

**NEW JERSEY PUBLIC EMPLOYMENT RELATIONS COMMISSION**

In the Matter of Interest Arbitration Between:

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**STATE OF NEW JERSEY**

“Public Employer,”

- and -

**NEW JERSEY STATE PBA  
STATE LAW ENFORCEMENT UNIT**

“Union.”

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**INTEREST ARBITRATION  
DECISION AND  
AWARD**

Docket No. IA-2023-026

**Before  
James W. Mastriani  
Interest Arbitrator**

Appearances:

**For the State:**

Joseph M. Hannon, Esq.  
Christopher J. Manley, Esq, On the Brief  
Genova Burns LLC

**For the PBA:**

David B. Beckett, Esq.  
Beckett & Parris, LLC

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 [the “State”] and the New Jersey State PBA, State Law Enforcement Unit [the “SLEU”]. SLEU is the exclusive representative representing approximately three hundred (300) police officers employed in various titles by multiple departments and divisions of the State of New Jersey, including several State Universities and Colleges, Department of Human Services, Division of Fish, Game and Wildlife, Department of Treasury and Division of Parks and Forestry. The parties had been unable to reach a new agreement through voluntary, direct negotiations after the expiration of their collective negotiations agreement [the “Agreement”] on June 30, 2019. Due to the continuing impasse, the SLEU filed a Petition to Initiate Compulsory Interest Arbitration. In accordance with N.J.S.A. 34:13A-16(e)(1), I was randomly selected by the New Jersey Public Employment Relations Commission [“PERC”] on August 25, 2023 to serve as interest arbitrator to decide terms of a new Agreement effective July 1, 2019 through June 30, 2023.

After my designation, I conducted a pre-interest arbitration mediation session on August 28, 2023. A voluntary agreement could not be reached. This required the scheduling of interest arbitration hearings to develop a full record upon which an Award could be rendered deciding the issues set forth in the parties’ final offer submissions. These submissions were filed pursuant to a schedule set prior to the convening of formal hearings.

Interest arbitration hearings were held on October 3, 4 and 13, 2023. At the hearings, testimony was received from Todd Vazquez, President, PBA Local 120; Gregory Bogado, Special Agent, Department of Treasury, Division of Taxation, Office of Criminal Investigation; Michael Feeler, Inspector, Division of Weights and Measures, Department of Consumer Affairs, Law and Public Safety; Thomas DiGiantomasso, State Park Police Officer and Second Vice President, SLEU; Darren Smith, Human Services Police Officer; Antonio Megaro, Police Officer, Palisades Interstate Parkway Police Department; Elizabeth DeSantis, Campus Police Officer, William Paterson University; William Comerro, President, SLEU; Raphael Caprio, PhD, Professor, Rutgers University, Financial Expert; Tariq Shabazz, Acting Director for the Office of Management and Budget; Camille Warner, Deputy Director, Governor's Office of Employee Relations; and Brian Scott, Employee Relations Coordinator, Governor's Office of Employee Relations. During the hearings, the parties stipulated to the admission of exhibits, certifications and financial reports while reserving their right to contest the accuracy relevance or materiality of the documents to the issues in dispute. The State and PBA each filed post-hearing briefs which were received by the arbitrator and simultaneously transmitted to the parties on November 2, 2023.

### **FINAL OR LAST OFFERS**

Pursuant to N.J.A.C. 19:16-5.7(g)(2), prior to the conduct of hearings each party submitted its last or final offer to each other and the arbitrator on or about September 26, 2023. They are as follows:

## SLEU

1. **Article XIII, Section A, C and F, Recruit Title:**

ARTICLE XIII – SENIORITY AMEND A, C, F, G:

- A. A newly hired employee shall be considered probationary and without security for a period not to exceed a total of 12 months.
  
- C. An employee shall be considered to have job classification seniority upon successful completion of the probationary period. ~~for that job as of the date of employment or permanent promotion to the job.~~ Job classification seniority shall accumulate until there is a break in service.

Eliminate formal use of Recruit Title effective following Award and replace with 12 month Probationary Step.

Replace F with the following:

Effective and retroactive to July 1, 2019 there shall be no provisional appointment or further appointments to a Recruit/Trainee title and all new hires shall be placed in a Probationary step for the first 12 months of employment including any time in the PTC Academy and thereafter placed at Step 1. In the alternative, appointments may be made pursuant to the permanent title NJSA 11A:4-1.3 with such a temporary entry level law enforcement police officer paid at the Probationary salary for the first 9 months of employment and thereafter at Step 1. ~~Provisional appointments will not be made except in the case of an emergency as provided in N.J.S.A. 11A:4.13. Where an examination is required, such will be scheduled at the earliest possible time.~~ In the event that an employee has been deemed to be in a Provisional status in the Recruit/Trainee or probationary period, such time shall count towards the first twelve months of service before movement to Step 1

Appointment to Step 1 ~~“permanent” title~~ from Recruit/Trainee or Probationary step after its effective date shall not trigger any additional probationary period. (New language replaces language stating there is a 4 month probationary period.) The 12-month probationary period begins on first date of employment as Recruit/Trainee or at Probationary step and ends 12-months thereafter unless extended by agreement or by unpaid leave. The 9 month statutory probationary period for those hired pursuant to NJSA 11A:4-1.3 shall be honored.

Delete G:



All parts not identified above as modified are retained, though identifying letters may be altered.

2. **Article XIV – Salary Compensation Plan and Program.**

A. Update only. No change to language.

B. All increases applied to guide for each Salary Range as shown on the proposed guides as follows:

Utilize existing language for increases in opening paragraph and paragraph #1, but update to reflect the new term and the following increases to all steps of the salary guides for the titles represented by NJSPBA SLEU which encompass multiple salary ranges. See, attached guides:

Effective and retroactive to first full pay period after October 1, 2019

- a. 2% - Probationary/Recruit – Step 5
- b. 3% - Steps 6-8
- c. 3.5% - Step 9
- d. 4% - Step 10

● Effective and retroactive to first full pay period after July 1, 2021

- e. 2% - Probationary/Recruit – Step 5
- f. 3% - Steps 6-8
- g. 3.5% - Step 9
- h. 4% - Step 10

● Effective and retroactive to first full pay period after December 1, 2021

- i. 2% - Probationary/Recruit – Step 5
- j. 3% - Steps 6-8
- k. 3.5% - Step 9
- l. 4% - Step 10

● Effective and retroactive to first full pay period after July 1, 2022

- m. 2% - Probationary/Recruit – Step 5
- n. 3% - Steps 6-8
- o. 3.5% - Step 9
- p. 4% - Step 10

Effective first full pay period after January 1, 2023 adjustment of \$8,000 to All Steps in all unit titles.

Effective January 1, 2023 or as soon thereafter as possible, the Holiday pay shall be rolled into base for affected titles, i.e., where employees are scheduled to work on Holidays .

Increases are to be paid and credited to all officers who are on payroll as of the date of the Award, or who retired and so would be eligible for increases during their time of employment during this contract term. Per, B, 3.

Delete B, 2,  
Retain B, 3

Revise B, 4 to state that there shall be step movement for all 4 years of the contract term and that such step increases shall continue during negotiations for successor agreement following expiration of the term.

No Change to B, 5 and 6.

**C. Recruit/Trainee Salary/Probationary Step effective July 1, 2019:  
Revise as follows:**

Any unit employees who previously served in a Recruit/Trainee title for longer than 12 months before moving to Step 1 shall move up at least one step on his/her salary range effective upon ratification unless he/she has served for more than 24 months as Recruit/Trainee title in which case he/she shall move up two steps. The step movement here shall be in lieu of retroactive compensation related to the delayed anniversary date. The anniversary date shall be adjusted to reflect only one year in the Recruit/Trainee title.

**The annual salary for each Recruit/Trainee/ Probationary title shall increase by the across the board percentages and increases set forth in B, above, for each year. Salary and terms shall also be consistent with those stated in Article 13.**

**No Change to subpart D and E.**

**Proposed Salary Guides**

| Range 17 SLEU               | 2018        | 10/1/19     | 7/1/21      | 12/1/21     | 7/1/22      | 1/1/23<br>Eq. Adj<br>\$8,000 | Holiday<br>Roll In<br>6.5% |
|-----------------------------|-------------|-------------|-------------|-------------|-------------|------------------------------|----------------------------|
| <i>Probationary/Recruit</i> | \$40,000.00 | \$40,800.00 | \$41,616.00 | \$42,448.32 | \$43,297.29 | \$51,297.29                  | \$54,631.61                |
| <i>Step 1:</i>              | \$53,548.14 | \$54,619.10 | \$55,711.48 | \$56,825.71 | \$57,962.23 | \$65,962.23                  | \$70,249.77                |
| <i>Step 2:</i>              | \$56,228.63 | \$57,353.20 | \$58,500.27 | \$59,670.27 | \$60,863.68 | \$68,863.68                  | \$73,339.82                |
| <i>Step 3:</i>              | \$58,909.12 | \$60,087.30 | \$61,289.05 | \$62,514.83 | \$63,765.13 | \$71,765.13                  | \$76,429.86                |
| <i>Step 4:</i>              | \$61,589.61 | \$62,821.40 | \$64,077.83 | \$65,359.39 | \$66,666.57 | \$74,666.57                  | \$79,519.60                |
| <i>Step 5:</i>              | \$64,270.10 | \$65,555.50 | \$66,866.61 | \$68,203.94 | \$69,568.02 | \$77,568.02                  | \$82,609.94                |
| <i>Step 6:</i>              | \$66,950.59 | \$68,959.11 | \$71,027.88 | \$73,158.72 | \$75,353.48 | \$83,353.48                  | \$88,771.46                |
| <i>Step 7:</i>              | \$69,631.08 | \$71,720.01 | \$73,871.61 | \$76,087.76 | \$78,370.39 | \$86,370.39                  | \$91,984.47                |
| <i>Step 8:</i>              | \$72,311.57 | \$74,480.92 | \$76,715.34 | \$79,016.80 | \$81,387.31 | \$89,387.31                  | \$95,197.48                |
| <i>Step 9:</i>              | \$76,491.90 | \$79,169.12 | \$81,940.04 | \$84,807.94 | \$87,776.21 | \$95,776.21                  | \$102,001.67               |
| <i>Step 10:</i>             | \$82,023.17 | \$85,304.10 | \$88,716.26 | \$92,264.91 | \$95,955.51 | \$103,955.51                 | \$110,712.62               |

Prob/Recruit  
 Steps 1-5: 2%  
 Steps 6-8: 3%  
 Step 9: 3.5%  
 Step 10: 4%

| Range 18 SLEU | 2018        | 10/1/19     | 7/1/21<br>[2020] | 12/1/21<br>[2021] | 7/1/22       | 1/1/23<br>Eq. Adj<br>\$8,000 |
|---------------|-------------|-------------|------------------|-------------------|--------------|------------------------------|
| Step 1:       | \$56,228.63 | \$57,353.20 | \$58,500.27      | \$59,670.27       | \$60,863.68  | \$68,863.68                  |
| Step 2:       | \$59,038.97 | \$60,219.75 | \$61,424.14      | \$62,652.63       | \$63,905.68  | \$71,905.68                  |
| Step 3:       | \$61,849.32 | \$63,086.31 | \$64,348.03      | \$65,634.99       | \$66,947.69  | \$74,947.69                  |
| Step 4:       | \$64,659.66 | \$65,952.85 | \$67,271.91      | \$68,617.35       | \$69,989.70  | \$77,898.70                  |
| Step 5:       | \$67,470.01 | \$68,819.41 | \$70,195.80      | \$71,599.71       | \$73,031.71  | \$81,031.71                  |
| Step 6:       | \$70,280.36 | \$72,388.77 | \$74,560.43      | \$76,797.25       | \$79,101.16  | \$87,101.16                  |
| Step 7:       | \$73,090.70 | \$75,283.42 | \$77,541.92      | \$79,868.18       | \$82,264.23  | \$90,264.23                  |
| Step 8:       | \$75,901.05 | \$78,178.08 | \$80,523.42      | \$82,939.13       | \$85,427.30  | \$93,427.30                  |
| Step 9:       | \$80,285.62 | \$83,095.62 | \$86,003.96      | \$89,014.10       | \$92,129.60  | \$100,129.60                 |
| Step 10:      | \$86,087.96 | \$89,531.48 | \$93,112.74      | \$96,837.25       | \$100,710.74 | \$108,710.74                 |

Prob/Recruit  
 Steps 1-5: 2%  
 Steps 6-8: 3%  
 Step 9: 3.5%  
 Step 10: 4%

Increase due to  
 hours of work not  
 shown;

No holiday roll in

| Range 19 SLEU | 2018        | 10/1/19     | 7/1/21<br>[2020] | 12/1/21<br>[2021] | 7/1/22       | 1/1/23<br>\$8,000 | Holiday<br>Roll In<br>6.5% |
|---------------|-------------|-------------|------------------|-------------------|--------------|-------------------|----------------------------|
| Step 1:       | \$59,038.97 | \$60,219.75 | \$61,424.14      | \$62,652.63       | \$63,905.68  | \$71,905.68       | \$76,579.55                |
| Step 2:       | \$61,989.72 | \$63,229.51 | \$64,494.10      | \$65,783.99       | \$67,099.67  | \$75,099.67       | \$79,981.14                |
| Step 3:       | \$64,940.46 | \$66,239.27 | \$68,226.44      | \$69,590.97       | \$70,982.79  | \$78,982.79       | \$84,116.67                |
| Step 4:       | \$67,891.21 | \$69,249.03 | \$70,634.01      | \$72,046.70       | \$73,487.63  | \$81,487.63       | \$86,784.32                |
| Step 5:       | \$70,841.96 | \$72,258.80 | \$73,703.98      | \$75,178.05       | \$76,681.62  | \$84,681.62       | \$90,185.92                |
| Step 6:       | \$73,792.70 | \$76,006.48 | \$78,286.68      | \$80,635.28       | \$83,054.33  | \$91,054.33       | \$96,972.87                |
| Step 7:       | \$76,743.45 | \$79,045.75 | \$81,417.13      | \$83,859.64       | \$86,375.43  | \$94,375.43       | \$100,509.83               |
| Step 8:       | \$79,694.19 | \$82,085.02 | \$84,547.57      | \$87,083.99       | \$89,696.51  | \$97,696.51       | \$104,046.79               |
| Step 9:       | \$84,297.84 | \$87,248.26 | \$90,301.95      | \$93,462.52       | \$96,733.71  | \$104,733.71      | \$111,541.40               |
| Step 10:      | \$90,390.09 | \$94,005.69 | \$97,765.92      | \$101,676.56      | \$105,743.62 | \$113,743.62      | \$121,136.96               |

Prob/Recruit  
 Steps 1-5: 2%  
 Steps 6-8: 3%  
 Step 9: 3.5%  
 Step 10: 4%

| Range 20 SLEU | 2018        | 10/1/19     | 7/1/21<br>[2020] | 12/1/21<br>[2021] | 7/1/22      | 1/1/23<br>Eq. Adj.<br>\$8,000 |
|---------------|-------------|-------------|------------------|-------------------|-------------|-------------------------------|
| Step 1:       | \$61,989.72 | \$63,229.51 | \$64,494.10      | \$65,783.99       | \$67,099.67 | \$75,099.67                   |
| Step 2:       | \$65,090.95 | \$66,392.77 | \$67,720.62      | \$69,075.04       | \$70,456.54 | \$78,456.54                   |
| Step 3:       | \$68,192.19 | \$69,556.03 | \$70,947.15      | \$72,366.10       | \$73,813.42 | \$81,813.42                   |
| Step 4:       | \$71,293.43 | \$72,719.30 | \$74,173.68      | \$75,657.16       | \$77,170.30 | \$85,170.30                   |
| Step 5:       | \$74,394.66 | \$75,882.55 | \$77,400.20      | \$78,948.21       | \$80,527.17 | \$88,527.17                   |
| Step 6:       | \$77,495.90 | \$79,820.78 | \$82,215.40      | \$84,681.86       | \$87,222.32 | \$95,222.32                   |

|          |             |             |              |              |              |              |
|----------|-------------|-------------|--------------|--------------|--------------|--------------|
| Step 7:  | \$80,597.13 | \$83,015.04 | \$85,505.50  | \$88,070.66  | \$90,712.78  | \$98,712.78  |
| Step 8:  | \$83,698.37 | \$86,209.32 | \$88,795.60  | \$91,469.47  | \$94,203.25  | \$102,203.25 |
| Step 9:  | \$88,535.59 | \$91,634.34 | \$94,841.54  | \$98,160.99  | \$101,596.63 | \$109,596.63 |
| Step 10: | \$94,936.40 | \$98,722.86 | \$102,683.21 | \$106,790.54 | \$111,062.16 | \$119,062.16 |

Prob/Recruit  
Steps 1-5: 2%  
Steps 6-8: 3%  
Step 9: 3.5%  
Step 10: 4%      No holiday roll in

Range      21      2018      10/1/19      7/1/21      12/1/21      7/1/22      1/1/23  
SLEU                     [2020]                     Eq. Adj.  
                                              \$8,000

|          |             |              |              |              |              |              |
|----------|-------------|--------------|--------------|--------------|--------------|--------------|
| Step 1:  | \$65,090.95 | \$66,392.77  | \$67,720.62  | \$69,075.04  | \$70,456.54  | \$78,456.54  |
| Step 2:  | \$68,348.14 | \$69,715.10  | \$71,109.40  | \$72,531.59  | \$73,982.22  | \$81,982.22  |
| Step 3:  | \$71,605.33 | \$73,037.44  | \$74,498.19  | \$75,988.15  | \$77,507.91  | \$85,507.91  |
| Step 4:  | \$74,862.52 | \$76,359.77  | \$77,886.97  | \$79,444.71  | \$81,033.60  | \$89,033.60  |
| Step 5:  | \$78,119.71 | \$79,682.10  | \$81,275.75  | \$82,901.26  | \$84,559.29  | \$92,559.29  |
| Step 6:  | \$81,376.90 | \$83,818.21  | \$86,332.75  | \$88,922.74  | \$91,590.42  | \$99,590.42  |
| Step 7:  | \$84,634.09 | \$87,173.11  | \$89,788.31  | \$92,481.96  | \$95,256.41  | \$103,256.41 |
| Step 8:  | \$87,891.28 | \$90,528.02  | \$93,243.86  | \$96,041.17  | \$98,922.41  | \$106,922.41 |
| Step 9:  | \$92,971.44 | \$96,225.44  | \$99,593.33  | \$103,079.10 | \$106,686.87 | \$114,686.87 |
| Step 10: | \$99,693.56 | \$103,681.30 | \$107,828.55 | \$112,141.70 | \$116,627.36 | \$124,627.36 |

Prob/Recruit  
Steps 1-5: 2%  
Steps 6-8: 3%  
Step 9: 3.5%  
Step 10: 4%      No holiday roll in

Range      23      2018      10/1/19      7/1/21      12/1/21      7/1/22      1/1/23  
SLEU                     [2020]      [2021]                Infl. Adj.  
                                              \$8,000

|          |              |              |              |              |              |              |
|----------|--------------|--------------|--------------|--------------|--------------|--------------|
| Step 1:  | \$71,766.28  | \$73,201.61  | \$74,665.64  | \$76,158.95  | \$77,682.13  | \$85,682.13  |
| Step 2:  | \$75,355.90  | \$76,863.02  | \$78,400.28  | \$79,968.28  | \$81,567.65  | \$89,567.65  |
| Step 3:  | \$78,945.52  | \$80,524.43  | \$82,134.92  | \$83,777.62  | \$85,453.17  | \$93,453.17  |
| Step 4:  | \$82,535.14  | \$84,185.84  | \$85,869.56  | \$87,586.95  | \$89,338.69  | \$97,338.69  |
| Step 5:  | \$86,124.76  | \$87,847.26  | \$89,604.20  | \$91,396.28  | \$93,224.21  | \$101,224.21 |
| Step 6:  | \$89,714.38  | \$92,405.81  | \$95,177.99  | \$98,033.33  | \$100,974.33 | \$108,974.33 |
| Step 7:  | \$93,304.00  | \$96,103.12  | \$98,986.21  | \$101,955.80 | \$105,014.47 | \$113,014.47 |
| Step 8:  | \$96,893.62  | \$99,800.43  | \$102,794.44 | \$105,878.27 | \$109,054.62 | \$117,054.62 |
| Step 9:  | \$102,492.91 | \$106,080.16 | \$109,792.97 | \$113,635.72 | \$117,612.97 | \$125,612.97 |
| Step 10: | \$109,902.24 | \$114,298.33 | \$118,870.26 | \$123,625.07 | \$128,570.08 | \$136,570.08 |

Prob/Recruit  
Steps 1-5: 2%  
Steps 6-8: 3%  
Step 9: 3.5%  
Step 10: 4%      No holiday roll in

### **3. Article XVI – Holidays**

1. (Include Juneteenth). Retain remainder of paragraph 1 and 2. Amend paragraph 3 as follows:

3. In recognition that cCompensation for hours worked on a holiday shall be in accordance with Civil Service Regulations requires payment of overtime rates and additional compensation, and for the unit employees in titles who have been scheduled to work such holidays (not Weights and Measures or Special Agents) the parties agree that the State shall effective starting at the calendar year following agreement or award implementation increase base pay for all steps by 6.5% as shown on the attached guide. Allocation of holiday work shall be by work unit to ensure coverage and such holiday work shall be rotated by seniority.

The increase due to holiday pay being incorporated into base shall be shown on the attached salary guides for the contract term, and shall apply to those employees who are scheduled to work on the holidays; those not regularly scheduled to work on holidays shall continue to receive holiday pay as currently done.

4. **Article XXV – Leave for NJ State PBA – SLEU Activity**

**Counter on Union Leave:**

Will accept 1386 hours offer only if the State agrees to create separate Union Leave categories along the lines done for Local 105, which are in addition to the 1386 hours that there are 11 release days for each of the seven locals (subunits of SLEU) allowing them to send 1 representative (Delegate, President, or designee) to attend the following required PBA meetings:

- State meetings;
- Local meetings;
- County meetings

***NOTE: Meetings occur every month except August.***

**Add Union Leave – Full Time position with NJ State PBA:**

In the event, an official of SLEU is appointed by the NJ State PBA President or designee or elected to fill a full time position with the State PBA the employee shall be permitted full release as unpaid leave with the State PBA responsible for paying the salary of the unit employee who shall retain all rights to return to service and shall be permitted to continue to contribute to retirement pension and such years of service for the State PBA shall also count toward health benefits in retirement and seniority for purposes of leave and other benefits under this contract. In the event that the State permits the unit employee to purchase health benefits from the SHBP, such purchase shall be at the employee's expense at cost.

A request for such leave shall be filed annually and shall not be unreasonably denied, or a contract for a longer term may be entered into between the State and the NJ State PBA.

5. **Article XXVII – Hours of Work:**

**B.**

3. In situations where rotating shifts are the normal practice, the superior officer making the schedule shall minimize the circumstances where less than forty-five (45) hours time off is provided to the affected employee when changing from the day shift to any other shift. **No unit employee shall be required to change from one shift until having worked a shift for at least four weeks. In addition, no union official shall be required to work a rotating shift.**

6. **Article XXVIII – Overtime**

**New Section: B, 4, Special Projects/Details:**

**Add in: All special assignments for a third party, Road Jobs, Special Project work, or similar assignments shall be offered first to unit employees on a rotating basis by seniority and if taken by a unit employee the officer(s) shall be compensated at the overtime rate for the highest step in Range 17.**

**This is to confirm that overtime shall be paid at time and one half the hourly rate derived by dividing the regular bi-weekly base pay received, which is currently based upon the regularly scheduled hours of work, 35 or 40 hours per week, by 70 or 80, respectively.**

7. **Article XXXVII – Uniform Allowance**

No Change to first four paragraphs of Article except that the referenced dates shall be updated and the amounts of the uniform allowance shall increase from \$1,560 as follows:

- Year 1: \$1,716
- Year 2: \$1,888
- Year 3: \$1,888
- Year 4: \$1,888

All unit employees receive uniform allowance upon ratification or award based upon conditions in contract, except that final paragraph of Article reference denying Transportation Dept. unit employees the uniform allowance shall be deleted.

8. **Side Letter:**<sup>1</sup>

AMEND SIDE LETTER 6: regarding sub units to add one subunit such that there shall be 7 designated subunit representatives plus the SLEU President; separate Aeronautical and Treasury units from Conservation Police Officer subunit; keep Aeronautics with Treasury as separate subunit. AMEND to correct update title name to Conservation Police Officer. Apply change to Convention Leave allocation.

9. **ATTACHMENT 2 – Health Benefits – Response to State Proposal**

**ARTICLE XXXIV – HEALTH INSURANCE AND FRINGE BENEFITS**

**A. State Health Benefits Program**

~~As with any provisions of this Agreement that reflect statutory or regulatory mandates, the provisions of paragraphs (A)(B)(C) and (G) of this Article, are for informational purposes only and provide an explanation which is subject to change due to legislative action.~~

1. The State Health Benefits Program is applicable to employees covered by this Contract. It is agreed that, as part of that program, the State shall continue the Prescription Drug Benefit Program during the period of this Agreement to the extent it is established and/or modified by the State Health Benefits Plan Design Committee, in accordance with P.L. 2011, c. 78. The State Health Benefits Plan Design Committee shall provide to employees the option to select one of at least three levels of coverage each for family, individual, individual and spouse and individual and dependent, or equivalent categories, for each plan offered by the program differentiated by out of pocket costs to employees including co-payments and deductibles. Pursuant to P.L. 2011, c. 78, the State Health Benefits Plan Design Committee has the sole discretion to set the amounts for maximums, co-pays, deductibles, and other such participants' costs for all plans in the program and has the sole discretion to determine the plan offering and coverage levels under the program.
2. Effective July 1, 2003, the Traditional Plan shall be closed as to all current and future members of this bargaining unit, including unit members retiring after said date. The Traditional Plan and the NJ Plus POS Plan have been abolished. Effective immediately, no new hires shall be enrolled in the Traditional Plan.

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<sup>1</sup> Subsequent to hearing, the parties stipulated that this issue was resolved and it will appear as one of the Stipulations of the Parties.

3. Medicare Reimbursement – Effective January 1, 1996, consistent with law, the State will no longer reimburse active employees or their spouses for Medicare Part B premium payments.
4. As soon as practical after ratification, the new NJ Direct plan shall be (available to employees hired prior to July 1, 2019) and NJ Direct 2019 plan (available employees hired on or after July 1, 2019) will be the only additional PPO Plans available to active negotiations unit members in addition to legacy plans in SHBP. Members Employees shall continue to be eligible for NJ Direct 15 or the new NJ Direct plans, and shall pay the a reduced contribution per the attached information for selection of either any plan with lower premium cost than NJ Direct by . A member shall be incentivized to select any of the lower cost legacy plans offered by SHBP by further reducing the contribution by 50% of the difference in the cost of the plan selected versus the highest cost plan available to members NJ Direct.

#### **5. B. Contributions Towards Health and Prescription Benefits**

1. Employees shall contribute, through the withholding of the contribution from the pay, salary, or other compensation, toward the cost of the health care benefits coverage for the employee and any dependent provided under NJ Direct and NJ Direct 2019 through the State Health Benefits Program in an amount that is a percent of salary to the cost of the premium. NJ Direct 15, the legacy plan, shall also contribute in the same percent of salary. Any member selecting a lower cost plan than NJ Direct shall also receive 50% of savings in a reduction to the contribution deducted from their pay, as shown below.
  - Active members participating in an HMO plan or High Deductible Plan (HDHP) as well as other lower cost SHBP plans will contribute in the same percent of salary as those selecting NJ Direct or NJ Direct 19; and, shall also receive 50% of the premium cost difference between the NJ Direct and the selected plan in a reduction to the contribution deducted from their pay as their will contribution to cost of the e a percentage of premium.
  - Active members participating in a Tiered Network plan shall contribute at a rate that is equal to 75% of the new PPO plan contribution rate.
  - The contribution rates for available plans may be found on the Division of Pension and Benefits website are incorporated as an Appendix to this contract.



2. ~~Effective for benefits plan year starting January 1, 2021, the employee contribution amounts are subject to the agreed upon reopener provisions as set forth in Appendix IV. The parties recognize that any agreements by the parties reached during the reopener discussions regarding plan design are subject to the approval of an implementation by the Plan Design Committee.~~N/A
3. The amount payable by any employee, pursuant to N.J.S.A. 52:14-17.28(c)(2) (added by L. 2010, c.2) shall not under any circumstance be less than the 1.5 percent of the base salary. No employee shall contribute more than the employee would have contributed under section 39 of P.L. 2011 c. 78 (C. 52:14-17.28c)
4. The parties agree that should an employee voluntarily waive all coverage under the State Health Benefits Plan and provide a certification to the State that he/she has other health insurance coverage, the State will waive the contribution for the employee.
5. An employee on leave without pay who receives health and prescription drug benefits provided by the State Health Benefits Program shall be required to pay the above-outlined contributions and shall be billed by the State for these contributions. Health and prescription benefit coverage will cease if the employee fails to make timely payment of these contributions.
6. Active employees will be able to use pre-tax dollars to pay contributions to health benefits under a Section 125 premium conversion option. All contributions will be by deductions from pay.
7. Eligible negotiations unit employees and their spouses who complete the NJ Well Program shall each receive a \$350 incentive payment.

