Office of Legislative Services  
FY 2011 Budget Hearings  
Questions Regarding PERC

7. The Governor’s Department of Labor and Workforce Development Transition subcommittee also made certain recommendations in January, 2010 regarding the New Jersey Public Employment Relations Commission (PERC), an entity in, but not of, the department. These recommendations included: appointment “strong qualified” individuals to the commission; amending the interest arbitration statute; charging a filing fee for “unfair practice suits;” creating specific criteria that outline the role of neutral arbitrators in PERC; and creating specific criteria for neutral arbitrators to use in awarding public contract disputes. Mid year FY 2010 budget adjustments authorized a reduction of $106,000 or 3 percent from PERC’s FY 2010 appropriation of $3.481 million.

Question: Please update the Legislature on the department’s progress on each of these recommendations. Please include any further changes that have been initiated by the department but were not addressed in the transition report. Please detail the effects of the budget reductions on PERC operations.

Answers:

7.A Appointing strong qualified individuals to Commission

The agency has no role and takes no position on appointees to be members of the seven person tri-partite Commission. Members of the Commission are appointed by the Governor, by and with the advise and consent of the Senate in accordance with N.J.S.A. 34:13A-5.2.

7.B Amending the interest arbitration statute

As a neutral labor relations agency, PERC is statutorily charged with administering the New Jersey Employer-Employee Relations Act, N.J.S.A. 34:13A-1 et seq. “The Act” includes interest arbitration for eligible police and fire employees as defined within the Act. PERC does not initiate, endorse or oppose legislation. The agency provides “technical advice” upon request in keeping with its strict neutrality and ethical standards. Executive or legislative initiatives lead to amendments to the Act.

7.C Charging a filing fee for “unfair practices suits”

As stated in 7.B above, PERC does not initiate, endorse or oppose legislation to amend the Act. Such actions are initiated by the Governor’s Office or Legislature.

7.D Creating specific criteria that outline the role of neutral arbitrators in PERC

The authority and functions of interest arbitrators are set forth in N.J.S.A. 34:13A-14a et seq. PERC does not initiate, endorse or oppose legislative changes.
7.E Creating specific criteria for neutral arbitrators to use in awarding public contract disputes

Contract impasses subject to compulsory interest arbitration between public employers and the exclusive representative of its employees are statutorily available only to police and firefighter units as defined under L. 1977, c. 85, effective May 10, 1977 and amended by L. 1995, c. 425, effective January 10, 1996. The 1996 amendment known as the “Police and Fire Public Interest Arbitration Reform Act, N.J.S.A. 34:13A-14a, included eight statutory criteria an arbitrator must address in deciding a dispute. A ninth statutory criterion was added under L. 2007, c. 62, effective April 3, 2007. These nine criteria are set forth in N.J.S.A. 34:13A-16g.

PERC, as a neutral labor relations agency, is responsible for administering the interest arbitration statute as enacted. Any amendments originate with the Governor’s Office or Legislature. See Section 7.B herein for details.

7.F Mid-year FY2010 budget adjustments authorized a reduction of $106,000 or 3% from PERC’s FY2010 of $3.481 million

PERC has been able to achieve the FY 2010 budget reductions through salary account savings resulting from the retirement of the PERC Chairman and no replacement commencing employment to date combined with an employee taking an extended leave of absence without pay. Also, significant savings have been achieved by suspending ad hoc mediation appointments in contract impasses beginning in November 2009 for the balance of FY 2010. The aforementioned action has resulted in significant delays in providing mediators in contract impasses and corresponding delays in resolving such disputes. Similar delays in rendering decisions in certain other cases have occurred due to the temporary loss of the two employees referenced above. These delays have caused increased case backlog.