means to pay each of these requests and they are justified by the economic conditions and the exceptionally varied duties and responsibilities held by the members of NCO and SOA units.

State

The maintenance allowance is a contractual provision that is unique to sworn Troopers within the Division. As such, there is only one other unit in the entire State government that receives a maintenance allowance: the STFA. As per Point Two, Subsection A above, the STFA's maintenance allowance has historically been virtually identical to the maintenance allowance granted to these Unions. See R-10 through R-12, R-19 through R-21, and R-25 through R-27. The State's proposal on this issue would maintain continuity between the STFA, SOA and NCO as to the maintenance allowance; and the Unions have introduced no evidence whatsoever justifying a deviation from this historical practice. R-3, R-22.

Conversely, the Unions' proposal would grant the NCO and SOA a greater maintenance allowance than that enjoyed by the STFA. The Unions have offered no testimony that would differentiate themselves from the STFA for purposes of the maintenance allowance; and conversely, have in fact offered several exhibits and

pieces of testimony which amalgamate the members of these three units. See Point Two, Subsection A above. In the absence of any evidence suggesting a rational basis to differentiate the NCO/SOA from the STFA, the appropriate resolution of this issue would be to bring the Unions in line with the STFA—their sole comparator for purposes of the maintenance allowance—as the State has proposed.

Maintenance Allowance Adjustment Award

The NCO, SOA and STFA stand alone among state units in their receipt of this benefit. The amount of the benefit and increases for all three units have historically been tied to increases in base wages and are separately paid on top of base salary. Further, the amount of the allowance among the three units have mirrored each other with any deviation being minimal in nature.⁴

As of January 1, 2021, the allowance for all three units was \$16,240.85. this is the status quo for the NCO and SOA units as it was the last increase set in the prior agreement which expired on June 30, 2021. Because the STFA agreement continues through June 30, 2023, its Maintenance Allowance has been increased to \$16,565.67 effective July 1, 2021, to \$17,315.67 effective January 1, 2022, to \$17,661.98 effective April 1, 2022 and to \$18,411.98 effective January 1, 2023. The State has offered the identical allowance to the NCO and SOA in amounts and effective dates. The State's proposal includes retroactivity. The Unions propose to increase the allowance from \$16,565.67 to \$18,411.98 effective

⁴ Any deviations in the allowance have been de minimis.

July 1, 2021 and then to the higher amounts yielded by any additional annual increases to salary thereafter.

The evidence as to negotiations history on the issue of maintenance allowance clearly reflects equivalency in treatment among all three units. Indeed, as of January 1, 2021, all unit employees received \$16,240.85. The NCO and SOA have not presented any credible evidence that would warrant the deviations they have proposed and I conclude that a reasonable determination of this issue is to grant increases which continue the consistency that exists among the units during the time periods in the two contract years that are in common for all three units. Accordingly, the Maintenance Allowance during the first two years of this Agreement shall be:

- a. Retroactive to the first full pay period after July 1, 2021, the maintenance allowance shall be \$16,565.67.
- b. Retroactive to the first full pay period after January 1, 2022, the maintenance allowance shall be \$17,315.67.
- c. Retroactive to the first full pay period after April 1, 2022, the maintenance allowance shall be \$17,661.98.
- d. Effective the first full pay period after January 1, 2023, the maintenance allowance shall be \$18,411.98.

Because the NCO and SOA Agreement will extend for an additional two years beyond the STFA expiration date, I award additional increases to the Maintenance Allowance Adjustment in dollar amounts modified by the ATB

percentage increases that have been awarded for the third and fourth contract years effective the first full pay period after July 1, 2023 and July 1, 2024.

MEDICAL BENEFITS

The Unions propose the following changes to the medical benefits provision for both NCO and SOA:

- a. Effective with the first open enrollment period following any interest arbitration award, all employees shall be permitted to enroll in the State Health Benefits Plan Design known as Direct 15 and pay contribution towards benefits in accordance with Chapter 78 to a maximum of \$10,500 annual contribution.
- b. The State Health Benefits Plan Design known as NJ Direct will maintain the current level of benefits and the current contribution dollar amounts set forth in the collective bargaining agreements shall be maintained throughout the term of any agreement established as a result of an interest arbitration award.

The Unions make the following arguments in support of their proposals:

NCO/SOA

The Associations have proposed two modifications to the health care benefits offered under the Agreements. The first is a proposal to permit employees to enroll in Direct 15 at the contribution rates established under Chapter 78 with a maximum contribution of \$10,500. The second is to require that the current NJ Direct and NJ Direct 2019 benefit plans maintain current benefits and current contribution rates as established under the 2017 to 2021 contract.

Michael Zanyor testified that after he was promoted to sergeant, he participated in the negotiations team for the NCO Association during the discussions that became the 2017 to 2021 agreements. (T.77).

Zanyor's primary role on the negotiating team was to advise the team on the Employer's proposed modification to healthcare benefits, the primary focus of dispute during the negotiations. Zanyor had a particular expertise in this area because he was a member of the State Health Benefits Plan Design Committee. (T.78).