**C. Dental Care Program**

1. It is agreed that the State shall continue the Dental Care Program during the period of this Agreement to the extent it is established and/or modified by the State Health Benefits Plan Design Committee, in accordance with P.L. 2011, c. 78. Through December 31, 2011, active eligible employees are able to participate in the Dental Care Program as described in the parties' July 1, 2007 – June 30, 2011 collective negotiations agreement. Pursuant to P.L. 2011, c. 78, the State Health Benefits Plan Design Committee has sole discretion to set the amounts for maximums, co-pays, deductibles, and other such participant costs for all plans in the program and has

the sole discretion to determine the plan design, plan offering and coverage levels under the program.

2. Participation in the Program shall be voluntary with a condition of participation being that each participating employee authorize a bi-weekly salary deduction not to exceed fifty percent (50%) of the cost of the type of coverage elected, e.g. individual employee only, husband and wife, parent and child or family coverage.
3. Each employee shall be provided with a brochure describing the details of the Program, enrollment information and the required forms.
4. Participating employees shall be provided with an identification card to be utilized when covered dental care is required.

The provisions of Sections (A), (B) and (C) of this Article are for informational purposes only and are not subject to the contractual grievance/arbitration provisions of Article XI.

#### **D. Eye Care Program**

1. Full-time employees and eligible dependents shall be eligible for the State-administered Eye Care Program. The Program shall provide for each eligible employee and dependent to receive a \$40 payment for prescription eyeglasses with regular lenses and a \$45 payment for such glasses with bi-focal lenses. Each eligible employee and dependent may receive only one (1) payment during the two (2) year period ending June 30, 2021 and only 1 payment during the two (2) year period commencing July 1, 2021. The extension of benefits to dependents shall be effective only after the employee has been continuously employed for a minimum of sixty (60) days.
2. Eligible dependents of full-time employees shall be eligible for a maximum payment of \$35 or the non-reimbursed cost whichever is less, of an eye examination by an Ophthalmologist or Optometrist, during the two (2) year period ending June 30, 2021 and only one payment during the two (2) year period commencing July 1, 2021.
3. Proper affidavits or forms and submissions of receipts are required of the member in order to receive payment.

#### **E. Insurance Savings Program**

Subject to any condition imposed by the insurer, all employees shall have the opportunity to voluntarily purchase various insurance policies on a group

participation basis. The policy costs are to be borne entirely by the employee selecting insurance coverage provided in the program. The State will provide a payroll deduction procedure whereby authorized monies may be withheld from the earned salary of such employees and remitted to the insurance company. The insurance company will provide information concerning risk covered, service offered, and all other aspects of the program to each interests employee.

## **F. Health Insurance For Retirees**

Those employees who have 20 or more years of creditable service on the effective date of P.L. 2011, c. 78 who accrue 25 years of pension credit or retire on a disability retirement on or after July 1, 2011 will contribute 1.5% of the monthly retirement allowance toward the cost of post-retirement medical benefits as is required under law. In accordance with P.L. 2011, c. 78 the Retiree Wellness Program no longer applies.

Upon retirement, an active employee who is not Medicare eligible and who retires with 25 years of pensionable service after the enrollment date established in accordance with Section A4 of this Article shall be offered the option to enroll in any of the plans he or she was able to enroll in, including but not limited to NJ Direct 15 or the NJ Direct/NJ Direct 2019 plan at the time of retirement.

- a. Current retirees and active employees who have accrued 25 years of pensionable service prior to the enrollment date established in accordance with Section A4 of this Article shall be offered the same plans in retirement as available at the time s/he acquired 25 years of pensionable service, as required by law and shall also be offered the option to enroll in the NJ Direct/NJ Direct 19 PPO plan based on the contribution rate required at the time s/he reached 25 years of service.
- b. If an employee acquires 25 years of pensionable service after the enrollment date established in accordance with Section A4 of this Article or retires after the effective date of this agreement, that employee shall contribute to the cost of health benefits in retirement based on the contribution rates of active employees, as established by this agreement, at the time of the retirement. Such employee shall have access to the plans available at the time s/he acquired 25 years of pensionable service.

~~The provisions of this Article are for informational purposes only and are not subject to the contractual grievance/arbitration provisions of Article XI.~~

## APPENDIX - Health Care Reopener For NJ Direct Plans

- a. The actual premium cost for the new PPO plans, inclusive of medical and prescription costs, will be tracked each plan year following the plan's initial offering in plan year 2019.
- b. In addition, the new PPO premium cost increases will be monitored and compared to the national, regional and state trending of healthcare costs.
- c. Calculations:
  - a. If the projected blended premium for the new PPO in a plan year exceeds the "Baseline Premium", the Union and the State shall enter into negotiations to lower the premium and/or reduce the rate of premium increases. Such negotiations will commence upon receipt of the SHBP actuary's rate renewal recommendation premium for the upcoming plan year, in or about the preceding July.
  - b. The Union and the State shall also calculate the "Adjusted Premium Increase" ("API"). The API shall be calculated by (a) subtracting the aggregate percent of across-the-board salary increases received by represented State employees covered by this contract, not compounded, from (b) the percent by which the 2019 PPO premium exceeds the Preliminary Baseline Premium.
- c. Commencing in Plan Year 2019, the preliminary baseline premium rates shall be the following blended premiums – Single coverage - \$9570; Parent/Child coverage - \$19,140; Employee/Spouse - \$17,800; and Family \$27,370 – plus **3%** ("Preliminary Baseline Premium").

### Plan Year 2021:

- If the projected blended premium for the new PPO plans in plan year **2021** exceeds the Preliminary Baseline Premium from plan year 2019, the Union and the State shall enter into negotiations to address such premium increases.
- The API for Plan Year 2021 shall be calculated by (a) subtracting the aggregate percent of across-the-board salary increases received by represented State employees covered by this contract, between July 1, 2019 and December 31, **2020**, not compounded, from (b) the percent by which the new PPO premium exceeds the Preliminary Baseline Premium. For example, if the **2021** PPO premium is 8% more than the Preliminary Baseline Premium and if employees have

received an aggregate of 6%, non-compounded, across-the-board salary increases since July 1, 2019, the API is 2%.

- If the Union and the State cannot agree upon plan design changes or other cost-saving measures that would reduce the API to at least a 0% increase over the Preliminary Baseline Premium by the September 1 preceding the start of the **2021** plan year, then an Escalator shall be applied to employee contribution rates. The Escalator to be applied to employee contribution rates shall be the percentage by which the API exceeds the Preliminary Baseline Premium. For example, if the API is 2%, then the Escalator is also 2%, which is applied to the employee's contribution rate. If an employee's contribution rate is 5% of base salary, then by applying the Escalator, the contribution rate will increase to 5.1% of base salary. Any increase in employee contributions will be effective the first pay period of the **2021** plan year.
- If the 2021 premium is below the Preliminary Baseline Premium by 6% or more, the Union and the State shall discuss options to share the savings in reduced costs or to improve the quality of the new PPO plans through design changes or other measures. If the Union and the State do not agree to either reduce costs or improve the quality of the new PPO plans or agree upon a reduction in the employee contribution rates by September 1 preceding the start of the plan year then contribution rates shall be reduced by the application of a De-escalator. The De-escalator shall be the amount of the decrease in the new PPO 2020 premium below 6% of the Preliminary Baseline Premium. For example, if the 2021 premium is 6.5% below the Preliminary Baseline Premium, employee contribution rates shall be reduced by 0.5%. If an employee's contribution rate is 5% of base salary, then by applying the De-escalator the employee's new contribution rate shall be 4.975%. Any decrease in employee contributions will be effective the first pay period of the 2021 plan year.

### **Plan Year 2022**

- ~~D.~~ **The Baseline Premium for 2022 plan year shall be** the baseline premium is the PPO Plan's premium cost in plan year **2021 plus 1%**.
- ~~E.~~ If the projected blended premium for the PPO in plan year **2022** exceeds the new Baseline Premium, the Union and the State shall enter into negotiations to address such premium increases.
- ~~F.~~ The API shall be calculated by (a) subtracting the aggregate percent of across-the-board salary increases received by represented State

employees covered by this contract, **between July 1, 2021 and December 31, 2021**, not compounded, from (b) the percent by which the PPO premium exceeds the 2022 Baseline Premium.

- G. If the Union and the State cannot agree upon plan design changes or other cost-saving measures that would reduce the API to at least a 0% increase over the Preliminary Baseline Premium by the September 1 preceding the start of the **2022** plan year, then an Escalator shall be applied to employee contribution rates. The Escalator to be applied to employee contribution rates shall be the percentage by which the API exceeds the Preliminary Baseline Premium. Any increase in employee contributions will be effective the first pay period of the **2022** plan year.
  - H. Each subsequent plan year's PPO Plan's premium cost will be compared with previous year's PPO Plan's premium cost which will become the new Baseline Premium. The same process and methodology shall be used to review, and if necessary, adjust employee contributions rates, every year thereafter.
- Nothing herein shall bar unit employees from continuing to be eligible to select NJ Direct 15 and pay the premium share at the designated C.78 percentage less any reduction required by the terms of this agreement.

### State of New Jersey

- A. Term of Agreement: July 1, 2019 through June 30, 2023 (4-year agreement)
- B. Compensation Adjustment:

It is agreed that during the term of this Agreement for the period July 1, 2019 - June 30, 2023, the following salary and fringe benefit improvements shall be provided to eligible employees in the unit within the applicable policies and practices of the State and in keeping with the conditions set forth herein.

- 1. Wage Increases: Subject to the State Legislature enacting appropriation of funds for these specific purposes, the State agrees to provide the following benefits effective at the time stated herein or, if later, within a reasonable time after the enactment of the appropriation.

Effective retroactive to the first full pay period after October 1, 2019, there shall be a two percent (2.00%) increase applied to all steps of the salary guides for unit employees in effect as of June 30, 2019. The State Compensation Plan salary schedule shall be adjusted in accordance with established procedures to incorporate the increase in the salary amount for all steps of each negotiation unit employee's range. Eligible employees shall receive the increase by remaining at the step in the range occupied prior to the adjustment.

Effective retroactive to the first full pay period after July 1, 2021, there shall be a two percent (2.00%) increase applied to all steps of the salary guides for unit employees in effect as of June 30, 2021. The State Compensation Plan salary schedule shall be adjusted in accordance with established procedures to incorporate the increase in the salary amount for all steps of each negotiation unit employee's range. Eligible employees shall receive the increase by remaining at the step in the range occupied prior to the adjustment.

Effective retroactive to the first full pay period after December 1, 2021, there shall be a two percent (2.00%) increase applied to all steps of the salary guides for unit employees in effect as of November 30, 2021. The State Compensation Plan salary schedule shall be adjusted in accordance with established procedures to incorporate the increase in the salary amount for all steps of each negotiation unit employee's range. Eligible employees shall receive the increase by remaining at the step in the range occupied prior to the adjustment.

Effective retroactive to the first full pay period after July 1, 2022, there shall be a two percent (2.00%) increase applied to all steps of the salary guides for unit employees in effect as of June 30, 2022. The State Compensation Plan salary schedule shall be adjusted in accordance with established procedures to incorporate the increase in the salary amount for all steps of each negotiation unit employee's range. Eligible employees shall receive the increase by remaining at the step in the range occupied prior to the adjustment.

2. Salary increments: Normal increments shall be paid to all employees eligible for such increments within the policies of the State Compensation Plan during the term of this Agreement as follows:
  - a. Where the normal increment has been denied due to an unsatisfactory performance rating, and if subsequent performance of the employee is determined by the supervisor to have improved to the point which then warrants granting a merit increment, such increment may be granted effective on

any of the three (3) quarterly action dates which follow the anniversary date of the employee, and subsequent to the improved performance and rating which justifies such action. The normal anniversary date of such employee shall not be affected by this action.

- b. Employees who have been at the eighth step of the same range for 18 months or longer shall be eligible for movement to the ninth step providing their performance warrants this salary adjustment.
- c. Employees who have been at the ninth step of the same range for 24 months or longer shall be eligible for movement to the tenth step providing their performance warrants this salary adjustment. ,
- d. Increments for those not at top step shall continue to be provided on their anniversary dates to eligible employees in accordance with the State Compensation Plan after expiration of the Agreement.

- C. **Health Benefits:** Delete current Article and Replace With revised Article as set forth in Attachment 1:

## **ATTACHMENT 1**

### **ARTICLE XXXIV — HEALTH INSURANCE AND FRINGE BENEFITS**

#### **Fringe Benefits**

##### **A. State Health Benefits Program**

As with any provisions of this Agreement that reflect statutory or regulatory mandates, the provisions of paragraphs (A)(B)(C) and (G) of this Article, are for informational purposes only and provide an explanation which is subject to change due to legislative action.

- 1. The State Health Benefits Program is applicable to employees covered by this Contract. It is agreed that, as part of that program, the State shall continue the Prescription Drug Benefit Program during the period of this Agreement to the extent it is established and/or modified by the State Health Benefits Plan Design Committee, in accordance with P.L. 2011, c. 78. The State Health Benefits Plan Design Committee shall provide to employees the option to select one of at least three levels of coverage each for family, individual, individual and spouse and individual and dependent, or equivalent categories, for each plan offered by the program differentiated by out of pocket costs



to employees including co-payments and deductibles. Pursuant to P.L. 2011, c. 78, the State Health Benefits Plan Design Committee has the sole discretion to set the amounts for maximums, co-pays, deductibles, and other such participants' costs for all plans in the program and has the sole discretion to determine the plan offering and coverage levels under the program.

2. Effective July 1, 2003, the Traditional Plan shall be closed as to all current and future members of this bargaining unit, including unit members retiring after said date. The Traditional Plan and the NJ Plus POS Plan have been abolished. Effective immediately, no new hires shall be enrolled in the Traditional Plan.
3. Medicare Reimbursement – Effective January 1, 1996, consistent with law, the State will no longer reimburse active employees or their spouses for Medicare Part B premium payments.
4. As soon as practical after ratification, the new NJ Direct plan (available to employees hired prior to July 1, 2019) and NJ Direct 2019 plan (available employees hired on or after July 1, 2019) will be the only PPO Plan available to active negotiations unit members.

**B. Contributions Towards Health and Prescription Benefits**

1. Employees shall contribute, through the withholding of the contribution from the pay, salary, or other compensation, toward the cost of the health care benefits coverage for the employee and any dependent provided under NJ Direct and NJ Direct 2019 through the State Health Benefits Program in an amount that is a percent of salary to the cost of the premium.
  - Active members participating in an HMO plan or High Deductible Plan (HDHP) will contribute a percentage of premium.
  - Active members participating in a Tiered Network plan shall contribute at a rate that is equal to 75% of the new PPO plan contribution rate.
  - The contribution rates for available plans may be found on the Division of Pension and Benefits web site.
2. Effective for benefits plan year starting January 1, 2021, the employee contribution amounts are subject to the agreed upon reopener provisions as set forth in Appendix IV. The

parties recognize that any agreements by the parties reached during the reopener discussions regarding plan design are subject to the approval of an implementation by the Plan Design Committee.

3. The amount payable by any employee, pursuant to N.J.S.A. 52:14-17.28(c)(2) (added by L. 2010, c.2) shall not under any circumstance be less than the 1.5 percent of the base salary. No employee shall contribute more than the employee would have contributed under section 39 of P.L. 2011 c. 78 (C. 52:14-17.28c)
4. The parties agree that should an employee voluntarily waive all coverage under the State Health Benefits Plan and provide a certification to the State that he/she has other health insurance coverage, the State will waive the contribution for the employee.
5. An employee on leave without pay who receives health and prescription drug benefits provided by the State Health Benefits Program shall be required to pay the above-outlined contributions and shall be billed by the State for these contributions. Health and prescription benefit coverage will cease if the employee fails to make timely payment of these contributions.
6. Active employees will be able to use pre-tax dollars to pay contributions to health benefits under a Section 125 premium conversion option. All contributions will be by deductions from pay.
7. Eligible negotiations unit employees and their spouses who complete the NJ Well Program shall each receive a \$350 incentive payment.

**C. Dental Care Program**

1. It is agreed that the State shall continue the Dental Care Program during the period of this Agreement to the extent it is established and/or modified by the State Health Benefits Plan Design Committee, in accordance with P.L. 2011, c. 78. Through December 31, 2011, active eligible employees are able to participate in the Dental Care Program as described in the parties' July 1, 2007 – June 30, 2011 collective negotiations agreement. Pursuant to P.L. 2011, c. 78, the State Health Benefits Plan Design Committee has sole discretion to set the amounts for maximums, co-pays, deductibles, and other such participant costs for all plans in the program and has the sole discretion to determine the plan design, plan offering and coverage levels under the program.

2. Participation in the Program shall be voluntary With a condition of participation being that each participating employee authorize a bi-weekly salary deduction not to exceed fifty percent (50%) of the cost of the type of coverage elected, e. g. individual employee only, husband and Wife, parent and child or family coverage.
3. Each employee shall be provided with a brochure describing the details of the Program, enrollment information and the required forms.
4. Participating employees shall be provided with an identification card to be utilized when covered dental care is required.

The provisions of Sections (A), (B) and (C) of this Article are for informational purposes only and are not subject to the contractual grievance/arbitration provisions of Article XI.

#### **D. Eye Care Program**

1. Full-time employees and eligible dependents shall be eligible for the State-administered Eye Care Program. The Program shall provide for each eligible employee and dependent to receive a \$40 payment for prescription eyeglasses with regular lenses and a \$45 payment for such glasses with bi-focal lenses. Each eligible employee and dependent may receive only one (1) payment during the two (2) year period ending June 30, 2021 and only 1 payment during the two (2) year period commencing July 1, 2021. The extension of benefits to dependents shall be effective only after the employee has been continuously employed for a minimum of sixty (60) days.
2. Eligible dependents of full-time employees shall be eligible for a maximum payment of \$35 or the non-reimbursed cost whichever is less, of an eye examination by an Ophthalmologist or Optometrist, during the two (2) year period ending June 30, 2021 and only one payment during the two (2) year period commencing July 1, 2021.
3. Proper affidavits or forms and submissions of receipts are required of the member in order to receive payment.

#### **E. Insurance Savings Program**

Subject to any condition imposed by the insurer, all employees shall have the opportunity to voluntarily purchase various insurance policies on a group participation basis. The policy costs are to be borne entirely by the employee selecting insurance coverage

provided in the program. The State will provide a payroll deduction procedure whereby authorized monies may be withheld from the earned salary of such employees and remitted to the insurance company. The insurance company will provide information concerning risk covered, service offered, and all other aspects of the program to each interested employee.

**F. Health Insurance For Retirees**

Those employees who have 20 or more years of creditable service on the effective date of P.L. 2011, c. 78 who accrue 25 years of pension credit or retire on a disability retirement on or after July 1, 2011 will contribute 1.5% of the monthly retirement allowance toward the cost of post-retirement medical benefits as is required under law. in accordance with P.L. 2011, c. 78 the Retiree Wellness Program no longer applies.

Upon retirement, an active employee who is not Medicare eligible and who retires with 25 years of pensionable service after the enrollment date established in accordance with Section A4 of this Article shall be offered the option to enroll in the NJ Direct/NJ Direct 2019 plan at the time of retirement.

- a. Current retirees and active employees who have accrued 25 years of pensionable service prior to the enrollment date established in accordance with Section A4 of this Article shall be offered the same plans in retirement as available at the time s/he acquired 25 years of pensionable service, as required by law and shall also be offered the option to enroll in the NJ Direct/NJ Direct 19 PPO plan based on the contribution rate required at the time s/he reached 25 years of service.
- b. If an employee acquires 25 years of pensionable service after the enrollment date established in accordance with Section A4 of this Article, that employee shall contribute to the cost of health benefits in retirement based on the contribution rates of active employees, as established by this agreement, at the time of the retirement. Such employee shall have access to the plans available at the time s/he acquired 25 years of pensionable service.

The provisions of this Article are for informational purposes only and are not subject to the contractual grievance/arbitration provisions of Article XI.

**G. Temporary Disability Plan**

All employees in this unit are covered under the State of New Jersey Temporary Disability Plan This is a shared cost plan, which provides payments to employees who are unable to work as the

result of non-work connected illness or injury and who have exhausted their accumulated sick leave.

#### **I. Deferred Compensation Plan**

It is understood that the State shall continue the program which will permit eligible employees in this negotiating unit to voluntarily authorize deferment of a portion of their earned base salary so that the funds deferred can be placed in an Internal Revenue Service approved Federal Income Tax exempt investment plan.

The deferred income so invested and the interest and other income return on the investment are intended to be exempt from current Federal Income Taxation until the individual employee withdraws or otherwise receives such funds as provided in the plan.

It is understood that the State shall be solely responsible for the administration of the plan and the determination of policies, conditions and regulations governing its implementation and use. The State shall provide literature describing the plan as well as a required enrollment or other forms to all employees. It is further understood that the maximum amount of deferrable income under this plan shall be consistent with the amount allowable by law.

#### **APPENDIX - Health Care Reopener**

1. The actual premium cost for the new PPO plans, inclusive of medical and prescription costs, will be tracked each plan year following the plan's initial offering in plan year 2019.
2. In addition, the new PPO premium cost increases will be monitored and compared to the national, regional and state trending of healthcare costs.
3. Calculations:
  - a. If the projected blended premium for the new PPO in a plan year exceeds the "Baseline Premium", the Union and the State shall enter into negotiations to lower the premium and/or reduce the rate of premium increases. Such negotiations will commence upon receipt of the SHBP actuary's rate renewal recommendation premium for the upcoming plan year, in or about the preceding July.
  - b. The Union and the State shall also calculate the "Adjusted Premium Increase" ("API"). The API shall be calculated by (a) subtracting the aggregate percent of across-the-board salary increases received by represented State employees covered by this contract, not compounded, from (b) the percent by which the 2019 PPO premium exceeds the Preliminary Baseline Premium.

- c. Commencing in Plan Year 2019, the preliminary baseline premium rates shall be the following blended premiums – Single coverage - \$9,570; Parent/Child coverage - \$19,140; Employee/Spouse - \$17,800; and Family \$27,370 – plus 3% (“Preliminary Baseline Premium”).

**Plan Year 2021:**

- a. If the projected blended premium for the new PPO plans in plan year 2021 exceeds the Preliminary Baseline Premium from plan year 2019, the Union and the State shall enter into negotiations to address such premium increases.
- b. The API for Plan Year 2021 shall be calculated by (a) subtracting the aggregate percent of across-the-board salary increases received by represented State employees covered by this contract, between July 1, 2019 and December 31, 2020, not compounded, from (b) the percent by which the new PPO premium exceeds the Preliminary Baseline Premium. For example, if the 2021 PPO premium is 8% more than the Preliminary Baseline Premium and if employees have received an aggregate of 6%, non-compounded, across-the-board salary increases since July 1, 2019, the API is 2%.
- c. If the Union and the State cannot agree upon plan design changes or other cost-saving measures that would reduce the API to at least a 0% increase over the Preliminary Baseline Premium by the September 1 preceding the start of the 2021 plan year, then an Escalator shall be applied to employee contribution rates. The Escalator to be applied to employee contribution rates shall be the percentage by which the API exceeds the Preliminary Baseline Premium. For example, if the API is 2%, then the Escalator is also 2%, which is applied to the employee’s contribution rate. If an employee’s contribution rate is 5% of base salary, then by applying the Escalator, the contribution rate will increase to 5.1% of base salary. Any increase in employee contributions will be effective the first pay period of the 2021 plan year.
- d. If the 2021 premium is below the Preliminary Baseline Premium by 6% or more, the Union and the State shall discuss options to share the savings in reduced costs or to improve the quality of the new PPO plans through design changes or other measures. If the Union and the State do not agree to either reduce costs or improve the quality of the new PPO plans or agree upon a reduction in the employee contribution rates by September 1 preceding the start of the plan year then contribution rates shall be reduced by the application of a De-escalator. The De-escalator shall be the amount of the decrease in the new PPO 2020 premium below 6% of the Preliminary Baseline Premium. For example, if the 2021 premium is 6.5% below the Preliminary Baseline Premium,

employee contribution rates shall be reduced by 0.5%. If an employee's contribution rate is 5% of base salary, then by applying the De-escalator the employee's new contribution rate shall be 4.975%. Any decrease in employee contributions will be effective the first pay period of the 2021 plan year.

**Plan Year 2022**

- a. **The Baseline Premium for 2022 plan year shall be** the baseline premium is the PPO Plan's premium cost in plan year **2021 plus 1%**.
- b. If the projected blended premium for the PPO in plan year **2022** exceeds the new Baseline Premium, the Union and the State shall enter into negotiations to address such premium increases.
- c. The API shall be calculated by (a) subtracting the aggregate percent of across-the-board salary increases received by represented State employees covered by this contract, **between July 1, 2021 and December 31, 2021**, not compounded, from (b) the percent by which the PPO premium exceeds the 2022 Baseline Premium.
- d. If the Union and the State cannot agree upon plan design changes or other cost-saving measures that would reduce the API to at least a 0% increase over the Preliminary Baseline Premium by the September 1 preceding the start of the 2022 plan year, then an Escalator shall be applied to employee contribution rates. The Escalator to be applied to employee contribution rates shall be the percentage by which the API exceeds the Preliminary Baseline Premium. Any increase in employee contributions will be effective the first pay period of the 2022 plan year.

Each subsequent plan year's PPO Plan's premium cost will be compared with previous year's PPO Plan's premium cost which will become the new Baseline Premium. The same process and methodology shall be used to review, and if necessary adjust, employee contributions rates, every year thereafter.

- D. **Article XXXVII, Uniform Allowance**. Increase from \$1,560 in the first two years of contract to \$1,700 in third year and increase again to \$1,840 in fourth year of contract. Maintain as an annual payment.

## BACKGROUND

As is evident from the timing of this proceeding, the parties have engaged in direct negotiations over an extensive period of time since the June 30, 2019 contract expiration. The term of the new Agreement pursuant to this Award will be July 1, 2019 through June 30, 2023. Despite awarding terms for a new four-year Agreement, the parties will remain in an expired Agreement upon issuance of this decision. The record also reflects that an additional negotiating cycle for contract years July 1, 2023 through June 30, 2027 has been completed for at least one civilian employee organization (CWA) covering four (4) bargaining units representing 35,000 State employees. (U. Ex. #23).

During the course of the SLEU negotiations, the parties successfully negotiated many tentative agreements. They have been submitted into the record. Pursuant to N.J.S.A. 34:13A-16(g)(4), they have been received as Stipulations of the Parties and will be incorporated into the terms of the Award. These stipulations cover the following terms.

1. **Term of Agreement**

July 1, 2019 through June 30, 2023 (4-year Agreement)

2. **Article VI, Section A, Policy Agreements: Amend Paragraph 3 as follows:**

The NJ State PBA - SLEU recognizes its responsibility as exclusive collective negotiations agent and agrees to represent all employees in the unit without discrimination subject to its right to limit certain benefits to members such as the benefits provided by the Legal Protection Plan, which



provides for attorney representation in disciplinary matters and investigations and other matters and is limited by terms to those who are dues paying PBA members. (This is by way of illustration. It is not intended to be the limit for differentiation between dues paying members and non-dues paying members: that limit is the obligations as defined by law including the Janus decision and other precedents.

3. **Article VII, Dues Deduction: Revise Section A(1) through A(4) as follows:**

A(1) - The State agrees to deduct from the regular pay of any employee, the dues of the NJ State PBA - SLEU per the authorization provided by SLEU. The deducted amount shall be transmitted to the approved subunit local account or to a central SLEU account designated by the President of the NJ State PBA-SLEU. Any dues deduction shall require that the employee and/or Union submits an authorization for dues deduction in writing and on proper form to the responsible payroll clerk. The payroll clerk shall process and forward a properly executed form, within seven (7) days, to the centralized payroll section, Department of the Treasury for those unit employees not paid through centralized payroll (Campus Police Officers and PIP Police Officers) the respective payroll department shall process the properly executed form. Dues deduction will be reflected in the next regular paycheck provided the authorization form is received in centralized payroll or non-centralized payroll department at least seven (7) days prior to the end of the pay period. There shall be no charge to any local account for such deductions or transmission of such monies.

A(2) - Dues deductions for any employee in this negotiations unit shall be transmitted to the designated account for the appropriate subunit local treasury or to the central account of the NJ State PBA - SLEU provided such authorizations are provided. The parties confirm that NJ State PBA - SLEU is the duly certified majority representative and further confirm that employees shall be eligible to withdraw such authorization provided the written notice of withdrawal is filed with the responsible payroll clerk. An employee's notice of revocation of authorization for the payroll deduction of dues shall be effective on the 30th day after anniversary date of employment. Once the State receives an employee's written notice of revocation, it will notify the Association within five business days.

