



Amended Provisions to Interest Arbitration Awards

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On June 24, 2014, Governor Christie signed into law Bill A-3424, amending the provisions of Arbitration Reform Bill A-3393. Genova Burns Giantomasi Webster, as labor counsel to the League of Municipalities and New Jersey Association of Counties, provided counsel throughout the legislative process leading to this compromise bill.

The new bill comes into effect immediately and will get rid of the “one-bite-at-the-apple” provision, allow for compound awards, and extend various deadlines in the arbitration process.

Specifically, the reforms will provide for:

- *Extension of the 2% Cap on Arbitration Awards*
Extends the 2% cap on salary increases in arbitration awards until December 31, 2017, to apply retroactively to April 1, 2014 when cap under the original bill became inoperative. The cap will continue to not apply to non-salary economic issues, such as paid time off, health/medical benefits, pension costs, etc.
- *Elimination of the “one-bite at the apple” provision*
Eliminate the provision that if a municipality previously received the benefit of the 2% hard cap that it would be ineligible to utilize the cap in future negotiations.
- *Compound Awards*
Allows for an arbitrator to still distribute the aggregate monetary value of awards over the term of the Agreement at the rate of 2% per year but will now allow for awards to be compounded from year to year rather than based exclusively on the 12 months preceding the expiration of the collective negotiations agreement.
- *A Mandatory Mediation Session*
Requires an arbitrator to conduct an initial meeting as a mediation session upon the filing of a petition with PERC.
- *An Extended Deadline to Render Decisions*
Requires arbitrators to render an opinion and award within 90 calendar days, as opposed to the previous 45.
- *A Lengthened Ability to Appeal*



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Allows aggrieved parties to file an appeal of an award within 14 calendar days as opposed to the previous 7 calendar days as well as extend the commission's deadline to render a decision on the filing of an appeal to 60 calendar days from the previous 30 calendar days.

- *An Increase of the Cap on Arbitrator's Fees*
Requires that an arbitrator's fees not exceed \$10,000, as opposed to the previous \$7,500.
- *Continuation of the Arbitration Task Force*
Requires the task force to report its findings annually, with its last report due on or before December 31, 2017.

Should you need assistance or have any questions, please contact Brian W. Kronick or Joseph M. Hannon of our Public Sector Labor Group at (973) 535-7112 or you can e-mail them at bkronick@genovaburns.com or jhannon@genovaburns.com

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