The Plan Design Committee is responsible for designing the healthcare coverage available through the State Health Benefits Plan. (T.79). The State Health Benefits Plan offers a number of different programs including preferred provider organizations, health maintenance organizations which have no out of network benefit and the Omnia plan which is a PPO style plan, but has no out of network benefit. (T.79). Prior to reaching agreement in December, 2020, the primary coverage for employees in the NCO and SOA bargaining units was NJ Direct 15, a PPO with \$15 copays.

During the negotiations of the 2017 through 2021 agreement, the State took a strong position that the employees must be covered by a new program that the State had developed through direct negotiations with the CWA. The CWA version was called Unity or Unity 2019 and for non-CWA employees the program was called NJ Direct or NJ Direct 2019 covering employees hired after 2019. (T.80).

The primary difference between Direct 15 and the NJ Direct plans was their treatment of out of network coverage. Under the NJ Direct 15 plan, out of network coverage was paid out at 90% of the Fair Health. (T.80). Zanyor defined Fair Health as "what's normally referred to as customary reasonable charges for medical procedures." (T.80). The Direct 15 plan provided coverage up to the 90th percentile of customary and reasonable charges under the fair health database. (T.82). The CWA plan advocated by the State changed out of network reimbursements to be based upon Centers for Medicaid and Medicare services, commonly referred to as the Medicare rate. (T. 81). The CWA plan would pay up to 175% of the established Medicare rate.

These rates became an issue in negotiations because the employer essentially insisted as a condition of doing an agreement that members of the bargaining unit be forced into the CWA plan:

The Employer highly valued the NJ Direct design with the – a change from the fair health reimbursement under Direct 15 to the CMS model in NJ Direct of 175% of CMS. The Employer's position was that out of

network costs were a significant cost driver for premium increases and we needed to address that by promoting in network utilization. (T.82).

Zanyor further explained the insistence of the State on its healthcare proposal:

Q: Did the State have a consistent position with respect to the adoption of this particular benefit program?

A: Yeah, I would characterize it as a non-negotiable item. It was highly valued by them to have us enroll in this plan.

Q: OK and did the unions resist adopting this plan?

A: Yes.

Q: Can you explain how that interaction worked, how long did that take place and what was the final outcome?

A: Multiple attempts to, you know, find, maybe, an alternative path, some kind of a way to allow access to other plans, but that met with negative results. The Employer wanted us in this plan, this PPO, and this PPO only. (T. 88).

Married with the adoption of the CWA was the adoption of the contribution schedule negotiated by the CWA with the State. Those grids were attached to the Memorandum of Agreement adopted by the parties in December of 2020. (Exh. U-14). A review of those grids shows that the CWA negotiated a tremendous reduction from the applicable Chapter 78 rates for employees in the lower ranges of compensation. Under the CWA negotiated contribution guide, employees in the middle and lower ends of the guide received anywhere from 25% to a 40% reduction in the contributions they would be required to make under Chapter 78. At the top end of the contribution guide, contributions were reduced from Chapter 78, but only by about 3%. As noted by Lt. Zanyor the NCO and SOA unit is comprised almost entirely of employees making more than \$100,000 and about 84% of the combined NCO and SOA membership is above the maximum rate of \$110,000. (Exh. U-13). Although this contribution schedule was not designed for the membership of the NCO and SOA bargaining units and largely did not benefit our

membership, the units were forced to accept this contribution grid as a condition of reaching agreement with the State. As stated by Lt. Zanyor, “[t]he Employer was not interested in altering the cost sharing formula.” (T.89).

The savings developed by the new CWA Unity/NJ Direct plan turned out to be illusory. The annual reports from AON reflecting the rate projections for 2020, 2021 and 2022 were offered into evidence as Union 15, Union 16 and Union 17. Zanyor testified that although NJ Direct was created to limit out of network costs and therefore produce a cheaper overall plan, in fact, the experience of the State has been that Direct 15, with better benefits, is actually cheaper than NJ Direct.

As the NJ Direct/Direct 2019 plans were implemented and the various employee groups were enrolled in the new benefit program, the relative costs of the plans changed over time. For plan year 2021, the annual cost of providing employees a family plan under the CWA Unity/NJ Direct plan was \$27,901 (\$23,787 medical plus \$4,114 prescription). The comparable Direct 15 plan was \$30,089 (\$25,464 plus \$4,625). (Exh. U-15, at 39). In plan year 2022, those same figures went to \$29,249 (\$24,695 plus \$4,554) for NJ Direct. At that point, Direct 15 became slightly cheaper than NJ Direct at \$28,629 (\$24,030 plus \$4,599). If employees in the units had remained in Direct 15, their maximum family contribution would have been \$10,020.15 annually and they only save \$898.15 by being in the lesser NJ Direct package. ($\$28,629 \times .35 = \$10,020.15$ vs. \$9,122.00). As reported by AON for 2023, the CWA Unity/NJ Direct is projected to be \$37,399 (\$33,062 plus \$4,937). This compares with the projected Direct 15 rate of \$33,977 (\$29,167 plus \$4,810). (Exh. U-17 at 40). The projected maximum contribution rate for Direct 15 is \$11,891.95.