A(3) - Dues so deducted shall be transmitted to the designated account of the NJ State PBA – SLEU subunit local or to the NJ State PBA – SLEU designated account together with a listing of the employees included. Dues deducted shall be sent to the respective accounts electronically via direct deposit.

A(4) - The President of the NJ State PBA – SLEU shall certify to the State and the respective payroll clerk the amount of dues for members of each subunit local and shall notify the State and the respective payroll clerk of any change in the amount of dues to be deducted thirty (30) days prior to the intended effective date of such change.

4. **Article VII, Section D. Bulletin Boards: Add new Section 7 as follows:**

The State will provide bargaining unit representatives from each of the Departments, Colleges, authorities or agencies where unit employees work with access to and the right to use of the email system of public employers to communicate with negotiations unit members regarding collective negotiations, the administration of collective negotiations agreements, the investigation of grievances, other workplace related complaints and issues, and internal union matters involving the governance or business of the union, subject to the same restrictions and requirements of this Section, as well as departmental policy, such as a departmental anti-harassment and anti-discrimination policies and workplace violence policies.

5. **Article VIII, Section A(1):** Add the following to the end of A(1):

Nothing herein shall be deemed to limit Union access rights provided by the WDEA or RCNA.

6. **Article VIII, Sections A(7)(a) and A(7)(b)** Add subsections 7 (a) and (b) to state as follows:

- a. Every 120 days, the State will provide to the Union, in Excel or another digital format agreed to by the Union, the following information for all unit employees: (1) name, (2) job title, (3) worksite location and address, (4) home address, (5) work telephone numbers, (6)

home telephone numbers if on file with the State, (7) personal cellular telephone number if on file with the State, (8) date of hire, (9) work email address, (10) personal email address if on file with the State, and (11) whether the employee is paying dues or not paying dues.

- b. In addition, within 10 calendar days from the date of hire of negotiations unit employees, the State will provide the following contact information in Excel or another digital format agreed to by the Union: (1) name, (2) job title, (3) worksite location, (4) home address, (5) work telephone numbers, (6) any home or cellular phone number on file with the State, (7) date of hire, (8) work email address and (9) personal email address if on file with the State.

## 7. **Article XI, Grievance Procedure**

### D. **General Rules and Procedures**

1. All members of the collective negotiations unit may orally present and discuss his/her grievance with his/her immediate supervisor on an informal basis prior to filing a formal grievance at Step One.
2. In the event that the grievance has not been satisfactorily resolved on an informal basis, then an appeal may be made on the grievance form specified below.
3. The parties agree that it is preferable to have grievances presented to the grievant's immediate supervisor. However, a grievance may be initiated at Step 1 without presentation and discussion with the immediate supervisor, or where the parties mutually agree, at any higher step of the procedure without hearing at a lower step. Where the NJ State PBA – SLEU requests a grievance be initiated at Step Two or beyond based on a claim of emergency wherein the normal processing of the grievance would prejudice the effective relief sought and/or the substantive rights of the grievant and, if such request is denied by the agency of the State

involved, the NJ State PBA – SLEU may seek an expedited determination by the Office of Employee Relations of the appropriate step to initiate such grievance.

4. Where a grievance directly concerns and is shared by more than one grievant, such group grievance may properly be initiated at the first level of supervision common to the several grievants, with the mutual consent of the parties as to the appropriate step. The presentation of such group grievance will be by the appropriate NJ State PBA – SLEU representative(s) and/or its designee. A group grievance may be initiated by the NJ State PBA – SLEU.

**E. Grievance Time Limits and Management Responses**

1. A grievance must be filed initially within fifteen (15) days from the date on which the act is the subject of the grievance occurred or fifteen (15) days from the date on which the grievant should reasonably have known of its occurrence. References to days in this process are calendar days of the party to which they apply.
  2. Where a grievance involves exclusively an alleged error in calculation of salary payments, the grievance may be timely filed within ninety (90) days of the time the individual should reasonably have known of its occurrence.
  4. Revise first sentence: “Should a grievance not be satisfactorily resolved, or should the employer not respond within the prescribed time periods, either after initial receipt of the grievance or after a hearing, the grievance may be appealed within ten (10) days to the next step.
8. **Article XIII, Seniority:** Revise Section B and Section G as follows:
- a. Section B: Revise as follows: “Permanent employees shall, on the day worked immediately following the

successful completion of the probationary period, be considered to have State seniority retroactive to the initial date of employment. Such State seniority shall accumulate until there is a break in service. State seniority of an employee who is reinstated after a period of layoff shall be continued retroactively exclusive of the period of layoff.”

- b. Section G: Delete: “During the normal probationary period of four (4) months, the employee will be advised of his progress at the end of the second and fourth months”

- 9. **Article XX, Compensatory Time Off:** Revise Section D to state as follows:

Ordinarily, a maximum of two hundred (200) hours of compensatory time may be carried by any employee. Where the balance exceeds two hundred (200) hours, the employee and the supervisor will meet to amicably schedule such compensatory time off. If the employee and supervisor cannot agree on the scheduling, the supervisor shall have the discretion to schedule the compensatory time off.

- 10. **Article XXV, Leave for Association Activity:**

In Section C, change “Conservation Officers” to “Conservation Police Officers.” Fix this throughout the CBA.

- 11. **Side Letter 6.** Revise as per Attachment 1.

## ATTACHMENT 1

### **Parameters of Subunits and Designated Subunit Representatives**

The parties agree that for at all times, there will be seven (7) ~~six (6)~~ subunits and a total maximum of six (6) ~~five (5)~~ Designated Subunit Representatives, in addition to the NJ State PBA - SLEU President. The subunits will be broken down as follows:

- (a) One subunit comprised of titles 12041 (Aeronautical Operations Specialist), 32648 (Conservation Officer Recruit), 32081 (Conservation Officer 3), 51342 (Special Agent Trainee), 51344 (Special Agent 2), and 51343 (Special Agent 3);

- (b) One subunit comprised of titles 32090 (State Park Police Officer Trainee; title made archaic effective 9/13/08), 55173 (State Park Police Officer Trainee; title put in effect on 9/3/08) and 32092 (State Park Police Officer);
- (c) One subunit comprised of title 32352 (Police Officer PIP);
- (d) One subunit comprised of titles 55172 (Campus Police Officer Recruit), 32271 (Campus Police Officer), and 32271C (Campus Police Officer Bilingual in Spanish/English);
- (e) One subunit comprised of titles 32255 (Police Officer Recruit Human Services; title made archaic effective 9/13/08), 55171 (Police Officer Recruit Human Services; title put in effect on 9/13/08) and 32332 (Senior Police Officer Human Services); AND
- (f) One subunit comprised of titles 04201 (Weights and Measures Apprentice), 33083 (Weights and Measures Inspector I), 33082 (Weights and Measures Inspector II), and 33081 (Weights and Measures Inspector III).

In the subunit in which the NJ State PBA - SLEU President is an employee, the President shall act as the Designated Subunit Representative for purposes of administration of the terms of the contract that specifically allow for action on the part of Designated Subunit Representatives. For each of the other six (6) ~~five (5)~~ subunits, the President will appoint one Designated Subunit Representative (who must be an employee within the subunit in which (s)he serves) for purposes of administration of the terms of the contract that specifically allow for action on the part of Designated Subunit Representatives. The President shall set forth a list, in writing, to the Governor's Office of Employee Relations naming each Designated Subunit Representative. Should there be any change of appointment of any Designated Subunit Representative, the President shall immediately inform the Governor's Office of Employee Relations in writing, as well.

The parties also agree that in the case where an incident occurs in which the contract specifically allows for action on the part of a Designated Subunit Representative, but the appointed Designated Subunit Representative is on a regular day off, on scheduled vacation, on sick leave, or is otherwise reasonably unable to perform as Designated Subunit Representative, the President may select another employee within the subunit (in attendance at work at the time of the incident) to temporarily assume the duties of the Designated Subunit Representative, until the appointed Designated Subunit Representative returns to work and can reasonably assume his/her duties. Should the

President make a temporary selection as described in this paragraph, the President must immediately inform the Governor's Office of Employee Relations.

The parties further agree that nothing in this side letter, either express or implied, abridges the process by which communication between the State and Union occurs between the President and the State. In no instance will the State be required to honor, uphold or recognize any request or demand by any Designated Subunit Representative (or temporary selected employee) not specifically authorized in the contract.

Create sub-unit (g). Move Aeronautical Special Agent from sub-unit (a) to new sub-unit (g).

As previously stated, SLEU represents a bargaining unit of law enforcement officers in various titles who are employed by the State of New Jersey in a variety of departments and divisions. It is a unique bargaining unit for many reasons. One such characteristic is the diversity of the work performed at many decentralized work stations. Testimony from several local SLEU officials described these titles, the nature of the work performed and the many departments and divisions where the seven (7) sub-units who compose SLEU are employed.<sup>2</sup> There is little, if any, integration of the work among the job titles and work locations due to the specialization and geography where the work is performed. Notwithstanding this diversity, there is a common thread among bargaining unit members. As is the case with law enforcement officers employed by the State of New Jersey and its many subdivisions, unit police officers are trained and certified to enforce criminal laws both within their own jurisdictions and through mutual aid with other jurisdictions.

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<sup>2</sup> This testimony was comprehensive covering, among other things, the scope of job duties, the volume and nature of calls for service, staffing shortages, overtime costs, and the integration of police work with other law enforcement entities in areas surrounding unit work.

In addition to the testimony offered by the several SLEU officers detailing the specific nature of their work in their various jurisdictions, a general description of job titles and work locations were accurately summarized in the State's presentation. They include:

**Aeronautical Operations Specialists** inspect airports, investigate aircraft crashes, and cooperate with the Federal Aviation Administration on air violations and complaints.

**Campus Police Officers** patrol and enforce the law on the campuses of The College of New Jersey, Kean University, Rowan University, Stockton University, and William Paterson University.

**Conservation Police Officers** are employed by the Division of Fish, Game, and Wildlife in the Department of Environmental Protection ("DEP") to enforce federal and state laws enacted for the protection and management of fish and wildlife resources within New Jersey.

**Palisades Interstate Park Police Officers** patrol and enforce the law in the Palisades Interstate Park and on the Palisades Interstate Parkway.

**Senior Police Officers, Human Services** provide law enforcement services to the State's public psychiatric facilities.

**Special Agents (Treasury)** investigate tax law violations and related financial crimes.

**State Park Police Officers** are law enforcement officers employed by the Division of Parks and Forestry in DEP to enforce laws in State Parks and other lands owned by the Division of Parks and Forestry.

**Weights and Measures Inspectors** investigate violations of weights and measures laws and enforce those laws.

As is evident from the above, the variety of department titles, responsibilities and facilities where unit employees work distinguishes the nature of this bargaining unit



from other State law enforcement units who perform work within a specific department or division such as Corrections Officers (Department of Corrections) and State Troopers (Division of State Police). The bargaining unit is made up of members represented by seven (7) PBA locals, each of whom has its own leadership but whose union activities are overseen by SLEU President William Comerro who has been employed at Montclair State University in the capacity of Campus Police Officer.

A second characteristic of the SLEU unit is that the scope of the bargaining unit occupied by unit employees has substantially changed from the time that the unit was initially defined. The change occurred shortly before negotiations for the 2007-2011 Agreements. At that point in time, the three hundred (300) plus law enforcement officers who make up this unit had been part of PBA Local 105. Local 105 represents approximately five thousand (5,000) Correctional Police Officers. The SLEU members in the seven (7) PBA locals that now make up SLEU had previously been included in the PBA Local 105 (Correctional Police Officers) unit prior to the 2007-2011 negotiations. The seven (7) locals represent police officers in the following divisions.

PBA Local 278 – Campus Police Officers at six State Colleges

PBA Local 388 – Palisades Interstate Parkway Commission Police Officers (“PIP”)

PBA Local 120 – Conservation Police Officers at NJDEP (and Aeronautics at DOT)

PBA Local 222 – State Park Police Officers at NJDEP

PBA Local 113 – Human Services Police Officers at DHS

PBA Local 203 – Weights and Measures at Law and Public Safety

PBA Local 281 – Special Agents at Treasury

While the record does not include formal evidence as to the reasons for the severance, testimony reflects the belief that SLEU suffered from comparisons with internal and external police units that could not be overcome by the far fewer employees now represented by SLEU remaining in a much larger unit occupied by a more homogeneous workforce.

The many issues proposed by SLEU in this proceeding are economic in nature and are based on its main theme that over a lengthy period of time its bargaining unit members have been disadvantaged by a variety of circumstances resulting in terms and conditions of employment that are inequitable compared with virtually all law enforcement officers employed by all governmental jurisdictions including the State of New Jersey and also by its countless number of police units in its subdivisions of counties and municipalities. This, SLEU submits, has caused excessive turnover and staffing shortages. The State challenges the weight to be given to the comparability evidence for many reasons. Primarily, it submits that its final offer meets the statutory criteria and must be awarded. It emphasizes, through testimony from Camille Warner, Deputy Director, Governor's Office of Employee Relations and Brian Scott, Employee Relations Coordinator, Governor's Office of Employee Relations, that its offer is consistent with a

negotiated pattern of settlement it entered into for the 2019-2023 Agreements with both the State's other law enforcement units and its civilian bargaining units all of whom represent some 50,000 State employees. It asserts these units, with exceptions not applicable here, have agreed to the pattern of settlement proposal it has offered here. The financial impact of the respective proposals was explained by SLEU's financial expert Ralph Caprio and Tariq Shabazz, Acting Director for the Office of Management and Budget. A concise summary of the parties' evidence and arguments on these themes will be set forth more specifically within the analysis of their individual proposals.

In the Discussion section of this decision I have set forth the issues in dispute with a concise summary of each party's rationale as to why its proposals should be awarded and why the other party's proposals should be rejected. My authority under the conventional arbitration procedure does not confine the arbitrator to having to award the final offer of one party or the other on each issue in dispute. As commonly understood, the conventional arbitrator has the authority to fashion an award by adopting a proposal in its entirety, denying a proposal in its entirety or by deciding a proposed issue on terms that are independent of either party's final offer. After each issue stated and after concise review of the parties' arguments and evidence, I will render an award on each individual issue with reference to the statutory criteria deemed relevant for the disposition of the issue.<sup>3</sup>

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<sup>3</sup> Where a proposal seeks to add language to an existing provision, the language of the proposal will be underlined. Where a proposal seeks to delete language in an existing provision, the language will be shown as strikethroughs.

Because of the comprehensive nature of the evidentiary submissions, not every piece of evidence or argument can be fully discussed. However, the entire record of the proceeding has been reviewed and considered when deciding the disputed issues.

## **DISCUSSION**

The authority of the interest arbitrator has been defined. An interest arbitration award must be rendered with due regard for the statutory criteria deemed relevant for the resolution of the dispute. This obligation was explained in the formative court decisions (see *Hillsdale PBA Local 207 v. Borough of Hillsdale*, 137 N.J. 71 (1994); *Washington Twp. v. New Jersey PBA, Local 206*, 137 N.J. 88 (1994)), various PERC decisions deciding appeals of interest arbitration awards and in various interest arbitration awards. These standards and guidelines have been reviewed and considered.

The statutory criteria are as set forth in N.J.S.A. 34:13A-16(g) and are as follows:

- (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).

The parties' proposals will be evaluated based on the overall record, the specific facts and circumstances surrounding the issues and the peculiarities of this specific impasse. Counsel for the State and SLEU have fully developed the record and have offered comprehensive arguments on the relevance of certain criteria and the weight to be given to them as they relate to the parties' respective positions. All of the criteria are relevant and will be considered. However, I do not find each criterion is entitled to the same weight. I also note that some of the criteria overlap with each other defying a fine line of demarcation between and among them.

The interests and welfare of the public criterion [N.J.S.A. 34:13A-16(g)(1)] is always relevant and, based on the record in this case, entitled to the most weight. The interests and welfare of the public is an elastic term. The parties here have

varying perspectives as to its meaning and application. Other criteria, while individually stated in section 16(g), often interrelate or overlap with 16(g)(1). For example, 16(g)(1) specifically refers to statutory limitations, statutory restrictions on the public employer [16(g)(9)] and the lawful authority of the employer [16(g)(5)]. Thus, an award cannot require a public employer to exceed or ignore its lawful authority as such would violate the interests and welfare of the public. Comparisons of wages, salaries, hours and conditions of employment of employees performing the same or similar services in the same or similar jurisdictions, are almost always relevant because such comparisons provide fair context for the consideration of individual proposals. [N.J.S.A. 34:13A-16(g)(2)(c)]. This criterion, and internal comparability in particular, recognizes the need to maintain harmony and stability within the workplace and also provide context for issues relating to the equitable treatment of unit employees compared to others similarly situated. In this case, the State cites to a “pattern of settlement” supporting its final offer as consistent with providing for labor stability consistent with the interests and welfare of the public [N.J.S.A. 34:13A-16(g)(1)], internal comparability and the continuity and stability of employment [N.J.S.A. 34:13A-16(g)(8)]. The State views deviation from pattern as causing disharmony by penalizing units who have engaged in settlement consistent with the pattern only to see other units receiving more favorable treatment. SLEU, citing the same criteria, contends that the interests and welfare of the public, the comparability evidence and continuity and stability of employment supports the awarding of its final offer due to what it sees as a lower wage structure that has created high rates

of turnover impacting on operations and increased workload due to understaffing forcing unnecessary costs on employing agencies. I find internal comparisons are normally entitled to greater weight than external comparisons because terms and conditions of employment for all units of employees of the employing employer are jointly set within the context of that employer rather than by external jurisdictions whose demographics, funding sources and overall services to their publics may differ. External comparisons are relevant to the extent that it assists in weighing what the fair market value is for the jobs at issue. Comparability evidence can include a comparison of changed terms during one negotiating cycle but also changed terms over a more extensive period of time. The statute also provides for consideration of comparables in private employment in general [N.J.S.A. 34:13A-16(g)(2)(a)] and in public employment in general [N.J.S.A. 34:13A-16(g)(2)(b)]. Such evidence is relevant for consideration but it is not entitled to the same weight as internal or external comparability due to the sharp distinctions between job skills, training and certification requirements in the unit at issue with the nature of work in civilian work in private and public sectors. The level of overall compensation and benefits currently received [16(g)(7)] is a criterion linked to comparability because it is a measure for the consideration of the reasonableness of any individual proposed change to add to, enhance or diminish an existing contract term. By way of example, a comparison of one benefit may give way to comparison of overall benefits. The criterion of continuity and stability of employment [N.J.S.A. 34:13A-16(g)(8)] is relevant because of the need to recruit and retain an experienced and competent workforce to deliver quality of service to



the public and to minimize the expense of training new officers to replace others who separate. This criterion directly relates to the interest and welfare of the public. N.J.S.A. 34:13A-16(g)(8) also allows for the consideration of “other such factors ... ordinarily or traditionally considered in the determination of wages, etc.” This criterion allows for flexibility by allowing for the consideration of evidence that is relevant but not necessarily neatly defined among the other stated criteria. The cost of living criteria [16(g)(7)] is also relevant but, depending on the evidence offered, ordinarily not dispositive of a wage issue. The level of economic increases can be influenced by CPI data but caution is necessary when weighing this criterion due to short term swings in what may be longer term trends or by speculating on future economic uncertainties.

While each issue in dispute will be analyzed and identified on its own, because many of the proposals are economic they must also consider their total impact on an Agreement’s overall economic terms. A party seeking to modify an existing term and condition of employment has the burden to prove the basis for its proposed change. If a party seeks to add a new provision, it is subject to the same burden. This burden must be met at a level that goes beyond merely desiring change without sufficient evidentiary support justifying the proposal. There is a presumption that existing terms and conditions of employment (the status quo) set through prior negotiations will not be disturbed absent a demonstrated need for change. I next turn to the individual proposals and positions of each party, followed by an award on each.

## Article XIII – Seniority

SLEU proposed to amend Article XIII – Seniority as follows:

- A. A newly hired employee shall be considered probationary and without security for a period not to exceed a total of 12 months.
- C. An employee shall be considered to have job classification seniority upon successful completion of the probationary period. ~~for that job as of the date of employment or permanent promotion to the job.~~ Job classification seniority shall accumulate until there is a break in service.

Eliminate formal use of Recruit Title effective following Award and replace with 12 month Probationary Step.

Replace F with the following:

Effective and retroactive to July 1, 2019 there shall be no provisional appointment or further appointments to a Recruit/Trainee title and all new hires shall be placed in a Probationary step for the first 12 months of employment including any time in the PTC Academy and thereafter placed at Step 1. In the alternative, appointments may be made pursuant to the permanent title NJSA 11A:4-1.3 with such a temporary entry level law enforcement police officer paid at the Probationary salary for the first 9 months of employment and thereafter at Step 1. ~~Provisional appointments will not be made except in the case of an emergency as provided in N.J.S.A. 11A:4.13. Where an examination is required, such will be scheduled at the earliest possible time.~~ In the event that an employee has been deemed to be in a Provisional status in the Recruit/Trainee or probationary period, such time shall count towards the first twelve months of service before movement to Step 1

Appointment to Step 1 ~~“permanent” title~~ from Recruit/Trainee or Probationary step after its effective date shall not trigger any additional probationary period. (New language replaces language stating there is a 4 month probationary period.) The 12-month probationary period begins on first date of employment as Recruit/Trainee or at Probationary step and ends 12-months thereafter unless extended by agreement or by unpaid leave. The 9 month statutory probationary period for those hired pursuant to NJSA 11A:4-1.3 shall be honored.

Delete G:

All parts not identified above as modified are retained, though identifying letters may be altered.

SLEU has proposed to amend Article XIII – Seniority through additional language and deletions to Sections A, C and F and the deletion of Section G in its entirety. According to SLEU, the proposals are directed to “address Recruit title problems caused by a “work around” hiring process used by multiple departments because of the low pay, which resulted in many officers being stalled at the Recruit title for more than a year.” While SLEU acknowledges that the Article XIII proposals would not, standing alone address its more comprehensive argument concerning unfavorable comparability and threaten continuity and stability of employment, it emphasizes the need to address pay for recruits and length of time it takes some new hires to advance to Step 1. SLEU makes the following arguments based on its view of the record:

Recruiting is equally difficult. As testimony concerning the Human Services Police showed, recently 12 prospective hires quit before starting because of the low salaries. This is in addition to the over 20 officers who left the Human Services Police and it was the same story in other departments like Park Police, PIP, and Campus Police.

The Human Services Department even successfully petitioned CSC to allow it to hire directly to Step 1 and not use the low Recruit salary, which was granted but that does not solve the low pay scale thru Step 10. SLEU departments employing officers in PIP and at various campuses are short staffed, and when they hire new officers they find that many leave during and after training leading to the concern about being a steppingstone department. This is a staffing crisis in both retention and recruitment caused by low pay and only the SLEU Final Offer addresses it.

The State did not present a single representative of an agency employing SLEU officers to dispute the detailed evidence certified to

by numerous members of the SLEU bargaining team showing the attrition and devastating impact of low pay. It did not even dispute proofs in Certifications attesting to the fact that departments, colleges, and PIP are all trying to increase pay for SLEU Officers because the department knows that this low pay scale is not in the public interest.

A perfect example of such efforts was presented at trial by the memorandum from the Department of Human Services (“DHS”) Police Chief that serves the Human Services Police Department, Darren Smith, presented on day two of the trial showing that DHS management had convinced the Civil Service Commission (“CSC”) to eliminate the requirement that new hires start at the \$40,000 Recruit salary and so they should start new hires at Step 1 or above \$53,000 to aid in recruitment and retention.

Please note that SLEU does not claim this “fix” alone solves the massive problems but it shows an awareness by the Department of the problem that was lacking in the GOER Final Offer. Despite these conceded facts showing that there is a staffing crisis due to low pay that is not in the public interest, that undermining operations and stability and that the only cure is raising the pay scales well above the 2%, the State’s proposal, it has failed to do so.

The State disagrees. It makes the following arguments in opposition to the Union’s proposal:

The Union proposes that “A newly hired employee shall be considered probationary and without security for a period not to exceed a total of 12 months.” J3. The Union further proposes to “Eliminate formal use of Recruit Title effective following Award and replace with 12 month Probationary Step.” J3.

The Arbitrator cannot award these proposals. First, they may implicate the State’s managerial prerogative regarding promotions. *See State of New Jersey, Dep’t of Environment Protection and PBA State Law Enforcement Unit*, 44 NJPER ¶ 106 (PERC 2018) (“[A] claim for automatic movement from the position of trainee to regular officer cannot be submitted to binding grievance arbitration.”). Such movement is non-negotiable and therefore cannot be awarded by the arbitrator.

Second, as to the elimination of the use of the recruit titles, this is within the Civil Service Commission's purview and cannot be unilaterally awarded by the Arbitrator. CSC has the statutory authority under *N.J.S.A. 11A:3-1* to establish, consolidate, abolish, and reassign titles and employees have no vested rights in a classification. See *In re Correction Major, Dep't of Corrections*, A-2697-11T4, 2013 WL 4104095 (App. Div. Aug. 15, 2013); *State of New Jersey (Dep't of Corrections) and New Jersey Superior Officers Association, Captains, F.O.P., Lodge 187*, 30 NJPER 137 (2004). N.J.A.C. Title 4A, Subchapter 3 tasks CSC with creating job classifications. In particular, N.J.A.C. 4A:3-3.7 permits CSC to create trainee, apprentice, recruit, and intern titles. The regulations also provide procedures to apply to CSC to reclassify a position and to appeal any reclassification decision. See *N.J.A.C. 4A:3-3.5*; *N.J.A.C. 4A:3-3.9*. And, importantly, CSC is tasked with "abolish[ing] unnecessary titles." *N.J.A.C. 4A:3-3.3(a)*.

An Arbitrator therefore cannot unilaterally abolish a recruit title, as the Union requests. The employer has a prerogative to hire into those titles, and any effort to not use those titles or eliminate them must go through CSC.

Additionally, the Union has not established the need for this modification. At the hearing, the Union offered three limited examples of employees who have allegedly been stuck in recruit titles or were otherwise not timely advanced. The reasons for this were not clear from the Union's testimony. If this is a recurring issue, the proper course is for the employers to work with CSC to determine a path forward to ensure employees are promoted and moved through the steps appropriately.

In sum, the Arbitrator cannot award this proposal because the Union has not justified the need for it, and it is non-negotiable.

#### Award on Article XIII – Seniority

While articulated as a proposal on "Seniority," the thrust of the SLEU proposal is to correct, clarify or provide uniformity on how a newly hired officer is placed on the salary schedule, the title for those newly hired and progression for

Recruits on the salary schedule to Step 1. The proposal covers Range 17, the lowest paid of the job classifications.

SLEU contends that the low recruit pay of \$40,000 prevents the hiring of officers and exacerbates the hiring practices by agencies who hire provisionals or security officers before advancing new hires into the Recruit title. While there is no comprehensive proof of a direct relationship between the \$40,000 recruit pay and the quitting of twelve (12) prospective hires prior to their employment due to their starting pay, the SLEU presentation reflecting substantial turnover after hire is credible and persuasive. The record developed has specific examples showing a lack of uniformity on how new hires progress to Step 1 and the length of a probationary period. The record reflects examples of new hires receiving the Recruit/Trainee level of compensation for periods in excess of one (1) year, thereby delaying their ability to achieve an increase in pay at the Step 1 pay level. It appears that notwithstanding the contract language stating "there shall be no promotional or further appointments to a Recruit Trainee title," that such appointments, as isolated as they may be, have been made which have kept officers in the Recruit title and pay in excess of one (1) year. This also appears to conflict with contract language stating that employees "shall be hired for their twelve month period of probationary employment." The language reflects the parties' intent for the premise that a new officer should not continue in probationary status beyond the twelve month period. Personnel records show that provisional hiring may have been the cause for the delays in an officer's ability to achieve Step

1 status by keeping them in the Recruit/Trainee title beyond that which also had the effect of negatively impacting on their anniversary dates.

In my review of this issue, I am mindful of the State's admonition that an award must not conflict with its managerial prerogatives regarding promotion or improperly extend the arbitrator's authority to engage in title elimination which, it asserts, is solely within the authority of the Civil Service Commission. The record does not show that the hiring process by agencies and its consequences are intentional but rather a response to difficulties in hiring and retention due to low pay.

SLEU has established that delays to Step 1 beyond twelve (12) months of employment or the resulting delays in anniversary dates slowing step movement are not, at minimum, consistent with the spirit and intent of the contract language in Article XIV(C). Nevertheless, the intricacies of the issue, by its interface with the authority of the Civil Service Commission, cause me to not render a substantive award on the SLEU proposal and instead recommend a return of this issue to the parties to engage in efforts to resolve the issues raised by SLEU. Significantly, the record reflects that some agencies support modification and solution to these issues have been mutually discussed with actions taken. The purpose of the return is to prompt the parties to engage in a joint submission to the Civil Service Commission to remedy the present circumstances which have caused a lack of continuity in employment and instability in the hiring and retention process. The

issues to be submitted could include securing a correction of anniversary dates and current pay step for those officers who did not move to Step 1 after twelve (12) months of employment, limiting probationary status to twelve (12) months of employment and consideration to eliminate the Recruit/Trainee title for the purpose of setting a higher starting salary to assist in the recruitment and retention of unit employees. The efforts described above should extend unit-wide and not be confined to agencies such as the Department of Human Services where, based on Officer Darren Smith's testimony and documentation, the agency has cooperated with the Civil Service Commission to facilitate Recruit progress towards Step 1, including the hiring of new officers at that level. As shown in a special memo in the record dated October 3, 2023, Human Services Management has "been working diligently with our Human Resources Unit and the Civil Service Commission to develop various solutions to improve our ability to hire/retain quality personnel and improve our overall salaries. Today, the Civil Service Commission has authorized our request to hire new recruits directly into the Senior Police Officer Step 1. Any Officer who is currently in the Police Officer Recruit title will be moved into the Senior Police Officer Step 1. This is not a temporary solution and will be how we go out business moving forward."

Accordingly, I award the following:

The State and SLEU shall, within a reasonable period of time, form a joint committee of limited numbers for the purpose of addressing the Probationary/Recruit issues set forth in pages 46 to 52 of this decision.



## Article XVI – Holidays

SLEU proposes that changes be made to Article XVI – Holidays. They are as follows:

1. [\(Include Juneteenth\)](#). Retain remainder of paragraph 1 and 2. Amend paragraph 3 as follows:

3. In recognition that cCompensation for hours worked on a holiday shall be in accordance with ~~Civil Service Regulations~~ requires payment of overtime rates and additional compensation, and for the unit employees in titles who have been scheduled to work such holidays (not Weights and Measures or Special Agents) the parties agree that the State shall effective starting at the calendar year following agreement or award implementation increase base pay for all steps by 6.5% as shown on the attached guide. Allocation of holiday work shall be by work unit to ensure coverage and such holiday work shall be rotated by seniority.

[The increase due to holiday pay being incorporated into base shall be shown on the attached salary guides for the contract term](#), and shall apply to those employees who are scheduled to work on the holidays; those not regularly scheduled to work on holidays shall continue to receive holiday pay as currently done.

According to SLEU, the proposal to roll-in holiday pay to base pay is part of the need to address factors of comparability and continuity and stability of employment by enhancing base pay. SLEU submits that:

The holiday pay roll-in to base proposal should not be a source of any additional cost difference. (3T 346-347) This is because the 6.5% increase to base is already being paid as those who work holidays and it will not apply to those few whose schedule has time off on holidays. (Id.) The calculations for those who work holidays shows that the 13 holidays in the 2015-2019 contract (increasing to 14 with Juneteenth) with overtime considered is less than the 6.5% roll-in. The State did not dispute the numbers, argues instead that no other unit has a holiday roll-in. (3T 426-427) The SLEU holiday proposal also included adding Juneteenth, which was not

commented upon by the State, presumably because it is consistent with State law. (P.L. 2020, c.76 designating Juneteenth as a State Holiday)

The State urges rejection of SLEU's proposal concerning holiday pay. It makes the following arguments in opposition to the awarding of the proposal:

SLEU proposes incorporating holiday pay into employees' base pay. See J3 (Article XVI, Holidays). This would be a change in the terms and conditions of employment and therefore SLEU bears the burden of establishing the need for the modification. *Somerset County*, Docket No. IA-2005-083.

SLEU has not met its burden. No other State unit has a similar provision in an agreement with the State. T427:4-8. The Union has not justified the need to be given special treatment by being the only unit to receive a provision rolling their holiday pay into base pay. This is essentially a wage proposal; as argued above, deviating from the State's wage pattern is not warranted and therefore this proposal should not be awarded.

The Union's expert makes the misguided suggestion that this proposal would cost the State nothing. See T346:20-25; 347:1-6. But the proposal obviously would be costly to the State. By increasing the base pay amount, the overtime rate would be increased. The State would also incur more costs for higher pension contributions and other benefits. Therefore, Dr. Caprio's testimony on this issue is clearly flawed.

For these reasons, the Union has not justified a need for this modification and the Union's proposal should not be awarded.

#### Award on Article XVI – Holidays

SLEU's contention that awarding a roll-in of holiday pay for those who work holidays, would raise base salary rates which it submits are woefully inadequate and in need of substantial adjustment beyond what the State has proposed. According to SLEU, this can be achieved with little or no cost. I do not find that the

financial impact of this proposal is a matter to be given significant weight. I also do not find, even assuming merit to the issue of salary comparability and continuity and stability argument, that SLEU has shown sufficient justification for the award of this proposal. The State accurately submits that the holiday roll-in is a novel and substantial benefit that does not appear in any of its 2019-2023 Agreements which is the contract duration of this award. It also asserts that it essentially is a wage proposal which deviates from the wage pattern and, notwithstanding the Union's argument to the contrary, would be of cost to the State due to roll up costs such as overtime rates and pension contributions. The most significant reason for not awarding this proposal is that it would represent a new benefit of substantial impact in the absence of any evidence that any other State bargaining unit, both law enforcement and civilian, has negotiated or been awarded a holiday pay roll-in. Moreover, even if this proposal were to be considered independently of this fact, the timing of this proceeding would not impact on the four (4) years that have passed as holidays for the four year period have already been taken and the agreement will have already expired. Consideration of the SLEU proposal on a holiday pay roll-in would more appropriately be raised in the context of negotiations for the next agreement which will have an effective commencement date of July 1, 2023.

#### **Article XXV – Leave for NJ State PBA – SLEU Activity**

SLEU proposes to amend Article XXV – Leave for NJ State PBA – SLEU Activity as follows:

Will accept 1386 hours offer only if the State agrees to create separate Union Leave categories along the lines done for Local 105, which are in addition to the 1386 hours that there are 11 release days for each of the seven locals (subunits of SLEU) allowing them to send 1 representative (Delegate, President, or designee) to attend the following required PBA meetings:

- State meetings;
- Local meetings;
- County meetings

***NOTE: Meetings occur every month except August.***

**Add Union Leave – Full Time position with NJ State PBA:**

In the event, an official of SLEU is appointed by the NJ State PBA President or designee or elected to fill a full time position with the State PBA the employee shall be permitted full release as unpaid leave with the State PBA responsible for paying the salary of the unit employee who shall retain all rights to return to service and shall be permitted to continue to contribute to retirement pension and such years of service for the State PBA shall also count toward health benefits in retirement and seniority for purposes of leave and other benefits under this contract. In the event that the State permits the unit employee to purchase health benefits from the SHBP, such purchase shall be at the employee's expense at cost.

A request for such leave shall be filed annually and shall not be unreasonably denied, or a contract for a longer term may be entered into between the State and the NJ State PBA.

During direct negotiations, the parties engaged in discussion over the topic of Leave for NJ State PBA – SLEU Activity. SLEU asserts that its proposal on this issue is a response or counter to what the State offered in negotiations:

SLEU's proposal confirms past discussions with the State when it had been willing to increase chargeable leave for SLEU activity from 1260 to 1386 hours. This is consistent with union leave increases for other law enforcement units like Local 105. (J-13 and J-14) SLEU also proposes to increase non-chargeable Union leave to include required monthly State, County, and Local PBA meetings. This is modeled upon non-chargeable leave provisions in the Local 105 agreement. (Id.) The full proposal is presented below.

Will accept 1386 hours [chargeable leave — up from current 1210] offer only if the State agrees to create separate Union Leave categories along the lines done for Local 105, which are in addition to the 1386 hours that there are 11 release days for each of the seven locals (subunits of SLEU) allowing them to send 1 representative (Delegate, President, or designee) to attend the following required PBA meetings:

- State meetings;
- Local meetings;
- County meetings

The State has argued against the proposal in the Brian Scott Certification with an exhibit (E-9) showing that SLEU had not used up chargeable leave in recent years, a claim that was shown to be incomplete and is not a persuasive basis for opposing the SLEU proposal. (3T 471-472)

The 10% increase in chargeable time from 1260 hours to 1386 hours per year plus adding union meetings to non-chargeable time works together to allow the local union presidents within SLEU to attend required PBA meetings without depleting the chargeable time to nothing. (2T 248-250)

Ensuring that there is sufficient chargeable time is important to ensuring representation of the 300 or so SLEU officers who are spread over six campus departments, PIP, and five executive branch departments, many in multiple locations (2T 250-253) The unique construction of the SLEU bargaining unit containing so many departments require the SLEU union leaders to cover labor issues in multiple departments and they need more chargeable time as well as the increase in non-chargeable time for those meetings. (Id.)

As SLEU President Bill Comerro explained, the State's argument that he had not used up all of the Union leave during the prior years was misleading because he carefully managed the time and does a great deal of work on off-time. (Id.) The GOER Representative, Brian Scott, conceded on cross-examination that both Presidents of SLEU, Chris Smith and Bill Comerro, had told him they received union leave without having to use chargeable time. (3T 471-472) Those conversations predate the Union's proposal and show the need for more chargeable time because no union can count on such cooperation in the longer term.

The final element in the union leave proposal is this provision allowing a SLEU official, like President Comerro, to go on unpaid leave to work for the State PBA where the State PBA would be responsible for paying the salary costs and benefit costs for that employee. (2T 253-254) As he explained, it is a no-cost item that the State PBA wants in for labor relations flexibility and representation of members, which makes sense here given Bill Comerro’s work with the State PBA. (2T 253-254)

The State seeks the rejection of the Union’s proposal. According to the State:

It is not entirely clear what the Union’s final offer is proposing. In any event, an increase in union leave for the union is not warranted. The State has submitted the following chart, showing that SLEU does not use all the union leave to which they are currently entitled:

| <b>YEARS</b> | <b>STARTING BALANCE</b> | <b>HOURS USED</b> | <b>REMAINING HOURS</b> |
|--------------|-------------------------|-------------------|------------------------|
| 2015-2016    | 1260                    | 858               | 402                    |
| 2016-2017    | 1260                    | 728               | 532                    |
| 2017-2018    | 1260                    | 685               | 575                    |
| 2018-2019    | 1260                    | 621               | 639                    |
| 2019-2020    | 1260                    | 573               | 687                    |
| 2020-2021    | 1260                    | 281               | 979                    |
| 2021-2022    | 1260                    | 1184              | 76                     |
| 2022-2023    | 1260                    | 786               | 474                    |

...

The Arbitrator should not award this proposal because it is a hypothetical. If a SLEU official is appointed to a full-time PBA position, it would be appropriate at that time for the State and SLEU to address this arrangement.

The Union has not justified its proposals for union leave and therefore they should not be awarded.

Award on Article XXV – Leave for NJ State PBA – SLEU Activity

I award the Union’s proposal in part and deny it in part. The 1,386 hours, as discussed in negotiations, is a reasonable increase given the evidence that

certain officers may have been allowed union leave without having been charged union leave. I award this without SLEU's condition that it be awarded eleven (11) release days for each of its seven (7) sub-units. The proposal to create separate Union Leave categories for each of the seven locals, or sub-units, by adding eleven (11) release days for each sub-unit, has not been justified. Given the unique structure to the SLEU unit, the parallel asserted by SLEU with Local 105 is not persuasive. However, I find it reasonable to award some such release time in each individual sub-unit due to the diversity of work in the sub-units and the desirability of having broader representation for all members at union meetings. Accordingly, effective June 30, 2023, I award three (3) release days for each sub-unit consistent with the purpose stated in the SLEU proposal.

I also award the SLEU proposal, if and when it should occur, to provide unpaid leave to an official of SLEU who has been appointed by the NJ State PBA President or elected to fill a full time position with the State PBA. This award shall be limited to one (1) such official of SLEU at a time and shall be in accordance with the guidelines contained in the SLEU proposal concerning, among other things, the State PBA's obligations to pay the salary of the unit employee and the purchase of SHBP health benefits if permitted to do so. The State's position to address this issue only if such appointments or election occur is not reasonable as such situation could occur mid-contract and cause uncertainty and delay over the conditions for release.

The award is as follows:

Commencing at the end of June 30, 2023, the number of annual hours of chargeable leave shall be increased to 1,386. There shall be an additional three (3) release days made available annually for each of the seven locals (sub-units) of SLEU to send 1 representative (Delegate, President, or designee) to attend the following required PBA meetings:

- State meetings;
- Local meetings;
- County meetings

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In the event, an official of SLEU is appointed by the NJ State PBA President or designee or elected to fill a full time position with the State PBA the employee shall be permitted full release as unpaid leave with the State PBA responsible for paying the salary of the unit employee who shall retain all rights to return to service and shall be permitted to continue to contribute to retirement pension and such years of service for the State PBA shall also count toward health benefits in retirement and seniority for purposes of leave and other benefits under this contract. In the event that the State permits the unit employee to purchase health benefits from the SHBP, such purchase shall be at the employee's expense at cost.

A request for such leave shall be filed annually and shall not be unreasonably denied, or a contract for a longer term may voluntarily be entered into between the State and the NJ State PBA.

### **Article XXVII – Hours of Work:**

SLEU proposes modification to Article XXVII(B)(3) concerning Hours of Work. It proposes the following:

- B.**
3. In situations where rotating shifts are the normal practice, the superior officer making the schedule shall minimize the circumstances where less than forty-five (45) hours time off is provided to the affected employee when changing from the day shift to any other shift. **No**



unit employee shall be required to change from one shift until having worked a shift for at least four weeks. In addition, no union official shall be required to work a rotating shift.

SLEU supports its proposal with the following rationale:

The first of two changes for departments with rotating shifts for SLEU Officers amends the Article to state that SLEU Union officials who represent employees would not be required to work a rotating shift because they undermine their ability to represent employees as most interactions with management are during the day. (2T 254)

The second change proposed is that SLEU employee cannot be required to switch from night to day shifts every two weeks as it proposes to increase the time one has to be on a shift before a day/night shift from two to four weeks is a quality of life issue as explained by the SLEU President. (2T 255) No testimony was offered in opposition by the State.

The State opposes the award of this proposal. According to the State:

The Union offered very limited testimony on this proposal. See T254:11-25; 255:1-19. The issue with rotating shifts ostensibly is a problem only for campus police officers at Rowan. T291:21-24 The Union could not articulate any of the other five state colleges for which this has been an issue nor any of the subunits in the bargaining unit. T292:4-21. But the proposal would apply to all positions in the unit. *Id.*

The Union has not justified its proposal. The issue with rotating shifts applies only to a small subset of employees in the unit. The Union's testimony did not justify the need for this change as to any of the unit's employees, and it especially did not establish the need for this change to apply to the unit as a whole. The proposal should not be awarded.

#### Award on Article XXVII – Hours of Work

I award the proposal in part and deny it in part. It is understandable that unit employees desire predictability in their work hours to further quality of life by

lessening the time between shift rotations. However, as law enforcement officers, it is not uncommon to have changes in shifts. The SLEU acknowledges this by the practice in some work locations allowing for shift changes every two (2) weeks. I do not find sufficient evidence exists to award the proposal to extend the time to four (4) weeks. I do award the SLEU proposal, with modification, stating that no union official shall be required to work a rotating shift. The rationale, to permit a union official to communicate with management during normal working hours, is reasonable because prompt discussions can prevent or minimize workplace problems that occur at one moment in time. However, there is insufficient definition in the SLEU proposal as to the number of union officials that this would apply to. Where a sub-unit has fewer members, if more than one official is part of staffing on a rotating shift, the change proposed could cause difficulties in operational coverage. Accordingly, the award shall be limited to one (1) union official in each sub-unit who SLEU shall identify to management at each work location. Accordingly, Section (B) shall be revised as follows:

No union official shall be required to work a rotating shift. This right shall be limited to one (1) union official in each sub-unit who SLEU shall identify to management at each work location

#### **Article XXVIII – Overtime**

SLEU has proposed to modify Article XXVIII – Overtime with a two part proposal.

#### **New Section: B, 4, Special Projects/Details:**

Add in: All special assignments for a third party, Road Jobs, Special Project work, or similar assignments shall be offered first to unit employees on a rotating basis by seniority and if taken by a unit employee the officer(s) shall be compensated at the overtime rate for the highest step in Range 17.

This is to confirm that overtime shall be paid at time and one half the hourly rate derived by dividing the regular bi-weekly base pay received, which is currently based upon the regularly scheduled hours of work, 35 or 40 hours per week, by 70 or 80, respectively.

According to SLEU:

There are two proposals. The first concerns road jobs, or what is also called details or special projects to ensure a set rate as is done elsewhere. (2T 255-256) Under this, the top step overtime rate would increase volunteering by lower paid unit employees and would not cost the State any money because it is paid by vendors. (Id)

...

The second contains the overtime rate per the Appellate Division decision in In the Matter of Sean McManus and Sean McManus and DEP, Docket No. 845-20, a copy of which is being sent.

The State opposes the Union's proposal. According to the State:

The Union's testimony was not entirely clear on what this proposal was meant to address and accomplish. It was presented that this proposal applies to all employees in the unit that are in Range 17 (campus police, PIP, Human Services). T293:15-23. However, it was not established that all subunits in Range 17 perform road jobs. The Union stated in testimony that it "would only apply to jobs that were being offered by the particular department or employing entity, whether it be Rowan, whether it be Montclair[.]" T303:12-16.

The rate, however, is paid currently at the officer's overtime rate. SLEU seeks a rate that is the highest of all. This cannot stand. First, there is a discrepancy as to how each college assigns and pays for the jobs. Second, there was no testimony that it applies to PIP, Human Services or any other subunit.

The proposal should not be awarded. It is not clear based on the record how these jobs are presently assigned, and it likely varies by agency. SLEU has not justified a deviation from the status quo.

Moreover, the State employing entities in many cases are contracting with third parties to complete certain road and utility work on the State entities' properties. This proposal may force the State to require these third parties to pay a much higher rate for officers to be present at road jobs than what those officers are normally paid. The Arbitrator should not award a proposal that ties that State's hands when it is contracting with other third parties.

The Union has not offered a justification for why employees should be paid for a special job at a rate that will usually be substantially higher than the employees' typical overtime rate. For these reasons, the proposal should be rejected.

#### Award on Article XXVIII – Overtime

There was much testimony on this issue. The record, while detailed and clear in part, is not entirely clear as to its impact given the many departments and divisions throughout the State who employ SLEU members on "road jobs." Currently, employees on such detail, or on off duty jobs, receive pay at the overtime rate of the employee who performs the assignment. While paying employees at the overtime rate equal to the top step of Range 17 would make an off duty assignment more appealing to officers with less seniority, there is insufficient evidence that the current rate of pay at the officer's overtime rate has interfered with the filling of off duty jobs or the performance of the work. Accordingly, the proposal is denied.

## Article XXXVII – Uniform Allowance

Both parties have proposed a change to Article XXXVII – Uniform Allowance. The State’s proposal is as follows:

Increase from \$1,560 in the first two years of contract to \$1,700 in third year and increase again to \$1,840 in fourth year of contract. Maintain as an annual payment.

SLEU has proposed the following changes to Article XXXVII:

No Change to first four paragraphs of Article except that the referenced dates shall be updated and the amounts of the uniform allowance shall increase from \$1,560 as follows:

- Year 1: \$1,716
- Year 2: \$1,888
- Year 3: \$1,888
- Year 4: \$1,888

All unit employees receive uniform allowance upon ratification or award based upon conditions in contract, except that final paragraph of Article reference denying Transportation Dept. unit employees the uniform allowance shall be deleted.

The Union seeks to amend Article XXXVII – Uniform Allowance in certain parts. The State has also proposed a modification to Article XXXVII. SLEU has not accepted the State’s proposal and references the State’s final offer within its own proposal. SLEU describes its Uniform Allowance proposal as follows:

The SLEU Final Offer increases the uniform allowance by 10% in Year 1 (2019-2020) and an additional 10% in Year 2 (2020-2021). This is consistent with agreements entered into by the State with other law enforcement units during 2019-2023. See, e.g., J-8 at 67; J-11 at 22; J-13 at 10. These all provide 20% increases in Year 1 and carries those for four years of the contract at the higher level. By

contrast the State's Final Offer here increases only in Years 3 and 4 and less than 10% per year. The comparison follows:

The parties are not proposing to change language other than to update the dates in the Article from the 2019-2019 contract (J-1) and SLEU proposes to eliminate the reference denying the one Aeronautics Police Officer a uniform allowance.

The proposed amounts are as follows:

|           | SLEU FINAL OFFER | STATE FINAL OFFER |
|-----------|------------------|-------------------|
| • Year 1: | \$1,716          | \$1,560           |
| • Year 2: | \$1,888          | \$1,560           |
| • Year 3: | \$1,888          | \$1,700           |
| • Year 4: | \$1,888          | \$1,840           |

The State urges rejection of SLEU's proposal and adoption of its own. It makes the following argument:

The State proposes to increase the uniform allowance from \$1,560 in the first two years of the contract to \$1,700 in the third year and to \$1,840 in the fourth year. J2. The Union proposes the following amounts: Year 1, \$1,716; Years 2-4, \$1,888. J3.

The State's proposal should be awarded. The State's proposals are in proportion to the same amount of increases the State has agreed to with other law enforcement unions. T427:16-19. The Union has not put forth any evidence justifying a need for a greater increase. Accordingly, the State's final offer should be awarded.

#### Award on Article XXXVII - Uniform Allowance

Each party has proposed to increase the amount of uniform allowance that was set by the agreement that expired on June 30, 2019. That amount was \$1,560. The rationale each party offers for its proposal is linked to its view of internal comparability among the State's other law enforcement units whose

members received increases in their July 1, 2019 to June 30, 2023 Agreements. Beyond the mutual acknowledgement that an increase, although in different amounts, is warranted, I do not find a strict linkage between this unit and other law enforcement units that would dictate the amount of increase. After due consideration of the respective proposals, I award an amount less than that proposed by SLEU but one greater than the amount proposed by the State. The allowance awarded is equal to the State's offer in Year 4 but provides greater increases than proposed by the State in Years 1, 2 and 3, although lesser amounts than proposed by SLEU. I also award the language proposed by SLEU that would delete the existing reference denying the application of the uniform allowance to unit employees employed in the Transportation Department, and in particular to the one Aeronautics Police Officer. I find no justification for differentiated treatment on this issue among all unit members. Accordingly, I award the following:

#### Uniform Allowance

- Year 1: \$1,660
- Year 2: \$1,740
- Year 3: \$1,740
- Year 4: \$1,840

The language that denies the application of the uniform allowance to unit employees employed in the Transportation Department, and in particular to the one Aeronautics Police Officer shall be deleted.

The increases in the uniform allowance shall be retroactive to July 1, 2019 and the succeeding July 1 dates but shall not be retroactive to unit employees who were no longer employed by the State prior to the date of this Award unless such employee has retired on a normal or disability pension.

## **Article XXXIV – Health Insurance and Fringe Benefits**

SLEU has proposed amendments to Article XXXIV – Health Insurance and Fringe Benefits as a response to the State’s proposal on health insurance. Its proposal, or response, defined as Attachment 2, provides for the following:

### **A. State Health Benefits Program**

~~As with any provisions of this Agreement that reflect statutory or regulatory mandates, the provisions of paragraphs (A)(B)(C) and (G) of this Article, are for informational purposes only and provide an explanation which is subject to change due to legislative action.~~

1. The State Health Benefits Program is applicable to employees covered by this Contract. It is agreed that, as part of that program, the State shall continue the Prescription Drug Benefit Program during the period of this Agreement to the extent it is established and/or modified by the State Health Benefits Plan Design Committee, in accordance with P.L. 2011, c. 78. The State Health Benefits Plan Design Committee shall provide to employees the option to select one of at least three levels of coverage each for family, individual, individual and spouse and individual and dependent, or equivalent categories, for each plan offered by the program differentiated by out of pocket costs to employees including co-payments and deductibles. Pursuant to P.L. 2011, c. 78, the State Health Benefits Plan Design Committee has the sole discretion to set the amounts for maximums, co-pays, deductibles, and other such participants’ costs for all plans in the program and has the sole discretion to determine the plan offering and coverage levels under the program.
2. Effective July 1, 2003, the Traditional Plan shall be closed as to all current and future members of this bargaining unit, including unit members retiring after said date. The Traditional Plan and the NJ Plus POS Plan have been abolished. Effective immediately, no new hires shall be enrolled in the Traditional Plan.
3. Medicare Reimbursement – Effective January 1, 1996, consistent with law, the State will no longer reimburse active employees or their spouses for Medicare Part B premium payments.
4. As soon as practical after ratification, the new NJ Direct plan [shall be \(available to employees hired prior to July 1, 2019\) and NJ Direct 2019 plan \(available employees hired on or after July 1, 2019\) will be the only additional PPO Plans](#) available to active negotiations unit members [in](#)



addition to legacy plans in SHBP. Members Employees shall continue to be eligible for NJ Direct 15 or the new NJ Direct plans, and shall pay the a reduced contribution per the attached information for selection of either any plan with lower premium cost than NJ Direct by . A member shall be incentivized to select any of the lower cost legacy plans offered by SHBP by further reducing the contribution by 50% of the difference in the cost of the plan selected versus the highest cost plan available to members NJ Direct.

## **5. B. Contributions Towards Health and Prescription Benefits**

1. Employees shall contribute, through the withholding of the contribution from the pay, salary, or other compensation, toward the cost of the health care benefits coverage for the employee and any dependent provided under NJ Direct and NJ Direct 2019 through the State Health Benefits Program in an amount that is a percent of salary to the cost of the premium. NJ Direct 15, the legacy plan, shall also contribute in the same percent of salary. Any member selecting a lower cost plan than NJ Direct shall also receive 50% of savings in a reduction to the contribution deducted from their pay, as shown below.

- Active members participating in an HMO plan or High Deductible Plan (HDHP) as well as other lower cost SHBP plans will contribute in the same percent of salary as those selecting NJ Direct or NJ Direct 19; and, shall also receive 50% of the premium cost difference between the NJ Direct and the selected plan in a reduction to the contribution deducted from their pay as their will contribution to cost of the e-a percentage of premium.

- Active members participating in a Tiered Network plan shall contribute at a rate that is equal to 75% of the new PPO plan contribution rate.

- The contribution rates for available plans may be found on the Division of Pension and Benefits website are incorporated as an Appendix to this contract.

- ~~2. Effective for benefits plan year starting January 1, 2021, the employee contribution amounts are subject to the agreed upon reopener provisions as set forth in Appendix IV.~~

~~The parties recognize that any agreements by the parties reached during the reopener discussions regarding plan design are subject to the approval of an implementation by the Plan Design Committee. N/A~~

3. The amount payable by any employee, pursuant to N.J.S.A. 52:14-17.28(c)(2) (added by L. 2010, c.2) shall not under any circumstance be less than the 1.5 percent of the base salary. No employee shall contribute more than the employee would have contributed under section 39 of P.L. 2011 c. 78 (C. 52:14-17.28c)

4. The parties agree that should an employee voluntarily waive all coverage under the State Health Benefits Plan and provide a certification to the State that he/she has other health insurance coverage, the State will waive the contribution for the employee.
5. An employee on leave without pay who receives health and prescription drug benefits provided by the State Health Benefits Program shall be required to pay the above-outlined contributions and shall be billed by the State for these contributions. Health and prescription benefit coverage will cease if the employee fails to make timely payment of these contributions.
6. Active employees will be able to use pre-tax dollars to pay contributions to health benefits under a Section 125 premium conversion option. All contributions will be by deductions from pay.
7. Eligible negotiations unit employees and their spouses who complete the NJ Well Program shall each receive a \$350 incentive payment.

**C. Dental Care Program**

1. It is agreed that the State shall continue the Dental Care Program during the period of this Agreement to the extent it is established and/or modified by the State Health Benefits Plan Design Committee, in accordance with P.L. 2011, c. 78. Through December 31, 2011, active eligible employees are able to participate in the Dental Care Program as described in the parties' July 1, 2007 – June 30, 2011 collective negotiations agreement. Pursuant to P.L. 2011, c. 78, the State Health Benefits Plan Design Committee has sole discretion to set the amounts for maximums, co-pays, deductibles, and other such participant costs for all plans in the program and has the sole discretion to determine the plan design, plan offering and coverage levels under the program.
2. Participation in the Program shall be voluntary with a condition of participation being that each participating employee authorize a bi-weekly salary deduction not to exceed fifty percent (50%) of the cost of the type of coverage elected, e.g. individual employee only, husband and wife, parent and child or family coverage.
3. Each employee shall be provided with a brochure describing the details of the Program, enrollment information and the required forms.
4. Participating employees shall be provided with an identification card to be utilized when covered dental care is required.