On Friday July 29, 2022 at 4:55 PM, Acting Director Yvonne Catley sent an email all the State Police union presidents triggering the health benefits reopener clause of the Agreements. (Exh. U-38). The email reports that premium escalator clause would be triggered raising the NJ Direct premium by 19.5%. If this rate becomes effective, employees in NJ Direct will be contributing at maximum \$10,900.79, a \$1,778.79 increase. The impact of this on the limited raises already offered by the State is shown in the following Chart:

CHART #4

Remainder After Premium Increase

	Salary	Proposed State Increase	Proposed Contribution Increase	Remainder of Raise
	June 30, 2021	2%	19.5%	
Captain	\$145,721.24	\$2,914.42	\$1,778.79	\$1,135.63
Lieutenant	\$138,782.13	\$2,775.64	\$1,778.79	\$996.85
Sgt. First Class	\$124,307.05	\$2,486.14	\$1,778.79	\$707.35
Sgt.	\$110,755.93	\$2,215.12	\$1,778.79	\$436.33

Apparently, the sole form of inflation that the Employer doesn't want to ignore is health care expenses.

In support of the Association's proposals, Zanyor discussed unique aspects of the NJSP group with respect to health care as compared to other state unionized groups. The AON reports that the average employee age in NJ Direct was about 48 years old. (Exh. U-17 at 13). The NCO and SOA groups are demographically younger and healthier than other groups in the State:

I would say the difference that our population, all uniformed troopers have, compared to other State employees, we have mandatory physical fitness tests and mandatory medical exam every year that is actually covered by the SHBP." (T.145).

The New Jersey State Police also have a mandatory retirement age of 55. (T.147). The annual report noted as important the age demographic of the various populations enrolled in the plans available through the State Health Benefits plan. AON specifically noted that employees enrolled in the Unity and NJ Direct plans were about a year older than employees enrolled in the Legacy PPO plans. (Exh. U-16, at 12).

Zanyor requested an analysis to see whether these demographic differences produced actual cost reductions. The Treasury provided Zanyor with a report showing a total spend for all members of the State Police and their beneficiaries of \$28,196,399. (T.114-5). This included in network spending of about \$22.88 million and out of network spending of about \$5.3 million. (Exh. U-20). Based upon the uniformed census offered into evidence as Union 4, this represents

approximately \$9,425 per uniformed employee of the State Police. For a family plan that means that troopers are contributing close to 100% if not 100% of the costs of their actual benefits. Employees contributing at the current NJ Direct family rate of \$9,122 are contributing approximately 97% of the actual average spend for troopers and dependents in the unit. Even the single rate for NJ Direct of \$3190 represents more than contributions equal to 34% of the average cost of utilization.

Zanyor attempted to get up to date figures in March of 2022. (Exh. U-18). As shown in the transcript of the March 2022 Plan Design Committee meeting, Zanyor requested utilization data and claims data for SPRS members. (T.112) (Exh. U-18 at 15). The State never provided any response to his request.

The evidence supports the Association's position that forcing our groups into NJ Direct was neither good for our members nor for the state. The cost of NJ Direct is spiraling while Direct 15, a better program with both better out of network benefits and better prescription drug coverage is now less expensive.* Less expensive coverage would seem to benefit both the State and the employee.

Even if the Arbitrator is not convinced to reopen Direct 15 to Association employees, the Association deserves some protection on the bargain reached only 18 months ago. NJ Direct was worse coverage, but at least the employee was getting a lower contribution in return. With the State end running this process by triggering a contribution increase, that benefit, as everything else with NJ Direct, has turned out to be illusory.

*NJ Direct 15 plan remains available to active employees in the State of New Jersey. Currently 16,649 employees statewide remain in Direct 15 with an additional number in the associated programs Direct 15-25, 20-30, 20-35 and the high deductible versions. (Exh. U-17, at 29).

State

The State seeks rejection of the Unions' Medical Benefits proposals. It makes the following arguments in support of its position:

The Unions have similarly failed to introduce any evidence warranting a deviation from the State's pattern of settlement as to healthcare benefits. The State has proposed maintaining the status quo as to healthcare benefits provided to employees represented by the Unions, which would conform to the pattern of settlement and keep these employees aligned with more than 50,000 represented employees statewide, and all non-represented employees working for the State. In fact, the record evidence demonstrates that **every statewide negotiations unit that has settled a contract with the State has agreed to the exact benefit plan and contributions schedule as proposed by the State to these Unions.** Tr2, 72:21-73:20. Under this proposal, NCO and SOA employees would continue to contribute to the cost of their healthcare benefits in as a percentage of salary, as they have under the 2017-2021 CNAs. Conversely, the Unions' healthcare proposal would allow them to enroll in a plan entitled "Direct 15," which is being phased out as to all employees statewide, and which has already been removed as an option for these Unions, as per the 2017-2021 CNAs. R-6. The Unions' proposal would also amend the amount of their contribution to the cost of healthcare benefits, by utilizing the contribution chart set forth in the legislation colloquially known as "Chapter 78," which provides for contributions as a percentage of premium as opposed to as a percentage of salary, and with an annual cap on contributions to the "Direct 15" plan in the amount of \$10,500. R-6.

First, the State notes that the portion of the Unions' proposal that would allow them to enroll in the "Direct 15" plan is not negotiable under New Jersey law, and therefore cannot be awarded by the Arbitrator. While healthcare benefits have historically been a mandatorily negotiable subject, under New Jersey law all or part of a negotiable subject may be removed from the scope of negotiations via legislation. *State v. State Supervisory Employees Ass'n*, 78 N.J. 54 (1978). PERC has held that the Legislature has partially preempted negotiations over healthcare benefits via the creation of the State Health Benefits Commission (the "Commission"), a creature of statute. *State of New Jersey and Council of New Jersey State College Locals, NJSFT, AFT, AFL-CIO*, 24 NJPER ¶ 522 (1998). N.J.S.A. § 52:14-17.27(b) provides:

The State Health Benefits Plan Design Committee shall have the responsibility for and authority over the various plans and components of those plans, including for medical benefits, prescription benefits, dental, vision, and any other health care benefits,

offered and administered by the program. **The committee shall have the authority to create, modify, or terminate any plan or component, at its sole discretion.** Any reference in law to the State Health Benefits Commission in the context of the creation, modification, or termination of a plan or plan component shall be deemed to apply to the committee.

(emphasis added). The above-quoted language preempts negotiations over plan design or the decision to offer any particular healthcare plan, such as “Direct 15.” *State of New Jersey and New Jersey Division of Criminal Justice Non-Commissioned Officers Association, New Jersey Division of Criminal Justice Superior Officers Association, and Fraternal Order of Police, Lodge 91*, 40 NJPER ¶ 177 (2014). And indeed, the Union’s own healthcare witness, Michael Zanyor, who is a member of the State Health Benefits Plan Design Committee, conceded this point at arbitration; testifying that the Committee, which is an extension of the Commission, “ha[s] the authority under law, to change the plans at any point for Whatever reason, it’s [the Committee’s] exclusive jurisdiction to do so.” Tr1, 85:17-86:5. Accordingly, the State’s decision not to offer the “Direct 15” plan to employees is not subject to negotiation, and therefore the Arbitrator cannot award this aspect of the Unions’ proposal as a matter of law.

Moreover, to the extent any portion of the Unions’ healthcare proposal is not preempted, no basis exists to deviate from the State’s pattern of settlement as to this issue. As set forth more fully above, patterns of settlement are generally favored in labor relations because they “promote[] harmonious labor relations, **provide[] uniformity of benefits**, maintain[] high morale, and foster[] consistency in negotiations.” *Somerset County*, 2008 N.J. Super. Unpub. LEXIS 373, at *16. (emphasis added). These principles clearly favor the State’s healthcare proposal, which would do no more than maintain the status quo from the prior agreement. This healthcare proposal would therefore maintain the same level of benefits currently provided to these Unions, and would promote “uniformity of benefits” in that these Unions would continue to be aligned with all non-represented State employees and the more than 50,000 State employees who have negotiated CNAs that conform to the pattern of settlement, which includes the STFA. R-44. In fact, there is not a single statewide negotiations unit that has been afforded anything remotely resembling the Unions’ healthcare proposal. Director Catley’s testimony makes clear that GOER has

not negotiated any statewide CNA that would allow employees to enroll in the “Direct 15” plan, which, for the PPO Plan, utilizes any contribution methodology other than a percentage of salary, or which caps annual contributions at \$10,500 per year. Tr2, 72:21-73:20.

The sole argument proffered by the Unions at arbitration in support of their proposal to change the healthcare benefits was that the State took the position that healthcare was “nonnegotiable” **during negotiations for 2017-2021 CNA**. Tr1, 89:7-16. This contention is wildly inaccurate. The parties did indeed negotiate over a host of issues related to these Unions, and these negotiations resulted in a holistic settlement and what became the Unions’ 2017-2021 CNAs. R-1 & R-2. As part of this contract settlement, the Unions voluntarily agreed to accept what is now the status quo for healthcare under the 2017-2021 CNAs, which abolished the “Direct 15” plan and set contribution levels as listed in the chart at R-45. *Id.* The Unions admit that they were obviously free to go to interest arbitration during the last round of negotiations, but voluntarily chose to forego that right and agree to what became the 2017-2021 CNAs. Tr1, 135:16138:24. Furthermore, by voluntarily accepting the current State healthcare plan, that plan has become the status quo for negotiations purposes for a successor contract to the 2017-2021 CNAs. Ergo, the Unions’ characterization of the State’s position on healthcare during negotiations for the 2017-2021 CNAs is both inaccurate, and completely irrelevant to the present interest arbitration.

For these reasons, the Unions have not established any basis to deviate from the State’s pattern of settlement as to healthcare benefits, which is the status quo for the NCO and SOA.