The provisions of Sections (A), (B) and (C) of this Article are for informational purposes only and are not subject to the contractual grievance/arbitration provisions of Article XI.

#### **D. Eye Care Program**

1. Full-time employees and eligible dependents shall be eligible for the State-administered Eye Care Program. The Program shall provide for each eligible employee and dependent to receive a \$40 payment for prescription eyeglasses with regular lenses and a \$45 payment for such glasses with bi-focal lenses. Each eligible employee and dependent may receive only one (1) payment during the two (2) year period ending June 30, 2021 and only 1 payment during the two (2) year period commencing July 1, 2021. The extension of benefits to dependents shall be effective only after the employee has been continuously employed for a minimum of sixty (60) days.
2. Eligible dependents of full-time employees shall be eligible for a maximum payment of \$35 or the non-reimbursed cost whichever is less, of an eye examination by an Ophthalmologist or Optometrist, during the two (2) year period ending June 30, 2021 and only one payment during the two (2) year period commencing July 1, 2021.
3. Proper affidavits or forms and submissions of receipts are required of the member in order to receive payment.

#### **E. Insurance Savings Program**

Subject to any condition imposed by the insurer, all employees shall have the opportunity to voluntarily purchase various insurance policies on a group participation basis. The policy costs are to be borne entirely by the employee selecting insurance coverage provided in the program. The State will provide a payroll deduction procedure whereby authorized monies may be withheld from the earned salary of such employees and remitted to the insurance company. The insurance company will provide information concerning risk covered, service offered, and all other aspects of the program to each interests employee.

#### **F. Health Insurance For Retirees**

Those employees who have 20 or more years of creditable service on the effective date of P.L. 2011, c. 78 who accrue 25 years of pension credit or retire on a disability retirement on or after July 1, 2011 will contribute 1.5% of the monthly retirement allowance toward the cost of post-retirement medical benefits as is required under law. In accordance with P.L. 2011, c. 78 the Retiree Wellness Program no longer applies.

Upon retirement, an active employee who is not Medicare eligible and who retires with 25 years of pensionable service after the enrollment date established in accordance with Section A4 of this Article shall be offered the option to enroll in any of the plans he or she was able to enroll in, including but not limited to NJ Direct 15 or the NJ Direct/NJ Direct 2019 plan at the time of retirement.

- a. Current retirees and active employees who have accrued 25 years of pensionable service prior to the enrollment date established in accordance with Section A4 of this Article shall be offered the same plans in retirement as available at the time s/he acquired 25 years of pensionable service, as required by law and shall also be offered the option to enroll in the NJ Direct/NJ Direct 19 PPO plan based on the contribution rate required at the time s/he reached 25 years of service.
- b. If an employee acquires 25 years of pensionable service after the enrollment date established in accordance with Section A4 of this Article or retires after the effective date of this agreement, that employee shall contribute to the cost of health benefits in retirement based on the contribution rates of active employees, as established by this agreement, at the time of the retirement. Such employee shall have access to the plans available at the time s/he acquired 25 years of pensionable service.

~~The provisions of this Article are for informational purposes only and are not subject to the contractual grievance/arbitration provisions of Article XI.~~

#### **APPENDIX - Health Care Reopener For NJ Direct Plans**

- ~~a.~~ The actual premium cost for the new PPO plans, inclusive of medical and prescription costs, will be tracked each plan year following the plan's initial offering in plan year 2019.
- ~~b.~~ In addition, the new PPO premium cost increases will be monitored and compared to the national, regional and state trending of healthcare costs.
- ~~c.~~ Calculations:
- ~~a.~~ If the projected blended premium for the new PPO in a plan year exceeds the "Baseline Premium", the Union and the State shall enter into negotiations to lower the premium and/or reduce the rate of premium increases. Such negotiations will commence upon receipt of the SHBP actuary's rate renewal recommendation premium for the upcoming plan year, in or about the preceding July.
- ~~b.~~ The Union and the State shall also calculate the "Adjusted Premium Increase" ("API"). The API shall be calculated by (a) subtracting the aggregate percent of across-the-board salary increases received by represented State employees covered by this contract, not compounded, from (b) the percent by which the 2019 PPO premium exceeds the Preliminary Baseline Premium.
- ~~c.~~ Commencing in Plan Year 2019, the preliminary baseline premium rates shall be the following blended premiums – Single coverage - \$9570;

Parent/Child coverage - \$19,140; Employee/Spouse - \$17,800; and Family \$27,370 – plus 3% (“Preliminary Baseline Premium”).

**Plan Year 2021:**

- If the projected blended premium for the new PPO plans in plan year **2021** exceeds the Preliminary Baseline Premium from plan year 2019, the Union and the State shall enter into negotiations to address such premium increases.
- The API for Plan Year 2021 shall be calculated by (a) subtracting the aggregate percent of across-the-board salary increases received by represented State employees covered by this contract, between July 1, 2019 and December 31, **2020**, not compounded, from (b) the percent by which the new PPO premium exceeds the Preliminary Baseline Premium. For example, if the **2021** PPO premium is 8% more than the Preliminary Baseline Premium and if employees have received an aggregate of 6%, non-compounded, across-the-board salary increases since July 1, 2019, the API is 2%.
- If the Union and the State cannot agree upon plan design changes or other cost-saving measures that would reduce the API to at least a 0% increase over the Preliminary Baseline Premium by the September 1 preceding the start of the **2021** plan year, then an Escalator shall be applied to employee contribution rates. The Escalator to be applied to employee contribution rates shall be the percentage by which the API exceeds the Preliminary Baseline Premium. For example, if the API is 2%, then the Escalator is also 2%, which is applied to the employee’s contribution rate. If an employee’s contribution rate is 5% of base salary, then by applying the Escalator, the contribution rate will increase to 5.1% of base salary. Any increase in employee contributions will be effective the first pay period of the **2021** plan year.
- If the 2021 premium is below the Preliminary Baseline Premium by 6% or more, the Union and the State shall discuss options to share the savings in reduced costs or to improve the quality of the new PPO plans through design changes or other measures. If the Union and the State do not agree to either reduce costs or improve the quality of the new PPO plans or agree upon a reduction in the employee contribution rates by September 1 preceding the start of the plan year then contribution rates shall be reduced by the application of a De-escalator. The De-escalator shall be the amount of the decrease in the new PPO 2020 premium below 6% of the Preliminary Baseline Premium. For example, if the 2021 premium is 6.5% below the Preliminary Baseline Premium, employee contribution rates shall be reduced by 0.5%. If an employee’s contribution rate is 5% of base salary, then by applying the De-escalator the employee’s new contribution rate shall be 4.975%. Any decrease in employee contributions will be effective the first pay period of the 2021 plan year.

## Plan Year 2022

- ~~D.~~ **The Baseline Premium for 2022 plan year shall be the baseline premium is the PPO Plan's premium cost in plan year 2021 plus 1%.**
  - ~~E.~~ If the projected blended premium for the PPO in plan year **2022** exceeds the new Baseline Premium, the Union and the State shall enter into negotiations to address such premium increases.
  - ~~F.~~ The API shall be calculated by (a) subtracting the aggregate percent of across-the-board salary increases received by represented State employees covered by this contract, **between July 1, 2021 and December 31, 2021**, not compounded, from (b) the percent by which the PPO premium exceeds the 2022 Baseline Premium.
  - ~~G.~~ If the Union and the State cannot agree upon plan design changes or other cost-saving measures that would reduce the API to at least a 0% increase over the Preliminary Baseline Premium by the September 1 preceding the start of the **2022** plan year, then an Escalator shall be applied to employee contribution rates. The Escalator to be applied to employee contribution rates shall be the percentage by which the API exceeds the Preliminary Baseline Premium. Any increase in employee contributions will be effective the first pay period of the **2022** plan year.
  - ~~H.~~ Each subsequent plan year's PPO Plan's premium cost will be compared with previous year's PPO Plan's premium cost which will become the new Baseline Premium. The same process and methodology shall be used to review, and if necessary, adjust employee contributions rates, every year thereafter.
- **Nothing herein shall bar unit employees from continuing to be eligible to select NJ Direct 15 and pay the premium share at the designated C.78 percentage less any reduction required by the terms of this agreement.**

The State proposes to delete the current Article XXXIV and replace the entire article with a replacement article which it refers to as Attachment 1:

### **Fringe Benefits**

#### **A. State Health Benefits Program**

As with any provisions of this Agreement that reflect statutory or regulatory mandates, the provisions of paragraphs (A)(B)(C) and (G) of this Article, are for informational purposes only and provide an explanation which is subject to change due to legislative action.

1. The State Health Benefits Program is applicable to employees covered by this Contract. It is agreed that, as part of that program, the State shall continue the Prescription Drug Benefit Program during the period of this Agreement to the extent it is established and/or modified by the State Health Benefits Plan Design Committee, in accordance with P.L. 2011, c. 78. The State Health Benefits Plan Design Committee shall provide to employees the option to select one of at least three levels of coverage each for family, individual, individual and spouse and individual and dependent, or equivalent categories, for each plan offered by the program differentiated by out of pocket costs to employees including co-payments and deductibles. Pursuant to P.L. 2011, c. 78, the State Health Benefits Plan Design Committee has the sole discretion to set the amounts for maximums, co-pays, deductibles, and other such participants' costs for all plans in the program and has the sole discretion to determine the plan offering and coverage levels under the program.
2. Effective July 1, 2003, the Traditional Plan shall be closed as to all current and future members of this bargaining unit, including unit members retiring after said date. The Traditional Plan and the NJ Plus POS Plan have been abolished. Effective immediately, no new hires shall be enrolled in the Traditional Plan.
3. Medicare Reimbursement – Effective January 1, 1996, consistent with law, the State will no longer reimburse active employees or their spouses for Medicare Part B premium payments.
4. As soon as practical after ratification, the new NJ Direct plan (available to employees hired prior to July 1, 2019) and NJ Direct 2019 plan (available employees hired on or after July 1, 2019) will be the only PPO Plan available to active negotiations unit members.

**B. Contributions Towards Health and Prescription Benefits**

1. Employees shall contribute, through the withholding of the contribution from the pay, salary, or other compensation, toward the cost of the health care benefits coverage for the employee and any dependent provided under NJ Direct and NJ Direct 2019 through the State Health Benefits Program in an amount that is a percent of salary to the cost of the premium.

- Active members participating in an HMO plan or High Deductible Plan (HDHP) will contribute a percentage of premium.
  - Active members participating in a Tiered Network plan shall contribute at a rate that is equal to 75% of the new PPO plan contribution rate.
  - The contribution rates for available plans may be found on the Division of Pension and Benefits web site.
2. Effective for benefits plan year starting January 1, 2021, the employee contribution amounts are subject to the agreed upon reopener provisions as set forth in Appendix IV. The parties recognize that any agreements by the parties reached during the reopener discussions regarding plan design are subject to the approval of an implementation by the Plan Design Committee.
  3. The amount payable by any employee, pursuant to N.J.S.A. 52:14-17.28(c)(2) (added by L. 2010, c.2) shall not under any circumstance be less than the 1.5 percent of the base salary. No employee shall contribute more than the employee would have contributed under section 39 of P.L. 2011 c. 78 (C. 52:14-17.28c)
  4. The parties agree that should an employee voluntarily waive all coverage under the State Health Benefits Plan and provide a certification to the State that he/she has other health insurance coverage, the State will waive the contribution for the employee.
  5. An employee on leave without pay who receives health and prescription drug benefits provided by the State Health Benefits Program shall be required to pay the above-outlined contributions and shall be billed by the State for these contributions. Health and prescription benefit coverage will cease if the employee fails to make timely payment of these contributions.
  6. Active employees will be able to use pre-tax dollars to pay contributions to health benefits under a Section 125 premium conversion option. All contributions will be by deductions from pay.
  7. Eligible negotiations unit employees and their spouses who complete the NJ Well Program shall each receive a \$350 incentive payment.

**C. Dental Care Program**



1. It is agreed that the State shall continue the Dental Care Program during the period of this Agreement to the extent it is established and/or modified by the State Health Benefits Plan Design Committee, in accordance with P.L. 2011, c. 78. Through December 31, 2011, active eligible employees are able to participate in the Dental Care Program as described in the parties' July 1, 2007 – June 30, 2011 collective negotiations agreement. Pursuant to P.L. 2011, c. 78, the State Health Benefits Plan Design Committee has sole discretion to set the amounts for maximums, co-pays, deductibles, and other such participant costs for all plans in the program and has the sole discretion to determine the plan design, plan offering and coverage levels under the program.
2. Participation in the Program shall be voluntary With a condition of participation being that each participating employee authorize a bi-weekly salary deduction not to exceed fifty percent (50%) of the cost of the type of coverage elected, e. g. individual employee only, husband and Wife, parent and child or family coverage.
3. Each employee shall be provided with a brochure describing the details of the Program, enrollment information and the required forms.
4. Participating employees shall be provided with an identification card to be utilized when covered dental care is required.

The provisions of Sections (A), (B) and (C) of this Article are for informational purposes only and are not subject to the contractual grievance/arbitration provisions of Article XI.

#### **D. Eye Care Program**

1. Full-time employees and eligible dependents shall be eligible for the State-administered Eye Care Program. The Program shall provide for each eligible employee and dependent to receive a \$40 payment for prescription eyeglasses with regular lenses and a \$45 payment for such glasses with bi-focal lenses. Each eligible employee and dependent may receive only one (1) payment during the two (2) year period ending June 30, 2021 and only 1 payment during the two (2) year period commencing July 1, 2021. The extension of benefits to dependents shall be effective only after the employee has been continuously employed for a minimum of sixty (60) days.
2. Eligible dependents of full-time employees shall be eligible for a maximum payment of \$35 or the non-reimbursed cost whichever is less, of an eye examination by an

Ophthalmologist or Optometrist, during the two (2) year period ending June 30, 2021 and only one payment during the two (2) year period commencing July 1, 2021.

3. Proper affidavits or forms and submissions of receipts are required of the member in order to receive payment.

**E. Insurance Savings Program**

Subject to any condition imposed by the insurer, all employees shall have the opportunity to voluntarily purchase various insurance policies on a group participation basis. The policy costs are to be borne entirely by the employee selecting insurance coverage provided in the program. The State will provide a payroll deduction procedure whereby authorized monies may be withheld from the earned salary of such employees and remitted to the insurance company. The insurance company will provide information concerning risk covered, service offered, and all other aspects of the program to each interested employee.

**F. Health Insurance For Retirees**

Those employees who have 20 or more years of creditable service on the effective date of P.L. 2011, c. 78 who accrue 25 years of pension credit or retire on a disability retirement on or after July 1, 2011 will contribute 1.5% of the monthly retirement allowance toward the cost of post-retirement medical benefits as is required under law. in accordance with P.L. 2011, c. 78 the Retiree Wellness Program no longer applies.

Upon retirement, an active employee who is not Medicare eligible and who retires with 25 years of pensionable service after the enrollment date established in accordance with Section A4 of this Article shall be offered the option to enroll in the NJ Direct/NJ Direct 2019 plan at the time of retirement.

- a. Current retirees and active employees who have accrued 25 years of pensionable service prior to the enrollment date established in accordance with Section A4 of this Article shall be offered the same plans in retirement as available at the time s/he acquired 25 years of pensionable service, as required by law and shall also be offered the option to enroll in the NJ Direct/NJ Direct 19 PPO plan based on the contribution rate required at the time s/he reached 25 years of service.
- b. If an employee acquires 25 years of pensionable service after the enrollment date established in accordance with Section A4 of this Article, that employee shall contribute to the cost of health benefits in retirement based on the contribution rates of active employees, as established by this agreement, at the time of the retirement. Such

employee shall have access to the plans available at the time s/he acquired 25 years of pensionable service.

The provisions of this Article are for informational purposes only and are not subject to the contractual grievance/arbitration provisions of Article XI.

**G. Temporary Disability Plan**

All employees in this unit are covered under the State of New Jersey Temporary Disability Plan This is a shared cost plan, which provides payments to employees who are unable to work as the result of non-work connected illness or injury and who have exhausted their accumulated sick leave.

**I. Deferred Compensation Plan**

It is understood that the State shall continue the program which will permit eligible employees in this negotiating unit to voluntarily authorize deferment of a portion of their earned base salary so that the funds deferred can be placed in an Internal Revenue Service approved Federal Income Tax exempt investment plan.

The deferred income so invested and the interest and other income return on the investment are intended to be exempt from current Federal Income Taxation until the individual employee withdraws or otherwise receives such funds as provided in the plan.

It is understood that the State shall be solely responsible for the administration of the plan and the determination of policies, conditions and regulations governing its implementation and use. The State shall provide literature describing the plan as well as a required enrollment or other forms to all employees. It is further understood that the maximum amount of deferrable income under this plan shall be consistent with the amount allowable by law.

**APPENDIX - Health Care Reopener**

1. The actual premium cost for the new PPO plans, inclusive of medical and prescription costs, will be tracked each plan year following the plan's initial offering in plan year 2019.
2. In addition, the new PPO premium cost increases will be monitored and compared to the national, regional and state trending of healthcare costs.
3. Calculations:
  - a. If the projected blended premium for the new PPO in a plan year exceeds the "Baseline Premium", the Union and the State shall enter into negotiations to lower the premium

and/or reduce the rate of premium increases. Such negotiations will commence upon receipt of the SHBP actuary's rate renewal recommendation premium for the upcoming plan year, in or about the preceding July.

- b. The Union and the State shall also calculate the "Adjusted Premium Increase" ("API"). The API shall be calculated by (a) subtracting the aggregate percent of across-the-board salary increases received by represented State employees covered by this contract, not compounded, from (b) the percent by which the 2019 PPO premium exceeds the Preliminary Baseline Premium.
- c. Commencing in Plan Year 2019, the preliminary baseline premium rates shall be the following blended premiums – Single coverage - \$9,570; Parent/Child coverage - \$19,140; Employee/Spouse - \$17,800; and Family \$27,370 – plus 3% ("Preliminary Baseline Premium").

**Plan Year 2021:**

- a. If the projected blended premium for the new PPO plans in plan year 2021 exceeds the Preliminary Baseline Premium from plan year 2019, the Union and the State shall enter into negotiations to address such premium increases.
- b. The API for Plan Year 2021 shall be calculated by (a) subtracting the aggregate percent of across-the-board salary increases received by represented State employees covered by this contract, between July 1, 2019 and December 31, 2020, not compounded, from (b) the percent by which the new PPO premium exceeds the Preliminary Baseline Premium. For example, if the 2021 PPO premium is 8% more than the Preliminary Baseline Premium and if employees have received an aggregate of 6%, non-compounded, across-the-board salary increases since July 1, 2019, the API is 2%.
- c. If the Union and the State cannot agree upon plan design changes or other cost-saving measures that would reduce the API to at least a 0% increase over the Preliminary Baseline Premium by the September 1 preceding the start of the 2021 plan year, then an Escalator shall be applied to employee contribution rates. The Escalator to be applied to employee contribution rates shall be the percentage by which the API exceeds the Preliminary Baseline Premium. For example, if the API is 2%, then the Escalator is also 2%, which is applied to the employee's contribution rate. If an employee's contribution rate is 5% of base salary, then by applying the Escalator, the contribution rate will increase to 5.1% of base salary. Any increase in employee contributions will be effective the first pay period of the 2021 plan year.

- d. If the 2021 premium is below the Preliminary Baseline Premium by 6% or more, the Union and the State shall discuss options to share the savings in reduced costs or to improve the quality of the new PPO plans through design changes or other measures. If the Union and the State do not agree to either reduce costs or improve the quality of the new PPO plans or agree upon a reduction in the employee contribution rates by September 1 preceding the start of the plan year then contribution rates shall be reduced by the application of a De-escalator. The De-escalator shall be the amount of the decrease in the new PPO 2020 premium below 6% of the Preliminary Baseline Premium. For example, if the 2021 premium is 6.5% below the Preliminary Baseline Premium, employee contribution rates shall be reduced by 0.5%. If an employee's contribution rate is 5% of base salary, then by applying the De-escalator the employee's new contribution rate shall be 4.975%. Any decrease in employee contributions will be effective the first pay period of the 2021 plan year.

### **Plan Year 2022**

- a. **The Baseline Premium for 2022 plan year shall be** the baseline premium is the PPO Plan's premium cost in plan year **2021 plus 1%**.
- b. If the projected blended premium for the PPO in plan year **2022** exceeds the new Baseline Premium, the Union and the State shall enter into negotiations to address such premium increases.
- c. The API shall be calculated by (a) subtracting the aggregate percent of across-the-board salary increases received by represented State employees covered by this contract, **between July 1, 2021 and December 31, 2021**, not compounded, from (b) the percent by which the PPO premium exceeds the 2022 Baseline Premium.
- d. If the Union and the State cannot agree upon plan design changes or other cost-saving measures that would reduce the API to at least a 0% increase over the Preliminary Baseline Premium by the September 1 preceding the start of the 2022 plan year, then an Escalator shall be applied to employee contribution rates. The Escalator to be applied to employee contribution rates shall be the percentage by which the API exceeds the Preliminary Baseline Premium. Any increase in employee contributions will be effective the first pay period of the 2022 plan year.

Each subsequent plan year's PPO Plan's premium cost will be compared with previous year's PPO Plan's premium cost which will become the new Baseline Premium. The same process and methodology shall be used to review, and if necessary adjust, employee contributions rates, every year thereafter.

According to SLEU:

The SLEU proposal seeks to preserve access and choices. It presented the cost out for the plans at the SHBP and they show that the Legacy PPO plans including NJ Direct 15, had lower premium costs than the new PPO plans labeled as “NJ DIRECT” and NJ DIRECT 19” (the “New Plans”). (U-9 and U-10)

The State proposal demands that the new higher premium plans be the sole available choice of preferred provider plans notwithstanding its higher premium costs versus NJ Direct 15, the current legacy plan enjoyed by SLEU members. (U-9 and U-10) (2T 319) The SLEU proposes that its members retain the option to select the lower premium cost Legacy Plans but also add the New Plans. Given that a member selecting the Legacy Plans will be a cost savings for the State, and cost the member more, the Union submits that the member should be able to choose. (2T 261-263) And, if the New Plans are better (or even close) then they will be selected. The language changes to the State’s attachment on health benefits shown in the SLEU Final Offer preserve that choice for SLEU members.

SLEU recognizes that employees who select the Legacy Plans will pay a greater share of the premium costs and the State will be saving money on the total premium cost which should be a win-win for the State. Contrary to the claim by Deputy Director Warner that the SHBP needs to eliminate the Legacy PPO plan there is no evidence that the legacy PPO, Direct 15 is harming the new PPO, especially when the 300 SLEU officers are the only ones still in Direct 15.

The language differences in the health benefits area center around SLEU seeking to retain access to the old Legacy plans. At the same time, the Union has corrected references in the contract to make it clear that per C. 78 healthcare contribution rates are negotiable and so any language in the contract stating that such terms are “advisory” and so non-negotiable should be deleted. SLEU recognizes that other units have accepted this proposal but argues that the State is seeking to change existing negotiable language on health benefits and has not demonstrated reason for the change as required by case law.

The State submits that its health insurance proposal must be awarded. The State summarizes its proposal as offering employees enrollment in the NJ Direct

Plan (available to employees hired prior to July 1, 2019) or the NJ Direct 20 Plan (available to employees hired on or after July 1, 2019). Its proposal would preclude employees from being able to enroll in the prior PPO, NJ Direct 15. The State offers the following arguments in support of its proposal:

As discussed below, health benefits are non-negotiable and therefore the State's offer must be awarded as a matter of law. Even if that were not so, the arbitrator should still award the State's pattern healthcare offer. Pattern settlements are favored because they "promote[] harmonious labor relations, *provide[] uniformity of benefits*, maintain high morale, and foster[] consistency in negotiations." *Somerset County*, 2008 WL 199705, at \*10 (emphasis added). Awarding the State pattern will promote "uniformity of benefits" as SLEU members would continue to be aligned with every single other State employee. Every other union has agreed to, or been awarded, the State's pattern healthcare offer, which is the State's Final Offer to SLEU. T424:3-13.

The Union proposes to retain the option to remain in the "Direct 15" plan, which is no longer available to any other State employees. J3. It also proposes lower contribution rates for any employees who opt to enter the "NJ Direct" or "NJ Direct 19" plans. *Id.*; T425:9-20. But there is no basis to treat this unit differently than the rest of the State's employees. Moreover, the State, by putting all employees into one healthcare plan, will receive better overall rates for the premiums. See T426:2-20.

The Union seeks to justify a deviation from the healthcare pattern in two ways. First, it suggests that the plan is cheaper for its members. See U18 ¶ 88; T262:19-25; 263:1-2. It is not clear that this is always true, as particular employees' contributions depend on several factors including their place on the salary guide and family status. But even if it were true, it is not a sufficient reason to deviate from the pattern.

Second, the Union suggests that because it is a small unit, it does not matter in the grand scheme of things whether its members remain in the old plan. The Union says that retaining the old plan as an option will have little effect on the State's ability to get lower rates because the size of the unit is negligible. See T442:7-25; 443:1-12. Even if this is true, it is irrelevant. The Arbitrator should not give the Union special treatment simply because it is a small unit. There are

several small bargaining units; if each small unit demands preferential treatment, the cumulative effect on overall healthcare costs will be significant. And there is no legal basis for the idea that being a smaller unit justifies deviations from a well-established pattern.

The State's offer on health benefits must be awarded in whole.

#### Award on Article XXIV – Health Insurance and Fringe Benefits

The SLEU's submission on this proposal has been fully considered. Distilled to its essence, it seeks to retain an option for unit members to remain in "Direct 15" and allow for lower contribution rates for unit members who opt to enter "NJ Direct" or "NJ Direct 19" plans.

I do not award this proposal for two main reasons. First, the State's proposal in its final offer contains terms that are consistent with the terms resulting from voluntary negotiations or by interest arbitration award, in all collective negotiations agreements with every other unit. There is a pattern of settlement on this issue, no basis for deviation and the public interest is served by the State administering a uniform health insurance plan. After review of SLEU's desire to retain "legacy" plans, I find no evidentiary basis to award a deviation from this pattern. Second, the terms of this award are for all four contract years that already have passed. Accordingly, the SLEU proposal is denied and the State's awarded.



**Article XIV – Salary Compensation Plan and Program**

The SLEU proposal on salary has multi-prongs, all aimed at achieving higher base salaries to provide more favorable comparisons with the State’s law enforcement units and those in municipalities, counties and higher education.

SLEU’s proposal is as follows:

**A.** Update only. No change to language.

**B.** All increases applied to guide for each Salary Range as shown on the proposed guides as follows:

Utilize existing language for increases in opening paragraph and paragraph #1, but update to reflect the new term and the following increases to all steps of the salary guides for the titles represented by NJSPBA SLEU which encompass multiple salary ranges. See, attached guides:

Effective and retroactive to first full pay period after October 1, 2019

- a. 2% - Probationary/Recruit – Step 5
- b. 3% - Steps 6-8
- c. 3.5% - Step 9
- d. 4% - Step 10

● Effective and retroactive to first full pay period after July 1, 2021

- e. 2% - Probationary/Recruit – Step 5
- f. 3% - Steps 6-8
- g. 3.5% - Step 9
- h. 4% - Step 10

● Effective and retroactive to first full pay period after December 1, 2021

- i. 2% - Probationary/Recruit – Step 5
- j. 3% - Steps 6-8
- k. 3.5% - Step 9
- l. 4% - Step 10

● Effective and retroactive to first full pay period after July 1, 2022

- m. 2% - Probationary/Recruit – Step 5
- n. 3% - Steps 6-8
- o. 3.5% - Step 9
- p. 4% - Step 10

Effective first full pay period after January 1, 2023 adjustment of \$8,000 to All Steps in all unit titles.

Effective January 1, 2023 or as soon thereafter as possible, the Holiday pay shall be rolled into base for affected titles, i.e., where employees are scheduled to work on Holidays .

Increases are to be paid and credited to all officers who are on payroll as of the date of the Award, or who retired and so would be eligible for increases during their time of employment during this contract term. Per, B, 3.

Delete B, 2,  
Retain B, 3

Revise B, 4 to state that there shall be step movement for all 4 years of the contract term and that such step increases shall continue during negotiations for successor agreement following expiration of the term.

No Change to B, 5 and 6.

**C. Recruit/Trainee Salary/Probationary Step effective July 1, 2019: Revise as follows:**

Any unit employees who previously served in a Recruit/Trainee title for longer than 12 months before moving to Step 1 shall move up at least one step on his/her salary range effective upon ratification unless he/she has served for more than 24 months as Recruit/Trainee title in which case he/she shall move up two steps. The step movement here shall be in lieu of retroactive compensation related to the delayed anniversary date. The anniversary date shall be adjusted to reflect only one year in the Recruit/Trainee title.