Medical Benefits Award

The NCO and SOA proposal on insurance has several prongs. The first is to permit unit employees to enroll in “the State Health Benefits Plan Design Known as Direct 15.” Employee contributions would be capped to \$10,500 annually. New Jersey Direct Plans under the Design would maintain current level of benefits and

contribution dollar amounts would be maintained through the term of the new Agreement. The State rejects all aspects of the proposals.

The record indicates that the proposals arise out of NCO/SOA dissatisfaction with the health plans and contribution rates which were negotiated and included in the prior Agreement which now continues as the status quo. The testimony of Sgt. Zanyor reflects the Unions' belief that its inclusion was forced on them in order to finalize the Agreement and the proposals the Unions have made in this proceeding are offered to provide relief. The Unions also refer to very recent State announcements to all Unions that the re-opener clauses in their Agreements would trigger premium increases to all participants in NJ Direct by 19.5%.

The Unions have a strong belief that the current plan, negotiated only a little over 18 months ago, has turned out to be "neither good for our members or the State." The issues of medical coverage and employee contributions have been controversial and challenging in most, if not all, public sector negotiations. In this dispute, it is significant that healthcare benefits as set forth in the Unions' current agreement conform to that included in all of the existing labor agreements with the State. I find the criterion of internal comparability must be given the greatest weight in considering the merits of the Unions' proposals. I do not award any change to the status quo during the July 1, 2021 through June 30, 2022 of July 1, 2022 through June 30, 2023 contract years as the health plans are common to all. In years thereafter, it is reasonable to assume that all other statewide Unions will be

seeking modifications to the status quo and while I award a continuation of the existing medical plans, I conclude that the NCO and SOA units should not be foreclosed from participating in that process if and when it occurs.⁵ Accordingly, I find that the interests and welfare of the public would best be served by denying the Unions' proposals for change during the final two years of the Agreement and instead, awarding a negotiations re-opener provision on the issues of medical benefits. This re-opener would be triggered and allow for immediate negotiations for the NCO and SOA on demand, pursuant to the terms of the interest arbitration statute if, during the course of this agreement (Expiration June 30, 2025), the State and any other bargaining unit agree to enrollment in any plan not presently available to unit employees or agree to a reduction in, or any modification to, existing employee contribution levels.

ELIMINATION OF TEN HOUR ADJUSTMENT RULE
NCO ONLY

The NCO proposes the following changes to Article V:

The Collective Bargaining Agreement shall be amended to stop the adjustment of scheduled hours in Work cycle to avoid payment of overtime compensation for additional hours over the scheduled 160 hours monthly.

The current article, with additions and strikethroughs modifying Article V would read as follow pursuant to the proposal:

⁵ The State contends that the proposal to allow enrollment in "Direct 15" is not negotiable due to preemption. I do not decide that issue as it is not properly before me and nothing in this Award constitutes a waiver of the State's position.

ARTICLE V
HOURS OF WORK AND OVERTIME

* * *

B. Adjustment of Hours

When an employee Works hours beyond those scheduled on a particular day, the extra hours ~~worked may be reduced by adjusting the work schedule on another day or days in the work cycle shall be overtime hours. No more than ten (10) extra hours may be adjusted in a cycle. When a work schedule is adjusted, the employee shall not be required to come to work for a period less than four (4) hours. Extra hours worked beyond ten (10) shall be compensated as overtime hours provided the employee involved has served the one hundred and sixty (160) hours scheduled or has been available to perform that service, or has been on authorized leave for scheduled hours not worked.~~

~~Effective July 1, 2006, there shall be no reduction of extra hours worked as to any unit member where said hours are spent in the performance of duties ordinarily assigned to or performed by a patrol/road Sergeant.~~

~~Assignment of a double shift is not considered to be extra hours. This is a schedule change.~~

C. Overtime and Overtime Compensation

All hours Worked beyond one hundred and sixty (160) hours compensated in a cycle ~~or any adjusted extra hours beyond ten (10)~~ shall be overtime hours. Overtime hours are paid at the premium rate of time and one-half.

The employee may select cash compensation or compensable time off for one-half of the overtime payable in a Work cycle. The Division may select cash or compensable time off for the other half of the overtime payable in a work cycle. Compensable time off will be recorded in a "bank" up to the maximum of one hundred and twenty (120) straight time hours. Any overtime earned by an employee with one hundred and twenty (120) hours banked is payable only in cash.

NCO

The NCO Association proposed eliminating the 10 hour rule. This rule permits the Employer to modify an employee's established schedule so that the Employer can avoid payment of overtime or compensatory time for working an employee on his or her days off or for additional hours in the day.

The Association presented NCO President Daniel Oliveira explain how the rule works presently:

In essence it says that while we work a 28 day cycle in which we have to work a total of 160 hours, the 10 hour rule says that any extra hours worked, which would be overtime, up to 10 hours can be given back hour for hour within that cycle. (T. 13 Day 2).