**The annual salary for each Recruit/Trainee/ Probationary title shall increase by the across the board percentages and increases set forth in B, above, for each year. Salary and terms shall also be consistent with those stated in Article 13.**

**No Change to subpart D and E.**

SLEU summarizes the across the board increases it has proposed as compared with the State. It notes that while the proposed annual across the board

increases differ based on step, each proposal uses the same four (4) effective and retroactive dates for each percentage increase as what the State has proposed and appear in all State agreements for 2019-2023. They are described below in the following chart:

| <b>Effective/Retroactive Dates</b>           | <b>SLEU Final Offer</b>  | <b>State's Final Offer</b> |
|--|--|----------------------------|
| First full pay period after October 1, 2019  | 2% Recruit thru Step 5<br>3% Step 6 thru Step 8<br>3.5% Step 9 (18 month Step)<br>4% Step 10 (24 month Step) | 2% applied to all Steps    |
| First full pay period after July 1, 2021     | 2% Recruit thru Step 5<br>3% Step 6 thru Step 8<br>3.5% Step 9 (18 month Step)<br>4% Step 10 (24 month Step) | 2% applied to all Steps    |
| First full pay period after December 1, 2021 | 2% Recruit thru Step 5<br>3% Step 6 thru Step 8<br>3.5% Step 9 (18 month Step)<br>4% Step 10 (24 month Step) | 2% applied to all Steps    |
| First full pay period after July 1, 2022     | 2% Recruit thru Step 5<br>3% Step 6 thru Step 8<br>3.5% Step 9 (18 month Step)<br>4% Step 10 (24 month Step) | 2% applied to all Steps    |

In addition, SLEU has proposed that there be an adjustment of \$8,000 applied to base pay on all steps in all unit titles, including the Recruit step, effective January 1, 2023. The evidence and argument on all of the compensation issues, as presented by the parties, are extensive. The main theme of the SLEU presentation focuses on an analysis of comparisons with other law enforcement officers in all jurisdictions, internal comparisons, continuity and stability of employment and the State's ability to fund its proposals:

The adjustment to base salary of \$8,000 plus the across the board percentages proposed for unit employees for the four years and for January 1, 2023 are modeled upon the increases for DAGs, DCJ, law enforcement, and Correctional Police Officers. The adjustment's

total cost of \$2,456 million using the same 307 unit employees as of Pay Period 14 in 2019 is far less than the adjustments in 2020 for DCJ and DAGs and the \$10 million in 2022 for Local 105 Officers. (J-76 at ¶42) Together with the across the board increases the SLEU Final Offer is \$3.45 million above the State – which difference is less than 50% of the attrition cost of the conservative estimate of 120 officers leaving since 2019 at \$60,000 per officer, or \$7.2 million.

Only the SLEU Final Offer will start to address the huge salary disparities identified causing the unit instability, recruitment and retention of staff instability, and damage to function and morale. If awarded, the percentage increases at the top will bring Step 10 pay to just over \$95,000, which is still behind Step 10 for Corrections Officers represented by PBA Local 105 who are close to \$100,000. When the proposed adjustment of \$8000 effective January 1, 2023 is added to the step ten base, SLEU officers will finally exceed \$100,000 in base pay, which is still far below other police officers but will at least start to reduce the disparities and improve retention and recruitment. By contrast, the State's Final Offer consigns SLEU officers at step 10 to a salary below \$89,000, which defies logic and will only worsen conditions.

The State's proposal is 2% annual increases at each step as follows:

It is agreed that during the term of this Agreement for the period July 1, 2019 - June 30, 2023, the following salary and fringe benefit improvements shall be provided to eligible employees in the unit within the applicable policies and practices of the State and in keeping with the conditions set forth herein.

1. Wage Increases: Subject to the State Legislature enacting appropriation of funds for these specific purposes, the State agrees to provide the following benefits effective at the time stated herein or, if later, within a reasonable time after the enactment of the appropriation.

Effective retroactive to the first full pay period after October 1, 2019, there shall be a two percent (2.00%) increase applied to all steps of the salary guides for unit employees in effect as of June 30, 2019. The State Compensation Plan salary schedule shall be adjusted in accordance with established procedures to incorporate the increase in the salary amount for all steps of each negotiation unit employee's range. Eligible employees shall receive the increase by remaining at the step in the range occupied prior to the adjustment.

Effective retroactive to the first full pay period after July 1, 2021, there shall be a two percent (2.00%) increase applied to all steps of the salary guides for unit employees in effect as of June 30, 2021. The State Compensation Plan salary schedule shall be adjusted in accordance with established procedures to incorporate the increase in the salary amount for all steps of each negotiation unit employee's range. Eligible employees shall receive the increase by remaining at the step in the range occupied prior to the adjustment.

Effective retroactive to the first full pay period after December 1, 2021, there shall be a two percent (2.00%) increase applied to all steps of the salary guides for unit employees in effect as of November 30, 2021. The State Compensation Plan salary schedule shall be adjusted in accordance with established procedures to incorporate the increase in the salary amount for all steps of each negotiation unit employee's range. Eligible employees shall receive the increase by remaining at the step in the range occupied prior to the adjustment.

Effective retroactive to the first full pay period after July 1, 2022, there shall be a two percent (2.00%) increase applied to all steps of the salary guides for unit employees in effect as of June 30, 2022. The State Compensation Plan salary schedule shall be adjusted in accordance with established procedures to incorporate the increase in the salary amount for all steps of each negotiation unit employee's range. Eligible employees shall receive the increase by remaining at the step in the range occupied prior to the adjustment.

2. Salary increments: Normal increments shall be paid to all employees eligible for such increments within the policies of the State Compensation Plan during the term of this Agreement as follows:
  - a. Where the normal increment has been denied due to an unsatisfactory performance rating, and if subsequent performance of the employee is determined by the supervisor to have improved to the point which then warrants granting a merit increment, such increment may be granted effective on any of the three (3) quarterly action dates which follow the anniversary date of the employee, and subsequent to the improved performance and rating which justifies

such action. The normal anniversary date of such employee shall not be affected by this action.

- b. Employees who have been at the eighth step of the same range for 18 months or longer shall be eligible for movement to the ninth step providing their performance warrants this salary adjustment.
- c. Employees who have been at the ninth step of the same range for 24 months or longer shall be eligible for movement to the tenth step providing their performance warrants this salary adjustment. ,
- d. Increments for those not at top step shall continue to be provided on their anniversary dates to eligible employees in accordance with the State Compensation Plan after expiration of the Agreement.

In support of its proposal, the State offers the following main arguments:

The State has entered into collective negotiations agreements with other unions that represent nearly 50,000 state employees. A large majority of those unions agreed to the State’s pattern of settlement offer as to wages: 2% annual increases in wages from 2019 through 2022. Thus, the State has established a clear pattern of settlement that should be awarded here.

The State has settled with the bargaining units who represent state corrections law enforcement officers of various ranks. The following chart provides an illustration of those settlements:

|                                   | <b>NJLECOA</b> | <b>NJLESA</b>  | <b>PBA 105</b> |
|-----------------------------------|----------------|----------------|----------------|
| <b># of Represented Employees</b> | 54             | 553            | 4590           |
| <b>Date of Settlement</b>         | 11/20215       | 9/29/216       | 4/20/217       |
| <b>Wage Increase 10/1/2019</b>    | 2.00%          | 2.00%          | 2.00%          |
| <b>Wage Increase 7/1/2021</b>     | 2.00%          | 2.00%          | 2.00%          |
| <b>Wage Increase 12/1/2021</b>    | 2.00%          | 2.00%          | 2.00%          |
| <b>Wage Increase 7/1/2022</b>     | 2.00%          | 2.00%          | 2.00%          |
| <b>Total Wage Increases</b>       | 8.00%          | 8.00%          | 8.00%          |
| <b>Health Insurance</b>           | State Proposal | State Proposal | State Proposal |

The agreements with PBA 105, NJLECOA, and NJLESA are noteworthy because these bargaining units are also composed of law enforcement employees.

The pattern has also been agreed to by the State's largest public employee unions, as demonstrated by the following chart:

|                                   | <b>CWA</b>     | <b>AFSCME</b>  | <b>IFPTE</b>   |
|-----------------------------------|----------------|----------------|----------------|
| <b># of Represented Employees</b> | 31,421         | 5,323          | 4,198          |
| <b>10/1/2019</b>                  | 2.00%          | 2.00%          | 2.00%          |
| <b>7/1/2021</b>                   | 2.00%          | 2.00%          | 2.00%          |
| <b>12/1/2021</b>                  | 2.00%          | 2.00%          | 2.00%          |
| <b>7/1/2022</b>                   | 2.00%          | 2.00%          | 2.00%          |
| <b>Total</b>                      | 8.00%          | 8.00%          | 8.00%          |
| <b>Health Insurance</b>           | State Proposal | State Proposal | State Proposal |

In all, approximately 50,000 State employees are in bargaining units that have agreed to the State's pattern of settlement for wage increases. Because the state has established a clear pattern of settlement regarding wages, the State's final offer on these issues should be awarded in full. As discussed above, a clear pattern of settlement strongly favors adopting the State's final offer that is consistent with the pattern.

Factor 2(c) requires an arbitrator to compare the terms of employment for the employees of the Union here with the terms of employment for other employees of the State. *City of Jersey City*, 44 NJPER ¶ 77. The pattern of settlement discussed above strongly tilts this factor in favor of the State's final offer. It is the same offer that has been accepted by most other state employees.

The pattern also strongly tilts Factor 8 in the State's favor because "deviation from a settlement pattern can affect the continuity and stability of employment by discouraging future settlements and undermining employee morale in other units." *Somerset County*, 2008 WL 199705, at \*6 (quoting *Union County*, 30 NJPER 38). This is particularly true here, where other uniformed employees accepted the pattern.

The parties' proposals on salary align with the main themes each offered in support of their proposals. A more detailed statement by each will follow.

The State's position was concisely set forth in its post-hearing submission where it submits that its pattern of settlement with other employee organizations

during the 2019-2023 agreements strongly favors the award of its salary proposal.

It submits:

Pattern is not merely one factor that an arbitrator should consider when fashioning an interest arbitration award. Rather, it implicates several factors and 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*, IA-2005-083, 2008 WL 199705, at \*6 (N.J. App. Div. Jan. 25, 2008). An employer’s ability to maintain “an established pattern of settlement promotes harmonious labor relations, provides uniformity of benefits, maintains high morale, and fosters consistency in negotiations.” *Id.* at 10. In particular, “[i]nterest arbitrators have traditionally found that internal settlements involving other uniformed employees are of special significance.” *Id.*

The unique importance of pattern has been explained as follows:

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 the decline in morale, which often accompanies the perception of disparate treatment.

*In the Matter of Interest Arbitration Between City of Jersey City and Jersey City Police Officers Benevolent Ass’n*, IA-2017-012 (2017) (J. Mastriani) (quoting *In the Matter of Interest Arbitration between Township of Holmdel and PBA, Local 239*, IA-93-163).

With these principles in mind, arbitrators routinely rely on public employers’ settlement patterns to fashion awards that are consistent with the employer’s settlements with other units.<sup>2</sup> PERC and New Jersey courts consistently uphold an arbitrator’s reliance on pattern.<sup>3</sup>

Pattern is a unique consideration because it implicates several of the statutory factors considered in interest arbitration. It implicates factor 2(c), which requires an arbitrator to compare the terms of employment for the employees of the Union here with the terms of employment for other employees of the State. *N.J.S.A. 34:13A-16g(2)(c)*; *City of Jersey City*, 44 NJPER ¶ 77. Pattern is encompassed by factor 8, “as a factor bearing on the continuity and stability of employment and as one of the items traditionally



considered in determining wages [because] deviation from a settlement pattern can affect the continuity and stability of employment by discouraging future settlements and undermining employee morale in other units.” *Somerset County*, 2008 WL 199705, at \*6 (quoting *Union County*, 30 NJPER ¶ 38). And the first factor, the interests and welfare of the public, is implicated because it is “a statutory factor that implicates virtually all of the [other] factors.” *City of Jersey City*, 44 NJPER ¶ 77 (quoting *International Ass’n of Firefighters Local 198*, P.E.R.C. No. 2016-1, 42 NJPER 89 (¶24 2015)). Furthermore, PERC’s regulations regarding the comparability factor instruct an arbitrator to consider any “[p]attern of salary and benefit changes . . . .” *N.J.A.C.* 19:16-5.14.

Here, the State’s pattern of settlement should be dispositive. The State has established a clear pattern of settlement—not only with other law enforcement ranks, but with units that comprise over 50,000 State employees for the 2019 through 2023 term. The Union essentially argues that the State can afford the Union’s offer, and therefore it should be awarded. But “ability to pay” is not a statutory factor. As has been noted before:

The deviation from internal comparability sought by the [union] would undermine the stability and predictability that is desirable in the negotiations process by attempting to tie a result here primarily to “ability to pay” (as opposed to financial impact) . . . while paying little or no attention to internal negotiations results. The reliance on these points is not sufficient to provide a basis for deviation from the general consistency of the internal settlement pattern. The issue here is not whether the [financial] evidence offered by the [union] is relevant but whether it is entitled to the substantial weight as the [union] has argued. *[T]he [union’s] proposal would alter the relationships among the [employer’s] many negotiations units absent a demonstrated need for the deviation in this single unit. Moreover, disruption in the general settlement pattern could reasonably undermine the moral in the [employer’s] other bargaining units and discourage future settlements thereby leading to labor relations instability.*

Recognizing SLEU’s argument that deviations from the “pattern” is warranted for various reasons, the State rejects all of SLEU’s rationale that any deviation has been justified:

The Union misguidedly argues that certain idiosyncrasies in agreements with other units show that the State has not established a pattern. The Union's argument on this point is unpersuasive. The Union argues that PBA 105 did not agree to the pattern offer because of the passage of P.L. 2021, c. 406, which provides: "The starting salary of a State correctional police officer shall be not less than \$48,000. Adjustments shall be made to the remaining steps in the salary scale of a State correctional police officer." This legislation has no bearing on whether the State has established a pattern of settlement. First, PBA 105 agreed to the pattern well before the legislation, which was not signed into law until January 2022—nine months after PBA 105 agreed to the wage pattern. Thus, the legislative increases only apply to PBA 105 members for the last year or so of the contract. Second, these wage increases are not the result of collective negotiations; they are instead the result of a policy decision by the legislature and governor. Therefore, these increases are not relevant as to whether the State has established a pattern through negotiations. SLEU should not be awarded a salary adjustment which no other similarly-situated units have received through negotiations or interest arbitration.

The State also did not deviate from the pattern in its negotiations with other units, as the Union misguidedly suggests. For example, Deputy Attorneys General represented by the International Brotherhood of Electrical Workers, Local 33, received adjustments to their base pay for the 2019-2023 term. J22; T429:23-25; 430:1-9. But the DAGs were in a unique position that justified an overdue adjustment to their base pay. Prior to 2010, DAGs were not permitted to unionize and had gone many years receiving *zero* salary increases. T449:15-23. The adjustment for DAGs was therefore justified by considerations unique to those employees. IBEW Local 33 still agreed to the State's wage increase pattern. J22; J23.

Similar adjustments in agreements with employees in the Division of Criminal Justice do not represent a meaningful deviation from the State wage pattern. Employees within DCJ also received adjustments to base pay. See T435-440; J35; J36; J37. Like the DAGs, these DCJ employees were also not unionized prior to 2010 and thus went a long stretch without any pay increases. T449:24-25; 450:1-10. Thus, these units were given an adjustment to base pay of about 15%, which "equaled approximately the same amount of salary increases that unionized employees had received for the past eight years." T450:11-19.

The employees in SLEU, unlike the DAGs and DCJ investigators, have always been unionized. SLEU therefore is not in a similar position to justify an increase in base pay or larger increases than the State Pattern offer.

Neither should the Arbitrator be swayed by arguments that the Interest Arbitration awards for this term justify a deviation from the pattern. NJSOLEA opted for interest arbitration and was awarded wage increases of 2%, 2%, 3%, and 3%. J8. That award should not alter the pattern analysis. First, the Award was entered at a time of unusually high inflation, which has since moderated. As Arbitrator Cure wrote, inflation was “running at a rate of 7.48% thus far in 2022” at the time of the hearing. J8 (page 41). The latest inflation measures are significantly lower: in September 2023, inflation was an annualized 3.7%.<sup>10</sup> Thus, inflation is significantly *lower* than when PBA 105, NJLESA, and NJLECOA voluntarily agreed to the State Pattern. PBA 105 settled in a month with an annual inflation rate of 4.2% (April 2021, *see* J70); NJLESA in a month with 5.4% (September 2021, *see id.*); and NJLECOA in a month with 6.8% (November 2021, *see id.*). Accordingly, there is not currently a justification for deviating from the pattern based on inflation.

Neither does the award to FOP 174 justify awarding the Union’s proposal in this matter or otherwise deviating from the pattern. There, the arbitrator deviated from the wage pattern primarily because the union “raise[d] a valid and significant concern regarding the need for the wage rate of investigators to be higher than correctional officers in order to maintain an adequate pool for promotional purposes.” J11, p. 58. SLEU raises no such concern here.

Moreover, continuing to disrupt the State pattern, as the interest arbitration awards have done to some extent, will harm labor relations and encourage interest arbitration over voluntarily settlement. Arbitrators should not reward unions who hold out until the last minute in the hopes of doing better—even if only slightly better—simply by filing for interest arbitration. The precedent set for the next round of State negotiations, which have already begun, will be pernicious. It will encourage other law enforcement units to attempt to make up the ground they have lost to those who opted for interest arbitration and will encourage all law enforcement units to use other awards as a springboard—with no trepidation of doing any worse than the pattern. This development will have adversely affect negotiations by discouraging voluntary settlement.

**E. The Union Has Failed to Demonstrate Any Unique Considerations to Justify a Deviation from the State’s Pattern of Settlement.**

When deciding whether to follow the pattern with respect to a particular unit, the arbitrator “should take into account any unique considerations pertaining to that unit.” *Union County*, 30 NJPER ¶ 38. For example, an arbitrator might permissibly deviate from an established pattern if a particular bargaining unit is not “on equal negotiations footing with other [of the employer’s bargaining] units.” *See County of Morris and PBA Local 298*, IA-2021-035, PERC No. 2013-27 (PERC 2012). And an arbitrator might deem it necessary to deviate from a pattern if the bargaining unit at issue has made some special concession that other units did not make. *See id.*

The Union makes two primary arguments in support of a deviation from the pattern. First, the Union points to retention issues. The retention issues will be addressed below in the section on “Continuity and Stability of Employment.” *See infra*, Legal Argument III.G. The State acknowledges that a retention issue exists. However, parity cannot and should not be achieved with other law enforcement units throughout the State who perform different law enforcement functions than the officers in this unit. Second, the Union argues that its salaries are too low compared with other law enforcement personnel at the local level and state level. This does not justify a deviation from the pattern and will be further addressed below in the section regarding comparability. *See infra*, Legal Argument III.C.

For these reasons, the State’s pattern wage offer should be awarded in full.

SLEU contends that the State’s offer must be rejected in favor of its own and seeks an award of up to 4% annually on the salary schedule and an \$8,000 adjustment on each step effective January 1, 2023. It supports this claim based on: 1) Salaries for SLEU officers compare poorly with virtually all law enforcement officers employed in county and municipal jurisdictions in all phases of law enforcement work (external comparability). 2) Salaries for SLEU officers compare poorly with all law enforcement officers employed by the State of New Jersey in

the State's various law enforcement bargaining units (internal comparability). 3) There has been massive turnover of law enforcement officers in the SLEU unit due to low salaries thereby undermining agency operational needs and staffing levels. The turnover is said to expend substantial sums of money, estimated to be \$60,000 per officer not retained, by the various employing agencies who lose officer applicants before they are hired, and after they have been hired and trained (continuity and stability of employment). 4) The State's arguments that there is a pattern of settlement are without merit. SLEU submits that there is no pattern of settlement on salaries due to more favorable salary increases that have been either legislated (PBA Local 105 Correction Officers), or voluntarily agreed to with three (3) Department of Criminal Justice negotiations units, and the Deputy Attorneys General unit by way of "adjustments" all of which greatly exceed the base 2% increases that the State alleges forms the pattern of settlement and must be imposed here. The "pattern" is also said to not exist due to two interest arbitration awards issued in law enforcement units granting greater salary increases than the amounts that the State has proposed based on the alleged pattern of settlement. 5) Further, even if there is a pattern, which SLEU vigorously disputes, it asserts that there is substantial credible evidence that supports a deviation from the "pattern" due to the strong record evidence on comparability with virtually all law enforcement units, the lack of continuity and stability of employment and the interests and welfare of the public. 6) SLEU submits, based on testimony and documentation from the financial expert, that it has shown that the State has the undisputed ability to fund the SLEU proposal without creating

any adverse financial impact. SLEU asserts that the salary increases it seeks would promote greater retention rates for its law enforcement officers and serve as a substantial offset to the costs of its proposals (financial impact and continuity and stability of employment). 7) In respect to statutory limitations, SLEU notes that the references to same in the statutory criteria apply to local government and not the State.

#### Award on Article XIV – Salary Compensation Plan and Program

The record on the compensation issues is extensive. However, the main relevant facts underlying the parties' positions are not in serious dispute. The merits of the parties' proposals do not rest on resolving disputed facts. Instead, they focus on the applicability and weight to be given to the statutory criteria as they relate to the evidence. For example, the record on finances shows that the State financial posture is healthy, that the proven differences in the cost of the proposals totaling \$4.3 million, or an award above the State's offer would not cause adverse financial impact on the State or the taxpayers. The testimony of Tariq Shabazz, Acting Director for the Office of Management and Budget does not reflect the State's overall financial health but he expressed caution on expenses beyond that budgeted. The focus is not on the availability of funds but rather on whether there is justification for the additional expenditures beyond the State's offer that the SLEU proposals would require. I do not find that the existence of funds, standing alone, is a proper basis to award the funds necessary to implement the SLEU proposals or any amounts above what the State has proposed. The

existence of funds is only relevant if, in the first instance, there is justification for a higher expenditure. The internal and external comparability evidence is also largely undisputed. SLEU has submitted substantial evidence of what it deems unfavorable salary comparisons negotiated between its unit and other law enforcement units within and outside the State's bargaining units. The State relies on an internal pattern of settlement for comparison purposes. The presentation of SLEU on continuity and stability of employment, citing to turnover rates, is supported by substantial credible evidence. The State does not contest the examples of turnover but challenges the reasons SLEU offers for causing the low retention rates. There is no factual dispute as to the cost of living data but rather to the weight to be given to the statistics in relation to the other statutory criteria. There is also no dispute concerning the settlements and awards setting terms for the other State bargaining units, the additional salary adjustments the State made to several bargaining units, as well as the legislation that boosted salaries in the Local 105 unit.

I initially address the issue of whether there is a 2% "pattern of settlement" to which the State contends SLEU is bound. If so, and in the absence of reasons justifying deviation, the weight to be given to this evidence would likely outweigh the evidence SLEU contends requires the awarding of substantially higher salaries. The case law on pattern has evolved over a considerable period of time. In County of Union v. Union County Corrections Officers, PBA Local 999, PERC No. 2003-33, PERC articulated its views on "pattern of settlement" and its

application on County appeal of an interest arbitration award resulting in a remand.

PERC stated:

N.J.S.A. 34:13A-16g(2)(c) requires arbitrators to compare the wages, salaries, hours and conditions of employment 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 subfactor 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).

The interest arbitrator then issued an award on remand which, due to another appeal, compelled the issue to be revisited by PERC. PERC again found that the arbitrator rejected the County’s proposal on health insurance without properly addressing the criterion of internal comparability and whether a pattern of settlement existed. PERC expressed no opinion on the merits of the County’s proposal emphasizing it made no finding on whether a pattern existed or whether the alleged pattern, if proven, must be followed. However, PERC once again found the award deficient and ordered another remand of the award to a different arbitrator. It explained:

[T]he arbitrator did not make explicit findings as to whether or not there was a settlement pattern with respect to health benefits and salary – or either of those items. Nor did he make findings as to whether the settlements differed from the offer to this unit or analyze the significance of any differences. These are critical omissions because, as we explained in Union Cty., the existence – or not – of a pattern is an element that should be considered in determining the weight to be given internal settlements and in assessing the effect of an award on the continuity and stability of employment. 28 NJPER at 461. Further, Union Cty. stated that the Reform Act requires the



arbitrator to explain the reasons for adhering or not adhering to any proven settlement pattern. Without specific findings as to the existence, nature or scope of an alleged settlement pattern, we cannot evaluate whether the arbitrator fulfilled that function.

N.J.S.A. 34:13A-16g(2)(c) requires arbitrators to compare the wages, salaries, hours and conditions of employment 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 subfactor 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). Pattern is an important labor relations concept that is relied upon by both labor and management.

In addition, a settlement pattern is encompassed in N.J.S.A. 34:13A-16g(8), as a factor bearing on the continuity and stability of employment and as one of the items traditionally considered in determining wages. In that vein, 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. Compare Fox v. Morris Cty., 266 N.J. Super. 501, 519 (App. Div. 1993), certif. denied, 137 N.J. 311 (1994) (in applying N.J.S.A. 34:13A-16g(8), arbitrator should have considered the effect of an award on employees in other units); see also Anderson, Krause and Denaco, Public Sector Interest Arbitration and Fact Finding: Standards and Procedures, 48.05[6], contained in Bornstein and Gosline Ed., Labor and Employment Arbitration (Matthew Bender 1999) (citing arbitrators’ statement that their award, which took pattern into account, would prevent disruption of future employer-wide negotiations and also commenting that arbitrators are generally hesitant to award increases that would disturb a pre-arbitration settlement pattern absent a showing that a break in the pattern is required to address a specific problem).

The principles initially set forth in Union County have since been consistently applied. (See City of Jersey City and Jersey City Police Officers Benevolent Ass’n, IA-2017-012 (2017) and 44 NJPER ¶ 77 (PERC 2017)).

In this case, there is strong evidence that 2% across the board increases were voluntarily negotiated in mostly all of the State's bargaining units representing the vast majority of its employees for the 2019-2023 Agreements. The State has submitted all of the collective negotiations agreements and a chart reflecting this. However, there is competing evidence that shows changes from the terms the State defines as a pattern. The State acknowledges there is deviation but, for reasons it explains, finds the differences justified, not meaningful or relevant to SLEU's claim.

The record shows two interest arbitration awards that provided for increases in excess of the "pattern." (See State of NJ and NJSOLEA, April 17, 2022 (Agreement Term July 1, 2019 – June 30, 2023) Docket No. IA -2022-05 and State of NJ and NJ Investigators Ass'n, FOP Lodge 174, Docket No. IA-2023-021 (Agreement Term July 1, 2019 – June 30, 2023) (June 29, 2023)). In the matter of NJSOLEA, the unit consists of: Conservation Officer 1, Correction Lieutenant, Correction Lieutenant JJC, District Parole Supervisor, Lieutenant Campus Police, Police Lieutenant Health Care Faculty, Police Lieutenant Palisades Interstate Parkway, State Police Lieutenant, Supervising Inspector Alcoholic Beverage Control, Supervising Special Agent, Supervisor of Enforcement Weights and Measures, Supervisor Lumber Inspections Weights and Measures and Supervisor Technical Services Weights and Measures. This Award included the following

salary increases with the same effective dates as those that appear in the State's voluntary settlements and in the proposals presented in this proceeding:

- a. Effective retroactive to the first pay period following October 1, 2019: 2.00%
- b. Effective retroactive to the first pay period following July 1, 2021: 2.00%
- c. Effective retroactive to the first pay period following December 1, 2021: 3.00%
- d. Effective first pay period following July 1, 2022: 3.00%

In the matter of FOP Lodge 174, the unit consists of: Investigator, Secured Facilities; Senior Investigator, Parole and Secured Facilities; Principal Investigator, Parole and Secured Facilities. The Award included the following salary increases and effective dates:

- a. Effective retroactive to first pay period following October 1, 2019: 2.00% increase
- b. Effective retroactive to first pay period following July 1, 2021: 2.00% increase
- c. Effective first pay period following December 1, 2021: 2.75% increase
- d. Effective first pay period following July 1, 2022: 2.75% increase

The NJSOLEA Award was appealed to PERC by the State. In a June 30, 2022 decision (P.E.R.C. No. 2022-51), PERC affirmed the Award. On appeal, PERC does not decide the merits of any wage dispute but rather whether the arbitrator lawfully discharged his authority to apply the statutory criteria to

determine the existence of a pattern and to provide a reasoned explanation for the award including review of any deviations from a pattern. Among the arbitrator's reasonings for deviation were the finding of a significant increase in the cost of living in the later years of the Agreement while also noting the legislated increase of 8% for PBA Local 105 (Corrections) after having achieved a voluntary agreement at the 2% level.