This rule impacted him when he was in the Fatal Accident Unit. During that assignment he had a normal pattern of days on and days off on his working schedule. In addition to that schedule, Oliveira was on call to respond to fatal accidents, 24 hours a day, 7 days a week. (T.14). As he testified:

When the phone would ring, I would have to respond. Often times that would happen in the middle of the night, weekends, days I was scheduled off. (T.13).

Even though he was called into work off-hours, the State was not required to pay him overtime or grant him time and a half compensatory time for this work performed off his normal work schedule. Instead, by operation of the contract, the Employer can "adjust" his hours providing him with an unscheduled day off chosen by the Employer later in the month instead of providing him with overtime or compensatory hours that he could use at his convenience.

Oliveira also noted the arbitrary impact of the 10 hour rule because supervisors do not apply it uniformly. Some units insist on following it, others don't as long as you accept compensatory time and some just pay overtime. (T.14-15). The impact on the lives of the sergeants is real:

With respect to comparable contracts, the Pennsylvania State Police pay overtime on any hours worked in excess of 8 per day or 40 per week. (Exh. R-53, at 7). The Delaware State Police have the following clause:

Employees in the ranks of trooper, trooper first class, corporal, **sergeant** and lieutenant shall be paid at 1.5 times the rate of their straight time for hours worked in excess of their regularly scheduled 8 hour tour of duty or regularly scheduled 40 hour work week with that duplication, provided the overtime is approved under existing procedure. The employee shall have the option of taking compensatory time off in lieu of overtime pay in accordance with the divisional manual. (Exh. U-31, at 11).

Thus, the comparable agencies pay overtime to employees for working out of their schedule. There is no justification for holding NCO members to overtime standards that existed 30 years ago. The Associations request that the NJSP overtime rules be brought into the 21st century. If the Employer wants employees to work extra hours and on off days, the Employer should be required to compensate those employees for the additional effort and inconvenience.

State

... [T]he NCO proposes deleting the majority of Article V, Subsection B, which provides, in pertinent part:

When an employee Works hours beyond those scheduled on a particular day, the extra hours worked may be reduced by adjusting the Work schedule on another day in the work cycle. No more than ten (10) extra hours may be adjusted in a cycle.

R-6. This language has been a mainstay in the NCO contract since at least 1990, and provides the State with operational and budgetary flexibility in the event that an NCO member is required to work extra hours on any given day. R-1, R-9 thorough R-14. The only justifications for this proposed deletion offered by the Unions at interest arbitration was that the adjustment period is somehow not “proper,” despite having been in the CNA for over thirty years; and that it was duplicative of contractual provisions granting compensatory time. Tr2, 28:8-31:7. However, as the Union also

acknowledged, this provision provides for an hour-for-hour adjustment; Whereas compensatory time—which is a form of overtime—is calculated at time-and-a-half. Id. Consequently, there can be no dispute that the 10-hour adjustment period provides the State both economic benefits in the form of reduced overtime costs, and operational benefits in the form of scheduling flexibility; and the Unions have produced no evidence justifying the deletion of this longstanding contractual provision.

Award on Article V – Hours of Work and Overtime

Article V is a longstanding provision in the NCO Agreement. There is little factual dispute over how it operates as was explained in the testimony of NCO President, Sgt. Daniel Oliveira.

The State stresses that the provision has existed for some thirty years and provides the Division both an economic benefit and scheduling flexibility. While the NCO places emphasis on the dislocation Sergeants experience under the Ten Hour Adjustment Rule, there is insufficient evidence that the rule has been applied in an arbitrary or unreasonable manner, by any attempt to undermine normal scheduling practices or that any lack of uniformity in offering overtime instead of compensatory time has arisen from discriminatory practices. Accordingly, the proposal to eliminate the ten hour rule is not awarded.

INCREASE IN POLICE CAPTAIN DIFFERENTIAL **SOA ONLY**

The SOA proposes the following changes to Article X – Salary, Maintenance and Fringe Benefits:

The Collective Bargaining Agreement shall be amended to increase the Captain's percentage differential effective July 1, 2021.

Pursuant to the proposal, the current article, with additions and strikethroughs modifying Article X would read as follows:

ARTICLE X
SALARY, MAINTENANCE AND FRINGE BENEFITS

* * *

4. Effective the first full pay period after July 1, ~~2018~~2021 and thereafter, a ~~57.0%~~57.0% differential in base salary shall be maintained between the ranks of State Police Captains and Lieutenants. The ~~57.0%~~57.0% differential will be predicated upon the Lieutenants highest base salary. Base salary does not include maintenance allowance, clothing allowance or other bonus payments.

All previous Association proposals are withdrawn and replaced with this proposal. Any State of New Jersey proposal not directly addressed by these proposals should be deemed rejected.

SOA

The SOA proposed modifying the Captain's differential from 5% above a maximum lieutenant's base to 7% above that base. The Associations offered Captain Frank Serratore to discuss the basis for the proposal. The essential basis is that comparators around the State and in State police agencies and surrounding States receive higher differentials than the 5% reached by agreement in 2017 through 2021 collective bargaining agreement.

Captain Serratore prepared Union Exhibit 8 revealing his review of the New Jersey prosecutor's offices. The justification for choosing the county Prosecutor's Offices was that these offices are in the same chain of command as members of the New Jersey State Police: all work ultimately for the Attorney General of New Jersey. (T.54). Reviewing 20 out of the 21 counties (Hunterdon County had no captains) the average differential between the rank of lieutenant and the rank of captain in those units is 7.35%. (Exh. U-8 at p. 2).

With respect to surrounding State Police agencies, the Pennsylvania State Police agreement mandates a 9% differential between the ranks of lieutenant and captain. (Exh. R.53 at §4). The Delaware State Police offer a 7.05% wage differential (captain \$172,410, lieutenant \$161,053 as of July 1, 2021) (Exh.U-31). In New York State, the differential as of April 2021 was 6.7% (captain \$147,706, lieutenant \$138,487) (Exhs. U-34D and U-34E).

The additional costs on this benefit are minimal. If 58 captains receive an additional base bump of \$2,872.79 effective July 1, 2022, the total annual cost would be \$166,621.83. That's a rounding error even in the small total payroll of \$48.7 million. A four year total for providing this additional benefit according to Appendix B is \$772,531.62.

State

As to the SOA's proposed increase to the Captain's Differential, the Unions have similarly failed to establish a basis to deviate from the status quo. In its most recent CNA, the SOA received a sizeable increase in the Captain's Differential, from roughly \$1,000 to a 5% differential. R-2; R-18. The SOA has now immediately sought to increase that figure again by another 2%, on top of all the other increases sought with regard to the SOA pay scale. This 2% increase in the Captain's Differential projects to cost the taxpayers an additional \$713,881.35 over the life of the proposed contract. R-7. Accordingly, when balancing this increased cost with the history of this contractual provision and the dearth of evidence from the Union justifying this proposal, no basis exists to increase the Captain's Differential once again.

Award on Article X – Police Captain Differential

The State emphasizes that the prior Agreement between the parties substantially raised the Captain's differential from approximately \$1,000 to 5% and that there is no evidentiary basis to increase the differential once again in this new Agreement.

I do not find justification to modify the differential during the first two years of the Agreement for similar reasons reference in the Award on the ATB salary increases which emphasized internal comparability. For the remainder of the Agreement, I find justification to award an additional 1% increase in the Captain's differential effective the first pay period after July 1, 2024. I find support for the modification in the external comparability evidence in law enforcement generally and in trooper agreements cited by the Unions reflecting that Captain differentials generally exceed the current 5%. This is also apparent in the Division's document strongly supporting more sizable differentials for Majors and Lieutenant Colonels based on external comparability evidence. The cost of this modification is \$83,000 and can be borne without adverse financial impact to the budget of the Division of State Police. Accordingly, the Captain's differential shall be increased to 6% effective the first pay period after July 1, 2024.

ARTICLE X (STNCO) / ARTICLE VIII (NC SOA) – HOLIDAYS:

The State has proposed to add Juneteenth as a Holiday. It frames its proposal as one that "agrees" to add the holiday. The NCO/SOA does not object to the additional holiday but offers the following comments:

NCO/SOA

The State of New Jersey has proposed adding Juneteenth as an official holiday under the Agreements. There was no evidence

offered on this proposal and the State offered no explanation or cost projection for its proposal.

Under the NCO Agreement, Article X, and the SOA Agreement, Article VIII, the listed holidays are for informational purposes and are actually “set by statute.” The State memorialized the third Friday in June as Juneteenth Day by statutory amendment effective September 10, 2020. N.J.S.A. § 11A:6-24.1 (LexisNexis, Lexis Advance through New Jersey 220th First Annual Session, L. 2022, c. 65 and J.R. 3). This proposal has no legal effect and will have no impact on any member of either bargaining unit.

Award on Article X - Holidays

In reviewing this proposal, I initially set forth the existing provisions concerning holidays which are identical and appear at Article X for the NCO unit and Article VIII for the SOA unit. The existing language in both agreements states the following:

Article X – Holidays (NCO) / Article VIII – Holidays (SOA)

- A. All employees of this negotiating unit shall be entitled to the following holidays as additional days off without loss of pay or if worked, shall be compensated by compensatory time off:

New Year's Day	Labor Day
Martin Luther King's Birthday	Columbus Day
President Day	Election Day
Good Friday	Veterans Day
Memorial Day	Thanksgiving Day
Independence Day	Christmas Day

The list above is included for informational purposes as holidays are set pursuant to statute.

- B. When the Governor grants a holiday or other time off which is in addition to the existing scheduled number of holidays, Non-Commissioned Officers shall be granted such additional

holiday or other time off, which shall be scheduled at the discretion of the Troop Commander or his designee.

In the event the Governor grants less than a day off, Non-Commissioned Officers shall be granted an equal number of hours regardless of the assignment of the Non-Commissioned Officer.

The parties do not have any substantive disagreement over adding Juneteenth as a holiday. The Unions do not object except to the extent that it notes that the State has not offered evidence, explanation or cost projection for its proposal and that given the fact that the holidays are “set by statute,” the State’s proposal has no legal effect or impact on the bargaining units.