In the FOP Lodge 174 Award (Investigators Association), dated June 29, 2023, the arbitrator used similar reasons as in the NJSOLEA Award for deviating from the across the board 2% increases the State asserted to be a pattern of settlement.<sup>4</sup> However, he awarded 2.75% increases on December 1, 2021 and July 1, 2022 rather than 3% increases, noting that "the 7.48% inflation rate at the hearing in the (NJSOLEA) has now abated" and emphasized that the additional percentages above 2% were necessary to enhance base pay for Investigators at the Step 10 rate of \$100,499 in relation to Correctional Officers' pay, which after the 2% increases and the legislated increases increased Step 10 to \$99,491.

The record also includes voluntary settlements the State negotiated in a unit of Deputy Attorneys General (IBEW, Local 33) and in units at the Department of Criminal Justice involving Investigators (PBA Locals 383, PBA 383(A) and PBA 383(B)). SLEU submits, and testimony confirms, that these units received

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<sup>4</sup> The arbitrator also referenced an award of this arbitrator in the State Trooper NCO and Superiors units at 2.75% for the last two years of that agreement. However, the last two years of that award fell beyond the last two years of the four year period relevant in this unit and in the other bargaining unit agreements and is therefore irrelevant to the SLEU case.

substantial wage adjustments ranging from approximately 15% to 30% in addition to accepting the 2% increases within the State's claim of pattern of settlement. The State acknowledges these wage adjustments but submits that the wage adjustments "were justified by considerations unique to those employees." State testimony detailed the reasoning which the State asserts supports the wage adjustments and not applicable to the SLEU unit. Such considerations in all of the units above included that these employees, prior to unionization, had not received wage increases for many years and that the substantial wage adjustments negotiated approximated what unionized employees had received over the prior several years. SLUE counters that unionization occurs in and around 2010 and the adjustments did not occur until the 2019-2023 contract cycle.

I first decide certain issues included in the SLEU salary proposal that are not central to the determination of the across the board wage increases. SLEU has proposed to roll holiday pay into base salaries effective January 1, 2023 for employees who are scheduled to work on holidays. This proposal has been proposed, considered separately and previously denied for reasons stated herein (see pages 54-55).

SLEU has also proposed to revise Article XIV(B)(4), a subsection covering step movement upon contract expiration. This proposal would deviate from the status quo in the SLEU Agreement and from the relevant language in all other State bargaining units in the 2019-2023 Agreements by requiring the payment of

steps upon contract expiration. There is no evidence that any dispute has arisen over the existing language in this unit or in any other bargaining unit, all of which reference the State Compensation Plan and have remained unchanged. This proposal is denied.

In its salary proposal, SLEU has also proposed revisions to Section C regarding Recruit/Trainee Salary. This issue has been addressed separately above (See pages 46-52) and the Award on the Recruit issue will be incorporated into the Award section of this decision.

The central issue of salary as proposed by SLEU includes across the board increases ranging from 2% to 4% annually depending on an officer's Step placement and its proposal for a salary adjustment of \$8,000 to all steps in all unit titles effective the first pay period after January 1, 2023, after the across the board increases for that date have been implemented. In contrast, the State has proposed annual increases of 2%.

The salary proposal and the proposal for salary adjustments must be considered together. Both affect base pay and impact on overall cost. While each proposal revises base pay, each has a distinct purpose. Across the board changes are normally aimed at jointly setting salary increases to salary schedules based on traditional factors in wage determination at or near contract expiration and those projected over a specified future duration. In a multi-unit employer setting, as here,

employee organizations strive to achieve settlement and those that follow the first settlement are affected by internal comparison. Beyond across the board increases, parties' may address unique factors and decide whether to address issues that have arisen over a period of time. These alterations in salary are typically made to achieve a desired result to address a particular problem unique to a particular bargaining unit. They can be defined as wage, equity or market adjustments. Legislative action may also alter wages independent of those negotiated with the Executive Branch.

In the instant matter, the record reflects that during the 2019-2023 contract period, there has been a blend in the manner in which unionized State employees received wage increases. One method was the across the board salary increases negotiated by the State with one major employee organization representing four (4) units that extended to other bargaining units. This is said by the State to be the "pattern of settlement" covering the vast majority of its employees that increased wage schedules by 2% annually.

The second approach was the alteration of wages through legislation above and beyond the across the board increases. Here, PBA Local 105 (Corrections) unit agreed to the 2% across the board increases the State submits is part of the pattern. In addition, after reaching this agreement with the GOER, PBA Local 105 Correctional Officers received substantial increases in base pay through legislation (P.L. 2021, c. 406). The State acknowledges that the legislation had impact on

comparative base salaries but argues that the legislation occurred after acceptance of the “pattern” and that the legislative action was outside of the collective negotiations process by the legislature and beyond its control. The statute, P.L. 2021, c. 406, approved on January 18, 2022, provided:

There shall be appropriated from the State General Fund to the Department of Corrections \$10,300,000 for the purpose of increasing salaries for State correctional officers to be distributed in amounts determined by the Commissioner of Corrections and the Chairperson of the Civil Service Commission.

The legislation resulted in “[t]he starting salary of a State correctional police officer shall be not less than \$48,000. Adjustments shall be made to the remaining steps in the salary scale of a State correctional police officer.” In the State’s 2023 Budget in Brief, it was noted that “[t]he budget provides funding to implement P.L. 2021, c. 406, which will significantly raise corrections officer salaries to encourage recruitment and retention.”

The third process for wage determination during 2019-2023 was the interest arbitration process in two law enforcement units that set wage increase by award based on the arbitrator’s application of the statutory criteria. The two awards revised wages in years three and four above the “pattern.”

A fourth method affecting wage increases during the 2019-2023 contract cycle was the negotiation of wage adjustments between various employee organizations and the State which were not directly linked to the amount of across



the board increases. This occurred when certain units, described above, accepted the 2% increases the State submits are part of the pattern and, in addition, negotiated wage adjustments that increased base pay under circumstances the State explained in testimony was deemed to be unique and justifiable.

After review of the entire record of this proceeding, I find there is substantial credible evidence, based on the application of the statutory criteria, to award the fourth approach described above. That is, the awarding an across the board wage increase that aligns with the internal comparability evidence the State defines as a “pattern” and, in addition, wage adjustments for officers in the SLEU unit but at a level lower than the 8% adjustment proposed by SLEU. Prior to engaging in that analysis, I make the following observations on the approach that I have adopted.

A wage, equity or market adjustment set separately from an across the board increase is a method to be used sparingly.<sup>5</sup> It does impact on base wages but its purpose is not to substitute for the more traditional across the board approach but instead, on a one-time basis, address circumstances unique to a specific identified group of employees. It is an economic issue and mandatorily negotiable. The State, as here, has negotiated across the board increases that it views as a pattern of settlement (2%, 2%, 2%, 2%). A pattern is a term that typically describes uniformity in the setting of wages. Here, there is strong evidence of consistency in internal comparability but not uniformity. One deviation

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<sup>5</sup> For example, a similar proposal was denied in State of NJ and State Troopers NCO, State Troopers SOA, IA-2022-005.

and exception from the 2% annual increases was the two (2) law enforcement interest arbitration awards (2%, 2%, 3%, 3% and 2%, 2%, 2.75%, 2.75%). The awards above 2% relied heavily on the trend towards increases in the cost of living during the latter years of the four (4) year Awards. In this SLEU case, the State expresses some disagreement with the application of these Awards noting that in the NJOSLEA Award the arbitrator stated the cost of living was “running at a rate of 7.48% thus far in 2022.” The State points out that inflation has abated and in September 2023 lowered to an annualized rate of 3.7%. The NJOSLEA award also made reference to the PBA Local 105 legislated increases.

The record concerning continuity and stability of employment supports SLEU’s contention that there has been an unusually heavy rate of turnover and that the explanation for the agencies’ inability to retain so many officers is related to unfavorable salary comparisons which in many cases ranges into the tens of thousands of dollars. The State does not challenge the poor rates of retention but asserts that SLEU has not offered sufficient credible evidence to support its claim that officers leave their positions in favor of higher paying employment in other departments and even if they did, the level of salary SLEU has proposed have not been justified and that its unit has no basis for attaining parity simply because other units earn more. The State, while acknowledging that SLEU has historically been at the lower end of the salary ranges, submits that the relationships with other law enforcement units should not be altered or disturbed without a demonstrated need. While it is likely that some officers may leave their jobs for reasons other than

higher salaries (e.g., geography, nature of the work), I find the record by way of testimony and documentation that the loss of officers is mainly based on low pay. This proceeding cannot solve this problem but a modest wage adjustment during the 2019-2023 Agreement would reasonably assist the agencies' ability to retain officers. I concisely review some of the testimony which I conclude supports this approach.

Officer Smith, President of PBA Local 113, offered credible testimony that more than twenty (20) officers in the Department of Human Services have left in recent years due to low pay, that the agency is short staffed causing increased workloads and that Agency management has brought recruitment and retention issues to the Civil Service Commission. Its request to approve the hiring of some unit members by bypassing the Recruit/Trainee step and hire directly into Step One (1) has been approved. While the Department Chief did not testify, he authored a Special Memorandum stating that the approvals received from the Civil Service Commission was a "huge step" towards improving hiring, retention and salary issues and that he was working on "additional steps to improve the salary of all ranks in the agency."

Testimony by way of Certification from Thomas DiGiantomasso, Alternate Delegate of State Park Police Officers, PBA Local 222 was similar in nature. He testified short staffing has created operational problems in coverage and that many of the officers who have left did so because of low salaries. He supports his

testimony by citing to an informational letter from the Chief, New Jersey State Park Police. The Chief states that in 2006 the State Park Police had 126 officers and that staffing levels are now at 81. He attributed salary to be the “number one reason for retention issues.”

Testimony was also offered by Elizabeth DeSantis, President of PBA Local 278, the sub-unit representing police officers at Rowan University, Stockton University, the College of New Jersey, Montclair State University, William Paterson University and Kean University. Her testimony centered mainly on recruitment and retention issues and salary comparisons with officers at the Universities her local represents with those employed at Rutgers University. Officer DeSantis, while also pointing to law enforcement salaries generally, made specific reference to Rutgers, the State University of New Jersey, reflecting that police officers in the primary unit will have top step salaries at \$120,000 in 2025 compared to the campus police officers in her sub-unit of \$83,663 as of June 30, 2019 and would rise to \$88,784 in 2023 under the State’s offer.

Testimony was received from Todd Vasquez, President of PBA Local 120, a sub-unit that represents Conservation Officers. Their mission is overseen by the New Jersey Department of Environmental Protection in the Division of Fish and Wildlife. The general responsibility of a Conservation Officer is to enforce laws in marine and wildlife areas. They are required to have a Bachelor’s of Science

degree. He offered similar testimony as to short staffing due to vacancies he attributed to low pay.

Another sub-unit of SLEU is PBA Local 269 which represents Weights and Measures Inspectors. Testimony was offered by Michael Peeler, President of the local. The organization structure there is under the Department of Law and Public Safety, Division of Consumer Affairs which oversees the Office of Weights and Measures. In general they, conjunction with other law enforcement entities, protect the public from fraud and unsafe practices. He testified their work yields revenue to the State in a range of four (4) to five (5) million dollars annually through fees and enforcement. According to Inspector Peeler, two (2) Inspectors have recently left the office and that the salary schedule was the cause for the resignations.

The Palisades Interstate Parkway employs police officers who are represented by PBA Local 388 sub-unit. Antonio Megaro is a delegate for the local. The Commission (PIP) is a bi-state agency. The geography of its jurisdiction places its officers in close proximity to police officers employed by various municipalities in Bergen County who, like PIP officers, patrol the PIP, as well as New York State Police who patrol in Parkway areas in New York. In addition, he described there is specialized work on the Palisades including repelling and marine rescue. His testimony provided examples of duties and responsibilities, including the difficulty that PIP has with recruiting and retaining officers. He described that the nature of the work can be stressful due to the geographical proximity of the PIP

to the volume of traffic that leaves the George Washington Bridge into New Jersey. He presented a document reflecting this and offered his view, based on personal knowledge that the retention rates were caused by inferior pay of PIP officers when compared with the pay offered by local police departments and other law enforcement agencies, all of whom perform similar and integrated work.

Another sub-unit of SLEU is PBA Local 281 who represents Special Agents 2 and 3 at the New Jersey Department of Treasury. Greg Bogado is the President of the local. Agent Bogado offered detailed testimony as to the nature of the work agents perform which primarily includes investigations into tax fraud and suspicious financial activity. He testified that the nature of the work causes integration with federal agencies, county prosecutors, local police departments and the local attorney general's office. Agent Bogado prepared an exhibit reflecting the loss of five (5) special agents since 2019 which he attributed to low salaries compared with other law enforcement jurisdictions and similar occupations in the federal government.

While the State makes strong argument that the work of SLEU members is not comparable with other law enforcement units, the record reflects credible evidence that the work does align with traditional law enforcement work including having to respond to calls involving stolen vehicles and property, confiscation of firearms and narcotics, traffic laws, financial document fraud, bomb threats, physical and sexual assaults, domestic violence, etc.

The relationship between retention rates and salaries, in addition to the testimony of SLEU officials in the sub-units, is reasonably established by the comparability data in the record. Because unit members work throughout the State and have shown interaction with law enforcement departments nearby to their worksites, a broader scope of comparability data, as offered by SLEU, is appropriate. Unit members occupy six (6) ranges in the State Compensation Plan, ranges 17 through 23.<sup>6</sup> At contract expiration (June 30, 2019), top step pay at each range was as follows:

| <b>Range</b> | <b>Top Step Salary</b> |
|--------------|------------------------|
| 17           | \$82,023               |
| 18           | \$86,087               |
| 19           | \$90,390               |
| 20           | \$94,936               |
| 21           | \$99,693               |
| 23           | \$109,902              |

The external comparability data also supports an award intended to improve the continuity and stability of employment. The data covers a variety of titles including police officers, correction officers, prosecutor detectives and investigators, sheriff's officers and campus police. By way of examples, Rutgers campus police officers will top out at \$120,000 effective January 1, 2025. Turning to municipalities and counties, there is a wide range of salaries throughout the

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<sup>6</sup> There is no Range 22.

State reflecting some connection to pay levels and geographic diversity. In Bergen County, top step salaries in 2023, ranging from low to high show Leonia at \$132,598, \$144,310 in Closter, \$154,602 in Edgewater Borough, \$158,055 in Carlstadt, \$160,412 in Englewood Cliffs Borough and \$172,260 in Englewood City. These salaries are well above average in the State. In other counties, rates are lower but in the main exceed the salaries in the SLEU unit. For example, Bayonne City in Hudson is \$133,859, in Millburn in Essex County is \$122,074, in Mount Holly in Burlington County is \$115,069, in Berlin Borough in Camden County is \$103,741, in Deptford Township in Gloucester County is \$106,357, in Lawrence Township in Mercer County is \$124,645, in Cranbury Township in Middlesex County is \$121,111, in Neptune Township in Monmouth County is \$124,471 and in Cape May County ranges from \$99,279 in Wildwood City to \$115,405 in the Township of Middle. These examples do not support a demand for parity, nor the level of salary adjustment sought by SLEU. However, they portray a labor market that attracts unit employees to other jurisdictions and has been shown to encourage low retention rates.

After consideration of all of the above, I award the 2% annual increases over four years proposed by the State based on strong evidence of internal comparability as to salary increases and a one-time equity adjustment of 3.75% effective the first pay period after January 1, 2023. I have reviewed the record evidence as to financial costs to determine the overall financial impact of the Award. The baseline cost for the unit as of July 1, 2019 was between \$20,500,000



and \$21 million. Estimated costs of the across the board increases are consistent with the calculations the State has made in connection with its across the board proposal of 2% annually which I have awarded. (See Er. Exs. #1 and #2). The salary adjustment cannot be precisely calculated due to the fluctuating staffing levels. Based on the salary analysis in the financial report offered by SLEU's financial expert, Raphael Caprio, the average salary paid to unit employees as of July 1, 2019, was \$66,764 with a headcount of 307 officers with the total salaries amounting to \$20,496,634. This amount is consistent with the testimony of Tariq Shabazz, Acting Director for the Office of Management and Budget. After adjusting base salary costs upward due to the 2% across the board wage increases over four years, the annual cost of the 3.75% wage adjustment would be approximately \$825,000 annually. The actual cost for this contract period due to the effective date of January 1, 2023 would be \$412,500.

The Award falls within the lawful authority of the employer [N.J.S.A. 34:13A-16(g)(5) and (9)] and without adverse financial impact on the State, its residents and taxpayers [16(g)(6)]. The interests and welfare of the public [16(g)(1)] are served by adopting the health insurance program consistent with all State negotiations units and the State's across the board wage proposal that is consistent with internal comparability evidence for the vast majority of the State's unionized employees. The wage or equity adjustment effective January 1, 2023 enhances the overall compensation presently received [16(g)(3)] for the purpose of promoting the continuity and stability of employment of the officers who, among

other things, serve many of the State's universities and colleges, its parks, its psychiatric institutions, its consumers to who protect them from fraud, and patrol highways and parks overseen by the PIP. The adjustment also addresses the internal and external comparability evidence [16(g)(2)(c)]. I have not given significant weight to the cost of living criteria but note that the across the board increases and wage adjustment will be responsive to the increases in the cost of living over the four (4) year contract period [16(g)(5)].

Accordingly, and based upon all of the above, I respectfully enter the terms of the Award.

### **AWARD**

1. All proposals by the State and SELU 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 or by mutual agreement of the parties.

2. **Stipulations of the Parties**

1. **Term of Agreement**

July 1, 2019 through June 30, 2023 (4-year Agreement)

2. **Article VI, Section A, Policy Agreements: Amend Paragraph 3 as follows:**

The NJ State PBA - SLEU recognizes its responsibility as exclusive collective negotiations agent and agrees to represent all employees in the unit without discrimination subject to its right to limit certain benefits to members such as the benefits provided by the Legal Protection Plan, which provides for attorney representation in disciplinary matters and investigations and other matters and is limited by terms to those who are dues paying PBA members. (This is by way of illustration. It is not intended to be the limit for differentiation between dues paying members and non-dues paying members: that limit is the

obligations as defined by law including the Janus decision and other precedents.

**3. Article VII, Dues Deduction: Revise Section A(1) through A(4) as follows:**

A(1) - The State agrees to deduct from the regular pay of any employee, the dues of the NJ State PBA - SLEU per the authorization provided by SLEU. The deducted amount shall be transmitted to the approved subunit local account or to a central SLEU account designated by the President of the NJ State PBA-SLEU. Any dues deduction shall require that the employee and/or Union submits an authorization for dues deduction in writing and on proper form to the responsible payroll clerk. The payroll clerk shall process and forward a properly executed form, within seven (7) days, to the centralized payroll section, Department of the Treasury for those unit employees not paid through centralized payroll (Campus Police Officers and PIP Police Officers) the respective payroll department shall process the properly executed form. Dues deduction will be reflected in the next regular paycheck provided the authorization form is received in centralized payroll or non-centralized payroll department at least seven (7) days prior to the end of the pay period. There shall be no charge to any local account for such deductions or transmission of such monies.

A(2) - Dues deductions for any employee in this negotiations unit shall be transmitted to the designated account for the appropriate subunit local treasury or to the central account of the NJ State PBA - SLEU provided such authorizations are provided. The parties confirm that NJ State PBA - SLEU is the duly certified majority representative and further confirm that employees shall be eligible to withdraw such authorization provided the written notice of withdrawal is filed with the responsible payroll clerk. An employee's notice of revocation of authorization for the payroll deduction of dues shall be effective on the 30th day after anniversary date of employment. Once the State receives an employee's written notice of revocation, it will notify the Association within five business days.

A(3) - Dues so deducted shall be transmitted to the designated account of the NJ State PBA – SLEU subunit local or to the NJ State PBA – SLEU designated account together with a listing of the employees included. Dues deducted shall be sent to the respective accounts electronically via direct deposit.

A(4) - The President of the NJ State PBA – SLEU shall certify to the State and the respective payroll clerk the amount of dues for members of each subunit local and shall notify the State and the

respective payroll clerk of any change in the amount of dues to be deducted thirty (30) days prior to the intended effective date of such change.

4. **Article VII, Section D. Bulletin Boards: Add new Section 7 as follows:**

The State will provide bargaining unit representatives from each of the Departments, Colleges, authorities or agencies where unit employees work with access to and the right to use of the email system of public employers to communicate with negotiations unit members regarding collective negotiations, the administration of collective negotiations agreements, the investigation of grievances, other workplace related complaints and issues, and internal union matters involving the governance or business of the union, subject to the same restrictions and requirements of this Section, as well as departmental policy, such as a departmental anti-harassment and anti-discrimination policies and workplace violence policies.

5. **Article VIII, Section A(1):** Add the following to the end of A(1):

Nothing herein shall be deemed to limit Union access rights provided by the WDEA or RCNA.

6. **Article VIII, Sections A(7)(a) and A(7)(b)** Add subsections 7 (a) and (b) to state as follows:

a. Every 120 days, the State will provide to the Union, in Excel or another digital format agreed to by the Union, the following information for all unit employees: (1) name, (2) job title, (3) worksite location and address, (4) home address, (5) work telephone numbers, (6) home telephone numbers if on file with the State, (7) personal cellular telephone number if on file with the State, (8) date of hire, (9) work email address, (10) personal email address if on file with the State, and (11) whether the employee is paying dues or not paying dues.

b. In addition, within 10 calendar days from the date of hire of negotiations unit employees, the State will provide the following contact information in Excel or another digital format agreed to by the Union: (1) name, (2) job title, (3) worksite location, (4) home address, (5) work telephone numbers, (6) any home or cellular phone number on file with the State, (7) date of hire, (8) work email address and (9) personal email address if on file with the State.

7. **Article XI, Grievance Procedure**

#### **D. General Rules and Procedures**

1. All members of the collective negotiations unit may orally present and discuss his/her grievance with his/her immediate supervisor on an informal basis prior to filing a formal grievance at Step One.
2. In the event that the grievance has not been satisfactorily resolved on an informal basis, then an appeal may be made on the grievance form specified below.
3. The parties agree that it is preferable to have grievances presented to the grievant's immediate supervisor. However, a grievance may be initiated at Step 1 without presentation and discussion with the immediate supervisor, or where the parties mutually agree, at any higher step of the procedure without hearing at a lower step. Where the NJ State PBA – SLEU requests a grievance be initiated at Step Two or beyond based on a claim of emergency wherein the normal processing of the grievance would prejudice the effective relief sought and/or the substantive rights of the grievant and, if such request is denied by the agency of the State involved, the NJ State PBA – SLEU may seek an expedited determination by the Office of Employee Relations of the appropriate step to initiate such grievance.
4. Where a grievance directly concerns and is shared by more than one grievant, such group grievance may properly be initiated at the first level of supervision common to the several grievants, with the mutual consent of the parties as to the appropriate step. The presentation of such group grievance will be by the appropriate NJ State PBA – SLEU representative(s) and/or its designee. A group grievance may be initiated by the NJ State PBA – SLEU.

#### **E. Grievance Time Limits and Management Responses**

1. A grievance must be filed initially within fifteen (15) days from the date on which the act is the subject of the grievance occurred or fifteen (15) days from the date on which the grievant should reasonably

have known of its occurrence. References to days in this process are calendar days of the party to which they apply.

2. Where a grievance involves exclusively an alleged error in calculation of salary payments, the grievance may be timely filed within ninety (90) days of the time the individual should reasonably have known of its occurrence.
4. Revise first sentence: "Should a grievance not be satisfactorily resolved, or should the employer not respond within the prescribed time periods, either after initial receipt of the grievance or after a hearing, the grievance may be appealed within ten (10) days to the next step."

8. **Article XIII, Seniority:** Revise Section B and Section G as follows:

- a. Section B: Revise as follows: "Permanent employees shall, on the day worked immediately following the successful completion of the probationary period, be considered to have State seniority [retroactive to the initial date of employment](#). Such State seniority shall accumulate until there is a break in service. State seniority of an employee who is reinstated after a period of layoff shall be continued retroactively exclusive of the period of layoff."
- b. Section G: Delete: "During the normal probationary period of four (4) months, the employee will be advised of his progress at the end of the second and fourth months"

9. **Article XX, Compensatory Time Off:** Revise Section D to state as follows:

Ordinarily, a maximum of two hundred (200) hours of compensatory time may be carried by any employee. Where the balance exceeds two hundred (200) hours, the employee and the supervisor will meet to amicably schedule such compensatory time off. If the employee and supervisor cannot agree on the scheduling, the supervisor shall have the discretion to schedule the compensatory time off.

10. **Article XXV, Leave for Association Activity:**

In Section C, change "Conservation Officers" to "Conservation Police Officers." Fix this throughout the CBA.

11. **Side Letter 6.** Revise as per Attachment 1.

### ATTACHMENT 1

#### Parameters of Subunits and Designated Subunit Representatives

The parties agree that for at all times, there will be seven (7) ~~six (6)~~ subunits and a total maximum of six (6) ~~five (5)~~ Designated Subunit Representatives, in addition to the NJ State PBA - SLEU President. The subunits will be broken down as follows:

- (a) One subunit comprised of titles 12041 (Aeronautical Operations Specialist), 32648 (Conservation Officer Recruit), 32081 (Conservation Officer 3), 51342 (Special Agent Trainee), 51344 (Special Agent 2), and 51343 (Special Agent 3);
- (b) One subunit comprised of titles 32090 (State Park Police Officer Trainee; title made archaic effective 9/13/08), 55173 (State Park Police Officer Trainee; title put in effect on 9/3/08) and 32092 (State Park Police Officer);
- (c) One subunit comprised of title 32352 (Police Officer PIP);
- (d) One subunit comprised of titles 55172 (Campus Police Officer Recruit), 32271 (Campus Police Officer), and 32271C (Campus Police Officer Bilingual in Spanish/English);
- (e) One subunit comprised of titles 32255 (Police Officer Recruit Human Services; title made archaic effective 9/13/08), 55171 (Police Officer Recruit Human Services; title put in effect on 9/13/08) and 32332 (Senior Police Officer Human Services); AND
- (f) One subunit comprised of titles 04201 (Weights and Measures Apprentice), 33083 (Weights and Measures Inspector I), 33082 (Weights and Measures Inspector II), and 33081 (Weights and Measures Inspector III).

In the subunit in which the NJ State PBA - SLEU President is an employee, the President shall act as the Designated Subunit Representative for purposes of administration of the terms of the contract that specifically allow for action on the part of Designated Subunit Representatives. For each of the other six (6) ~~five (5)~~ subunits, the President will appoint one Designated Subunit Representative (who must be an employee within the subunit in which (s)he serves) for purposes of administration of

the terms of the contract that specifically allow for action on the part of Designated Subunit Representatives. The President shall set forth a list, in writing, to the Governor's Office of Employee Relations naming each Designated Subunit Representative. Should there be any change of appointment of any Designated Subunit Representative, the President shall immediately inform the Governor's Office of Employee Relations in writing, as well.

The parties also agree that in the case where an incident occurs in Which the contract specifically allows for action on the part of a Designated Subunit Representative, but the appointed Designated Subunit Representative is on a regular day off, on scheduled vacation, on sick leave, or is otherwise reasonably unable to perform as Designated Subunit Representative, the President may select another employee within the subunit (in attendance at work at the time of the incident) to temporarily assume the duties of the Designated Subunit Representative, until the appointed Designated Subunit Representative returns to work and can reasonably assume his/her duties. Should the President make a temporary selection as described in this paragraph, the President must immediately inform the Governor's Office of Employee Relations.

The parties further agree that nothing in this side letter, either express or implied, abridges the process by which communication between the State and Union occurs between the President and the State. In no instance will the State be required to honor, uphold or recognize any request or demand by any Designated Subunit Representative (or temporary selected employee) not specifically authorized in the contract.

Create sub-unit (g). Move Aeronautical Special Agent from sub-unit (a) to new sub-unit (g).

3. Article XIII – Seniority

The State and SLEU shall, within a reasonable period of time, form a joint committee of limited numbers for the purpose of addressing the Probationary/Recruit issues set forth in pages 46 to 52 in this decision.

4. Article XXV – Leave for NJ State PBA – SLEU Activity

- a. Commencing at the end of June 30, 2023, the number of annual hours of chargeable leave shall be increased to 1,386. There shall be an additional three (3) release days made available annually for each of the seven locals (sub-units) of



SLEU to send 1 representative (Delegate, President, or designee) to attend the following required PBA meetings:

- State meetings;
- Local meetings;
- County meetings

- b. In the event, an official of SLEU is appointed by the NJ State PBA President or designee or elected to fill a full time position with the State PBA the employee shall be permitted full release as unpaid leave with the State PBA responsible for paying the salary of the unit employee who shall retain all rights to return to service and shall be permitted to continue to contribute to retirement pension and such years of service for the State PBA shall also count toward health benefits in retirement and seniority for purposes of leave and other benefits under this contract. In the event that the State permits the unit employee to purchase health benefits from the SHBP, such purchase shall be at the employee's expense at cost.

A request for such leave shall be filed annually and shall not be unreasonably denied, or a contract for a longer term may voluntarily be entered into between the State and the NJ State PBA.