The State’s proposal to add Juneteenth as a holiday may not legally impact whether unit employees actually receive the holiday. However, Section A in both articles does have some substantive meaning in that an enumerated holiday, if worked, shall be compensated by an alternate day off, even if the adding of the holiday to Section A is only for informational purposes. That is sufficient reason alone for the parties to include Juneteenth in the enumerated listing of holidays as it is a contractual as well as statutory benefit. Accordingly Article VIII (SOA) and Article X (NCO), Section A shall be amended to specify Juneteenth as a holiday.

Accordingly, and based upon all of the above, I respectfully submit the following Awards:

AWARD

1. All proposals by the State and the Unions not awarded herein are denied and dismissed. All provisions of the existing agreement shall be carried forward except for those modified by the terms of this Award.

2. **Duration (NCO and SOA)**

There shall be a four (4) year agreement effective July 1, 2021 through June 30, 2025.

3. **Salaries**

The ATB increases for both the NCO and SOA units shall be:

7/1/21 – 2.00%
4/1/22 – 2.00%
7/1/23 – 2.75%
7/1/24 – 2.75%

Members of the NCO unit shall receive step movements in accordance with contractual requirements. The salary schedules shall read:

**Appendix A
NCO**

Rank	6/30/21 Existing	7/1/21 2.0%	4/1/22 2.0%	7/1/23 2.75%	7/1/24 2.75%
Sgt. First Class	\$124,307.05	\$126,793.19	\$129,329.05	\$132,885.60	\$136,539.96
Det. Sgt. First Class	\$124,307.05	\$126,793.19	\$129,329.05	\$132,885.60	\$136,539.96
Sergeant	\$110,755.93	\$112,971.05	\$115,230.47	\$118,399.31	\$121,655.29
Det. Sergeant	\$110,755.93	\$112,971.05	\$115,230.47	\$118,399.31	\$121,655.29
Staff Sergeant	\$110,755.93	\$112,971.05	\$115,230.47	\$118,399.31	\$121,655.29

**Appendix B
SOA**

Rank	6/30/21 <i>Existing</i>	7/1/21 2.0%	4/1/22 2.0%	7/1/23 2.75%	7/1/24 2.75%
Captain	\$145,721.26	\$148,635.68	\$151,608.40	\$155,777.63	\$160,061.51
Lieutenant	\$138,782.13	\$141,557.77	\$144,388.93	\$148,359.62	\$152,439.51

4. **Maintenance Allowance Adjustment (NCO and SOA)**

The Maintenance Allowance during the first two years of this Agreement shall be

- a. Retroactive to the first full pay period after July 1, 2021, the maintenance allowance shall be \$16,565.67.
- b. Retroactive to the first full pay period after January 1, 2022, the maintenance allowance shall be \$17,315.67.
- c. Retroactive to the first full pay period after April 1, 2022, the maintenance allowance shall be \$17,661.98.
- d. Effective the first full pay period after January 1, 2023, the maintenance allowance shall be \$18,411.98.

I award additional increases to the Maintenance Allowance Adjustment in dollar amounts modified by the ATB percentage increases that have been awarded for the third and fourth contract years effective the first full pay period after July 1, 2023 and July 1, 2024.

5. **Medical Benefits (NCO and SOA)**

During the term of this agreement (Expiration June 30, 2025), if the State and any other bargaining unit agree to enrollment on any plan not presently available to unit employees or a reduction in, or any modification to, existing employee contribution levels, the Unions and the State, upon demand of either party, shall reopen negotiations on these medical benefits issues.

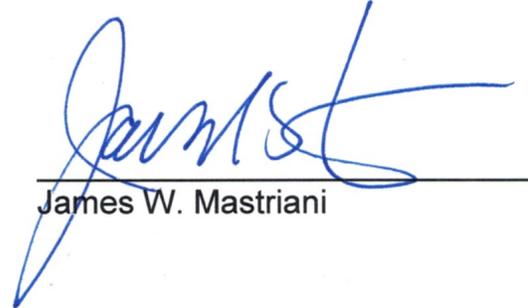
6. **Holidays (NCO and SOA)**

Article VIII (SOA) and Article X (NCO), Section A shall be amended to specify Juneteenth as a holiday.

7. **Article X – Police Captain Differential (SOA Only)**

The Captain's differential shall be increased to 6% effective the first pay period after July 1, 2024.

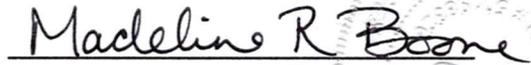
Dated: September 16, 2022
Lincroft, New Jersey



James W. Mastriani

State of New Jersey }
County of Monmouth }ss:

On this 16th day of September, 2022, before me personally came and appeared James W. Mastriani to me known and known to me to be the individual described in and who executed the foregoing instrument and he acknowledged to me that he executed same.



Madeline R. Boone

Madeline R. Boone
NOTARY PUBLIC
State of New Jersey
ID # 50198320
My Commission Expires 6/23/2027