5. Article XXXVII - Uniform Allowance

- Year 1: \$1,660
- Year 2: \$1,740
- Year 3: \$1,740
- Year 4: \$1,840

The language that denies the application of the uniform allowance to unit employees employed in the Transportation Department, and in particular to the one Aeronautics Police Officer shall be deleted.

The increases in the uniform allowance shall be retroactive to July 1, 2019 and the succeeding July 1 dates but shall not be retroactive to unit employees who were no longer employed by the State prior to the date of this Award unless such employee has retired on a normal or disability pension.

6. Article XXVII – Hours of Work

Section B(3) shall be modified as follows:

No union official shall be required to work a rotating shift with the exception that this right shall be limited to one (1) union official in each sub-unit who SLEU shall identify to management at each work location

7. Article XXXIV – Health Insurance and Fringe Benefits

The current Article XXXIV shall be deleted and replaced with the following:

**ARTICLE XXXIV — HEALTH INSURANCE AND FRINGE BENEFITS**

**Fringe Benefits**

**A. State Health Benefits Program**

As with any provisions of this Agreement that reflect statutory or regulatory mandates, the provisions of paragraphs (A)(B)(C) and (G) of this Article, are for informational purposes only and provide an explanation which is subject to change due to legislative action.

1. The State Health Benefits Program is applicable to employees covered by this Contract. It is agreed that, as part of that program, the State shall continue the Prescription Drug Benefit Program during the period of this Agreement to the extent it is established and/or modified by the State Health Benefits Plan Design Committee, in accordance with P.L. 2011, c. 78. The State Health Benefits Plan Design Committee shall provide to employees the option to select one of at least three levels of coverage each for family, individual, individual and spouse and individual and dependent, or equivalent categories, for each plan offered by the program differentiated by out of pocket costs to employees including co-payments and deductibles. Pursuant to P.L. 2011, c. 78, the State Health Benefits Plan Design Committee has the sole discretion to set the amounts for maximums, co-pays, deductibles, and other such participants' costs for all plans in the program and has the sole discretion to determine the plan offering and coverage levels under the program.
2. Effective July 1, 2003, the Traditional Plan shall be closed as to all current and future members of this bargaining unit, including unit members retiring after said date. The Traditional Plan and the NJ Plus POS Plan have been abolished. Effective immediately, no new hires shall be enrolled in the Traditional Plan.

3. Medicare Reimbursement – Effective January 1, 1996, consistent with law, the State will no longer reimburse active employees or their spouses for Medicare Part B premium payments.
4. As soon as practical after ratification, the new NJ Direct plan (available to employees hired prior to July 1, 2019) and NJ Direct 2019 plan (available employees hired on or after July 1, 2019) will be the only PPO Plan available to active negotiations unit members.

**B. Contributions Towards Health and Prescription Benefits**

1. Employees shall contribute, through the withholding of the contribution from the pay, salary, or other compensation, toward the cost of the health care benefits coverage for the employee and any dependent provided under NJ Direct and NJ Direct 2019 through the State Health Benefits Program in an amount that is a percent of salary to the cost of the premium.
  - Active members participating in an HMO plan or High Deductible Plan (HDHP) will contribute a percentage of premium.
  - Active members participating in a Tiered Network plan shall contribute at a rate that is equal to 75% of the new PPO plan contribution rate.
  - The contribution rates for available plans may be found on the Division of Pension and Benefits web site.
2. Effective for benefits plan year starting January 1, 2021, the employee contribution amounts are subject to the agreed upon reopener provisions as set forth in Appendix IV. The parties recognize that any agreements by the parties reached during the reopener discussions regarding plan design are subject to the approval of an implementation by the Plan Design Committee.
3. The amount payable by any employee, pursuant to N.J.S.A. 52:14-17.28(c)(2) (added by L. 2010, c.2) shall not under any circumstance be less than the 1.5 percent of the base salary. No employee shall contribute more than the employee would have contributed under section 39 of P.L. 2011 c. 78 (C. 52:14-17.28c)
4. The parties agree that should an employee voluntarily waive all coverage under the State Health Benefits Plan and provide a certification to the State that he/she has other

health insurance coverage, the State will waive the contribution for the employee.

5. An employee on leave without pay who receives health and prescription drug benefits provided by the State Health Benefits Program shall be required to pay the above-outlined contributions and shall be billed by the State for these contributions. Health and prescription benefit coverage will cease if the employee fails to make timely payment of these contributions.
6. Active employees will be able to use pre-tax dollars to pay contributions to health benefits under a Section 125 premium conversion option. All contributions will be by deductions from pay.
7. Eligible negotiations unit employees and their spouses who complete the NJ Well Program shall each receive a \$350 incentive payment.

**C. Dental Care Program**

1. It is agreed that the State shall continue the Dental Care Program during the period of this Agreement to the extent it is established and/or modified by the State Health Benefits Plan Design Committee, in accordance with P.L. 2011, c. 78. Through December 31, 2011, active eligible employees are able to participate in the Dental Care Program as described in the parties' July 1, 2007 – June 30, 2011 collective negotiations agreement. Pursuant to P.L. 2011, c. 78, the State Health Benefits Plan Design Committee has sole discretion to set the amounts for maximums, co-pays, deductibles, and other such participant costs for all plans in the program and has the sole discretion to determine the plan design, plan offering and coverage levels under the program.
2. Participation in the Program shall be voluntary. With a condition of participation being that each participating employee authorize a bi-weekly salary deduction not to exceed fifty percent (50%) of the cost of the type of coverage elected, e. g. individual employee only, husband and Wife, parent and child or family coverage.
3. Each employee shall be provided with a brochure describing the details of the Program, enrollment information and the required forms.
4. Participating employees shall be provided with an identification card to be utilized when covered dental care is required.

The provisions of Sections (A), (B) and (C) of this Article are for informational purposes only and are not subject to the contractual grievance/arbitration provisions of Article XI.

**D. Eye Care Program**

1. Full-time employees and eligible dependents shall be eligible for the State-administered Eye Care Program. The Program shall provide for each eligible employee and dependent to receive a \$40 payment for prescription eyeglasses with regular lenses and a \$45 payment for such glasses with bi-focal lenses. Each eligible employee and dependent may receive only one (1) payment during the two (2) year period ending June 30, 2021 and only 1 payment during the two (2) year period commencing July 1, 2021. The extension of benefits to dependents shall be effective only after the employee has been continuously employed for a minimum of sixty (60) days.
2. Eligible dependents of full-time employees shall be eligible for a maximum payment of \$35 or the non-reimbursed cost whichever is less, of an eye examination by an Ophthalmologist or Optometrist, during the two (2) year period ending June 30, 2021 and only one payment during the two (2) year period commencing July 1, 2021.
3. Proper affidavits or forms and submissions of receipts are required of the member in order to receive payment.

**E. Insurance Savings Program**

Subject to any condition imposed by the insurer, all employees shall have the opportunity to voluntarily purchase various insurance policies on a group participation basis. The policy costs are to be borne entirely by the employee selecting insurance coverage provided in the program. The State will provide a payroll deduction procedure whereby authorized monies may be withheld from the earned salary of such employees and remitted to the insurance company. The insurance company will provide information concerning risk covered, service offered, and all other aspects of the program to each interested employee.

**F. Health Insurance For Retirees**

Those employees who have 20 or more years of creditable service on the effective date of P.L. 2011, c. 78 who accrue 25 years of pension credit or retire on a disability retirement on or after July 1, 2011 will contribute 1.5% of the monthly retirement allowance toward the cost of post-retirement medical benefits as is required

under law. in accordance with P.L. 2011, c. 78 the Retiree Wellness Program no longer applies.

Upon retirement, an active employee who is not Medicare eligible and who retires with 25 years of pensionable service after the enrollment date established in accordance with Section A4 of this Article shall be offered the option to enroll in the NI Direct/NJ Direct 2019 plan at the time of retirement.

- a. Current retirees and active employees who have accrued 25 years of pensionable service prior to the enrollment date established in accordance with Section A4 of this Article shall be offered the same plans in retirement as available at the time s/he acquired 25 years of pensionable service, as required by law and shall also be offered the option to enroll in the NJ Direct/NJ Direct 19 PPO plan based on the contribution rate required at the time s/he reached 25 years of service.
- b. If an employee acquires 25 years of pensionable service after the enrollment date established in accordance with Section A4 of this Article, that employee shall contribute to the cost of health benefits in retirement based on the contribution rates of active employees, as established by this agreement, at the time of the retirement. Such employee shall have access to the plans available at the time s/he acquired 25 years of pensionable service.

The provisions of this Article are for informational purposes only and are not subject to the contractual grievance/arbitration provisions of Article XI.

**G. Temporary Disability Plan**

All employees in this unit are covered under the State of New Jersey Temporary Disability Plan This is a shared cost plan, which provides payments to employees who are unable to work as the result of non-work connected illness or injury and who have exhausted their accumulated sick leave.

**I. Deferred Compensation Plan**

It is understood that the State shall continue the program which will permit eligible employees in this negotiating unit to voluntarily authorize deferment of a portion of their earned base salary so that the funds deferred can be placed in an Internal Revenue Service approved Federal Income Tax exempt investment plan.

The deferred income so invested and the interest and other income return on the investment are intended to be exempt from current Federal Income Taxation until the individual employee withdraws or otherwise receives such funds as provided in the plan.

It is understood that the State shall be solely responsible for the administration of the plan and the determination of policies, conditions and regulations governing its implementation and use. The State shall provide literature describing the plan as well as a required enrollment or other forms to all employees. It is further understood that the maximum amount of deferrable income under this plan shall be consistent with the amount allowable by law.

#### **APPENDIX - Health Care Reopener**

1. The actual premium cost for the new PPO plans, inclusive of medical and prescription costs, will be tracked each plan year following the plan's initial offering in plan year 2019.
2. In addition, the new PPO premium cost increases will be monitored and compared to the national, regional and state trending of healthcare costs.
3. Calculations:
  - a. If the projected blended premium for the new PPO in a plan year exceeds the "Baseline Premium", the Union and the State shall enter into negotiations to lower the premium and/or reduce the rate of premium increases. Such negotiations will commence upon receipt of the SHBP actuary's rate renewal recommendation premium for the upcoming plan year, in or about the preceding July.
  - b. The Union and the State shall also calculate the "Adjusted Premium Increase" ("API"). The API shall be calculated by (a) subtracting the aggregate percent of across-the-board salary increases received by represented State employees covered by this contract, not compounded, from (b) the percent by which the 2019 PPO premium exceeds the Preliminary Baseline Premium.
  - c. Commencing in Plan Year 2019, the preliminary baseline premium rates shall be the following blended premiums – Single coverage - \$9,570; Parent/Child coverage - \$19,140; Employee/Spouse - \$17,800; and Family \$27,370 – plus 3% ("Preliminary Baseline Premium").

**Plan Year 2021:**

- a. If the projected blended premium for the new PPO plans in plan year 2021 exceeds the Preliminary Baseline Premium from plan year 2019, the Union and the State shall enter into negotiations to address such premium increases.
- b. The API for Plan Year 2021 shall be calculated by (a) subtracting the aggregate percent of across-the-board salary increases received by represented State employees covered by this contract, between July 1, 2019 and December 31, 2020, not compounded, from (b) the percent by which the new PPO premium exceeds the Preliminary Baseline Premium. For example, if the 2021 PPO premium is 8% more than the Preliminary Baseline Premium and if employees have received an aggregate of 6%, non-compounded, across-the-board salary increases since July 1, 2019, the API is 2%.
- c. If the Union and the State cannot agree upon plan design changes or other cost-saving measures that would reduce the API to at least a 0% increase over the Preliminary Baseline Premium by the September 1 preceding the start of the 2021 plan year, then an Escalator shall be applied to employee contribution rates. The Escalator to be applied to employee contribution rates shall be the percentage by which the API exceeds the Preliminary Baseline Premium. For example, if the API is 2%, then the Escalator is also 2%, which is applied to the employee's contribution rate. If an employee's contribution rate is 5% of base salary, then by applying the Escalator, the contribution rate will increase to 5.1% of base salary. Any increase in employee contributions will be effective the first pay period of the 2021 plan year.
- d. If the 2021 premium is below the Preliminary Baseline Premium by 6% or more, the Union and the State shall discuss options to share the savings in reduced costs or to improve the quality of the new PPO plans through design changes or other measures. If the Union and the State do not agree to either reduce costs or improve the quality of the new PPO plans or agree upon a reduction in the employee contribution rates by September 1 preceding the start of the plan year then contribution rates shall be reduced by the application of a De-escalator. The De-escalator shall be the amount of the decrease in the new PPO 2020 premium below 6% of the Preliminary Baseline Premium. For example, if the 2021 premium is 6.5% below the Preliminary Baseline Premium, employee contribution rates shall be reduced by 0.5%. If an employee's contribution rate is 5% of base salary, then by applying the De-escalator the employee's new contribution rate shall be 4.975%. Any decrease in employee contributions will be effective the first pay period of the 2021 plan year.



### Plan Year 2022

- a. **The Baseline Premium for 2022 plan year shall be** the baseline premium is the PPO Plan's premium cost in plan year **2021 plus 1%**.
- b. If the projected blended premium for the PPO in plan year **2022** exceeds the new Baseline Premium, the Union and the State shall enter into negotiations to address such premium increases.
- c. The API shall be calculated by (a) subtracting the aggregate percent of across-the-board salary increases received by represented State employees covered by this contract, **between July 1, 2021 and December 31, 2021**, not compounded, from (b) the percent by which the PPO premium exceeds the 2022 Baseline Premium.
- d. If the Union and the State cannot agree upon plan design changes or other cost-saving measures that would reduce the API to at least a 0% increase over the Preliminary Baseline Premium by the September 1 preceding the start of the 2022 plan year, then an Escalator shall be applied to employee contribution rates. The Escalator to be applied to employee contribution rates shall be the percentage by which the API exceeds the Preliminary Baseline Premium. Any increase in employee contributions will be effective the first pay period of the 2022 plan year.

Each subsequent plan year's PPO Plan's premium cost will be compared with previous year's PPO Plan's premium cost which will become the new Baseline Premium. The same process and methodology shall be used to review, and if necessary adjust, employee contributions rates, every year thereafter.

### 8. Article XIV – Salary Compensation Plan and Program

The Salary Compensation Plan and Program as set forth in Article XIV shall be carried forward except as modified by the following:

Wage increases:

1. Effective and retroactive to first pay period following October 1, 2019, there shall be a 2% increase to Rangers 17, 18, 19, 20, 21 and 23 at each step of the salary schedules.
2. Effective and retroactive to first pay period following July 1, 2021, there shall be a 2% increase to Rangers 17, 18, 19, 20, 21 and 23 at each step of the salary schedules.

3. Effective and retroactive to first pay period following December 1, 2021, there shall be a 2% increase to Rangers 17, 18, 19, 20, 21 and 23 at each step of the salary schedules.
4. Effective and retroactive to first pay period following July 1, 2022, there shall be a 2% increase to Rangers 17, 18, 19, 20, 21 and 23 at each step of the salary schedules.
5. Normal increments will be paid to eligible employees on their anniversary dates.
6. Effective first full pay period after January 1, 2023, there shall be a wage adjustment of 3.75% to all steps in all titles and ranges.
7. The salary increases and wage adjustment shall be retroactive to their affective dates but shall not be applicable to unit employees who were no longer employed by the State prior to the effective date of this Award except for employees who have retired on a normal or disability pension.
8. The revised salary schedules are set forth below:

| <b>Range 17 SLEU</b>        | <b>2018 Existing</b> | <b>10/1/19 2%</b> | <b>7/1/21 2%</b> | <b>12/1/21 2%</b> | <b>7/1/22 2%</b> | <b>1/1/23 Eq. Adj 3.75%</b> |
|-----------------------------|----------------------|-------------------|------------------|-------------------|------------------|-----------------------------|
| <i>Probationary/Recruit</i> | \$40,000.00          | \$40,800.00       | \$41,616.00      | \$42,448.32       | \$43,297.29      | \$44,920.93                 |
| <i>Step 1:</i>              | \$53,548.14          | \$54,619.10       | \$55,711.48      | \$56,825.71       | \$57,962.23      | \$60,135.81                 |
| <i>Step 2:</i>              | \$56,228.63          | \$57,353.20       | \$58,500.27      | \$59,670.27       | \$60,863.68      | \$63,146.07                 |
| <i>Step 3:</i>              | \$58,909.12          | \$60,087.30       | \$61,289.05      | \$62,514.83       | \$63,765.13      | \$66,156.32                 |
| <i>Step 4:</i>              | \$61,589.61          | \$62,821.40       | \$64,077.83      | \$65,359.39       | \$66,666.57      | \$69,166.57                 |
| <i>Step 5:</i>              | \$64,270.10          | \$65,555.50       | \$66,866.61      | \$68,203.94       | \$69,568.02      | \$72,176.82                 |
| <i>Step 6:</i>              | \$66,950.59          | \$68,289.60       | \$69,655.39      | \$71,048.50       | \$72,469.47      | \$75,187.08                 |
| <i>Step 7:</i>              | \$69,631.08          | \$71,023.70       | \$72,444.18      | \$73,893.06       | \$75,370.92      | \$78,197.33                 |
| <i>Step 8:</i>              | \$72,311.57          | \$73,757.80       | \$75,232.96      | \$76,737.62       | \$78,272.37      | \$81,207.58                 |
| <i>Step 9:</i>              | \$76,491.90          | \$78,021.74       | \$79,582.17      | \$81,173.82       | \$82,797.29      | \$85,902.19                 |
| <i>Step 10:</i>             | \$82,023.17          | \$83,663.63       | \$85,336.91      | \$87,043.64       | \$88,784.52      | \$92,113.94                 |

| <b>Range 18 SLEU</b> | <b>2018 Existing</b> | <b>10/1/19 2%</b> | <b>7/1/21 2%</b> | <b>12/1/21 2%</b> | <b>7/1/22 2%</b> | <b>1/1/23 Eq. Adj 3.75%</b> |
|----------------------|----------------------|-------------------|------------------|-------------------|------------------|-----------------------------|
| <i>Step 1:</i>       | \$56,228.63          | \$57,353.20       | \$58,500.27      | \$59,670.27       | \$60,863.68      | \$63,146.07                 |
| <i>Step 2:</i>       | \$59,038.97          | \$60,219.75       | \$61,424.14      | \$62,652.63       | \$63,905.68      | \$66,302.14                 |
| <i>Step 3:</i>       | \$61,849.32          | \$63,086.31       | \$64,348.03      | \$65,634.99       | \$66,947.69      | \$69,458.23                 |
| <i>Step 4:</i>       | \$64,659.66          | \$65,952.85       | \$67,271.91      | \$68,617.35       | \$69,989.70      | \$72,614.31                 |
| <i>Step 5:</i>       | \$67,470.01          | \$68,819.41       | \$70,195.80      | \$71,599.71       | \$73,031.71      | \$75,770.40                 |
| <i>Step 6:</i>       | \$70,280.36          | \$71,685.97       | \$73,119.69      | \$74,582.08       | \$76,073.72      | \$78,926.49                 |
| <i>Step 7:</i>       | \$73,090.70          | \$74,552.51       | \$76,043.56      | \$77,564.44       | \$79,115.72      | \$82,082.56                 |

|                 |             |             |             |             |             |             |
|-----------------|-------------|-------------|-------------|-------------|-------------|-------------|
| <i>Step 8:</i>  | \$75,901.05 | \$77,419.07 | \$78,967.45 | \$80,546.80 | \$82,157.74 | \$85,238.65 |
| <i>Step 9:</i>  | \$80,285.62 | \$81,891.33 | \$83,529.16 | \$85,199.74 | \$86,903.74 | \$90,162.63 |
| <i>Step 10:</i> | \$86,087.96 | \$87,809.72 | \$89,565.91 | \$91,357.23 | \$93,184.38 | \$96,678.79 |

**Range 19 SLEU**      **2018 Existing**      **10/1/19 2%**      **7/1/21 2%**      **12/1/21 2%**      **7/1/22 2%**      **1/1/23 Eq. Adj 3.75%**

|                 |             |             |             |             |             |              |
|-----------------|-------------|-------------|-------------|-------------|-------------|--------------|
| <i>Step 1:</i>  | \$59,038.97 | \$60,219.75 | \$61,424.14 | \$62,652.63 | \$63,905.68 | \$66,302.14  |
| <i>Step 2:</i>  | \$61,989.72 | \$63,229.51 | \$64,494.10 | \$65,783.99 | \$67,099.67 | \$69,615.90  |
| <i>Step 3:</i>  | \$64,940.46 | \$66,239.27 | \$67,564.05 | \$68,915.34 | \$70,293.64 | \$72,929.65  |
| <i>Step 4:</i>  | \$67,891.21 | \$69,249.03 | \$70,634.01 | \$72,046.70 | \$73,487.63 | \$76,243.42  |
| <i>Step 5:</i>  | \$70,841.96 | \$72,258.80 | \$73,703.98 | \$75,178.05 | \$76,681.62 | \$79,557.18  |
| <i>Step 6:</i>  | \$73,792.70 | \$75,268.55 | \$76,773.93 | \$78,309.40 | \$79,875.59 | \$82,870.93  |
| <i>Step 7:</i>  | \$76,743.45 | \$78,278.32 | \$79,843.89 | \$81,440.76 | \$83,069.58 | \$86,184.69  |
| <i>Step 8:</i>  | \$79,694.19 | \$81,288.07 | \$82,913.84 | \$84,572.11 | \$86,263.55 | \$89,498.44  |
| <i>Step 9:</i>  | \$84,297.84 | \$85,983.80 | \$87,703.47 | \$89,457.54 | \$91,246.69 | \$94,668.44  |
| <i>Step 10:</i> | \$90,390.09 | \$92,197.89 | \$94,041.85 | \$95,922.69 | \$97,841.14 | \$101,510.18 |

**Range 20 SLEU**      **2018 Existing**      **10/1/19 2%**      **7/1/21 2%**      **12/1/21 2%**      **7/1/22 2%**      **1/1/23 Eq. Adj 3.75%**

|                 |             |             |             |              |              |              |
|-----------------|-------------|-------------|-------------|--------------|--------------|--------------|
| <i>Step 1:</i>  | \$61,989.72 | \$63,229.51 | \$64,494.10 | \$65,783.99  | \$67,099.67  | \$69,615.90  |
| <i>Step 2:</i>  | \$65,090.95 | \$66,392.77 | \$67,720.62 | \$69,075.04  | \$70,456.54  | \$73,098.66  |
| <i>Step 3:</i>  | \$68,192.19 | \$69,556.03 | \$70,947.15 | \$72,366.10  | \$73,813.42  | \$76,581.42  |
| <i>Step 4:</i>  | \$71,293.43 | \$72,719.30 | \$74,173.68 | \$75,657.16  | \$77,170.30  | \$80,064.19  |
| <i>Step 5:</i>  | \$74,394.66 | \$75,882.55 | \$77,400.20 | \$78,948.21  | \$80,527.17  | \$83,546.94  |
| <i>Step 6:</i>  | \$77,495.90 | \$79,045.82 | \$80,626.73 | \$82,239.27  | \$83,884.05  | \$87,029.71  |
| <i>Step 7:</i>  | \$80,597.13 | \$82,209.07 | \$83,853.25 | \$85,530.32  | \$87,240.93  | \$90,512.46  |
| <i>Step 8:</i>  | \$83,698.37 | \$85,372.34 | \$87,079.78 | \$88,821.38  | \$90,597.81  | \$93,995.23  |
| <i>Step 9:</i>  | \$88,535.59 | \$90,306.30 | \$92,112.43 | \$93,954.68  | \$95,833.77  | \$99,427.54  |
| <i>Step 10:</i> | \$94,936.40 | \$96,835.13 | \$98,771.83 | \$100,747.27 | \$102,762.21 | \$106,615.80 |

**Range 21 SLEU**      **2018 Existing**      **10/1/19 2%**      **7/1/21 2%**      **12/1/21 2%**      **7/1/22 2%**      **1/1/23 Eq. Adj 3.75%**

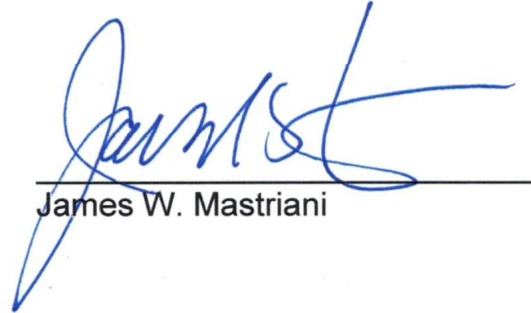
|                 |             |              |              |              |              |              |
|-----------------|-------------|--------------|--------------|--------------|--------------|--------------|
| <i>Step 1:</i>  | \$65,090.95 | \$66,392.77  | \$67,720.62  | \$69,075.04  | \$70,456.54  | \$73,098.66  |
| <i>Step 2:</i>  | \$68,348.14 | \$69,715.10  | \$71,109.40  | \$72,531.59  | \$73,982.22  | \$76,756.56  |
| <i>Step 3:</i>  | \$71,605.33 | \$73,037.44  | \$74,498.19  | \$75,988.15  | \$77,507.91  | \$80,414.46  |
| <i>Step 4:</i>  | \$74,862.52 | \$76,359.77  | \$77,886.97  | \$79,444.71  | \$81,033.60  | \$84,072.36  |
| <i>Step 5:</i>  | \$78,119.71 | \$79,682.10  | \$81,275.75  | \$82,901.26  | \$84,559.29  | \$87,730.26  |
| <i>Step 6:</i>  | \$81,376.90 | \$83,004.44  | \$84,664.53  | \$86,357.82  | \$88,084.97  | \$91,388.16  |
| <i>Step 7:</i>  | \$84,634.09 | \$86,326.77  | \$88,053.31  | \$89,814.37  | \$91,610.66  | \$95,046.06  |
| <i>Step 8:</i>  | \$87,891.28 | \$89,649.11  | \$91,442.09  | \$93,270.93  | \$95,136.35  | \$98,703.96  |
| <i>Step 9:</i>  | \$92,971.44 | \$94,830.87  | \$96,727.49  | \$98,662.04  | \$100,635.28 | \$104,409.10 |
| <i>Step 10:</i> | \$99,693.56 | \$101,687.43 | \$103,721.18 | \$105,795.60 | \$107,911.52 | \$111,958.20 |

**Range 23 SLEU**      **2018 Existing**      **10/1/19 2%**      **7/1/21 2%**      **12/1/21 2%**      **7/1/22 2%**      **1/1/23 Eq. Adj 3.75%**

|                |             |             |             |             |             |              |
|----------------|-------------|-------------|-------------|-------------|-------------|--------------|
| <i>Step 1:</i> | \$71,766.28 | \$73,201.61 | \$74,665.64 | \$76,158.95 | \$77,682.13 | \$80,595.21  |
| <i>Step 2:</i> | \$75,355.90 | \$76,863.02 | \$78,400.28 | \$79,968.28 | \$81,567.65 | \$84,626.44  |
| <i>Step 3:</i> | \$78,945.52 | \$80,524.43 | \$82,134.92 | \$83,777.62 | \$85,453.17 | \$88,657.66  |
| <i>Step 4:</i> | \$82,535.14 | \$84,185.84 | \$85,869.56 | \$87,586.95 | \$89,338.69 | \$92,688.89  |
| <i>Step 5:</i> | \$86,124.76 | \$87,847.26 | \$89,604.20 | \$91,396.28 | \$93,224.21 | \$96,720.12  |
| <i>Step 6:</i> | \$89,714.38 | \$91,508.67 | \$93,338.84 | \$95,205.62 | \$97,109.73 | \$100,751.35 |

|          |              |              |              |              |              |              |
|----------|--------------|--------------|--------------|--------------|--------------|--------------|
| Step 7:  | \$93,304.00  | \$95,170.08  | \$97,073.48  | \$99,014.95  | \$100,995.25 | \$104,782.57 |
| Step 8:  | \$96,893.62  | \$98,831.49  | \$100,808.12 | \$102,824.28 | \$104,880.77 | \$108,813.80 |
| Step 9:  | \$102,492.91 | \$104,542.77 | \$106,633.62 | \$108,766.30 | \$110,941.62 | \$115,101.93 |
| Step 10: | \$109,902.24 | \$112,100.28 | \$114,342.29 | \$116,629.14 | \$118,961.72 | \$123,422.78 |

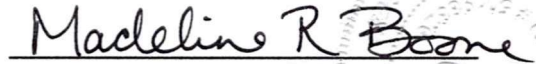
Dated: November 27, 2023  
Lincroft, New Jersey



James W. Mastriani

State of New Jersey        }  
County of Monmouth       }ss:

On this 27<sup>th</sup> day of November, 2023, 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  
NOTARY PUBLIC  
State of New Jersey  
ID # 50198320  
My Commission Expires 6/23/2027

