

In the Matter of Interest Arbitration Between:

STATE OF NEW JERSEY

“State”

- and -

PBA LOCAL 105

“Union”

Docket No. IA-2008-014

**INTEREST ARBITRATION
DECISION AND
AWARD**

**Before
James W. Mastriani
Arbitrator**

Appearances:

For the State:

Douglas E. Solomon, Esq., of counsel
Caroline Buccerone, Esq., on the brief
Genova, Burns & Vernoia

For the PBA:

James M. Mets, Esq., of counsel and on the brief
Jordan Kaplan, Esq., of counsel
Mets, Schiro & McGovern, LLP

I was appointed on May 22, 2008 to serve as interest arbitrator to hear and decide unresolved issues arising from an impasse in negotiations between the State of New Jersey/Department of Corrections [the "State"] and PBA Local 105 [the "PBA" or the "Union"].

I conducted three pre-interest arbitration mediation sessions on June 23, July 8 and July 29, 2008. At these sessions, the parties reached agreement on most non-economic issues but differences remained on key economic issues. In the absence of a voluntary agreement on all issues, interest arbitration hearings were required. Hearings were held on September 2, 16, 17, October 16, 22, 27 & 28, 2008. During the hearings, substantial testimony and documentary evidence was received into the record. PBA testimony was provided by Corrections Officer Michael Mammen, Correction Officer Juan Bravo, Senior Corrections Officer Edward Murphy, Senior Corrections Officer Aaron Jerome Swann, Senior Corrections Officer Aaron Dowdy, Senior Corrections Officer Lance Lopez, Sr., Kipley John Astrom, Senior Parole Officer, and Lou Amato, Employee Benefits Consultant – Egan, Amato and O'Connor and Joseph R. Petrucelli, Forensic Certified Public Accountant. The State offered testimony from Susan Marsh, Employee Benefits Consultant – AON Consultants, Charlene Holzbaur, Director, Office of Management and Budget – State of New Jersey, Dr. Ranjana Madhusudhan, Assistant Director, Division of Taxation, New Jersey

Department of Treasury and Director, Office of Revenue and Economic Analysis, and David B. Beckett, Director, Governor's Office of Employee Relations.

At the conclusion of the hearings, a briefing schedule was set. In the interim, the State filed a motion on December 5, 2008 to revise its final offer to include a wage freeze for fiscal year 2010 (contract year July 1, 2009 through June 30, 2010) based upon a claim that it was experiencing an increasingly severe revenue shortfall that grew substantially after the original submission of final offers prior to the taking of testimony. These "budgetary/revenue realities" were asserted to be central to the State's ability to fund a final offer.

On December 12, 2008, the PBA filed a Statement in Opposition to the State's motion. Citing N.J.A.C. 19:16-5.7(f), the PBA contended that this rule prohibits such revision, absent an agreement between the parties, before the close of hearing. Because it had not agreed, the PBA sought the denial of the State's motion. On December 13, 2008, I denied the State's motion because the above cited rule precluded the acceptance of unilaterally made final offer revisions under the circumstances that were present when the State's motion was filed. I did, however, receive supplemental exhibits into the record from both parties that included, among other things, financial and economic data. The record was closed upon receipt of post-hearing briefs on or about February 2, 2009.

FINAL OFFERS OF THE PARTIES

Prior to the commencement of the initial formal hearing, the State and the PBA submitted their respective final offers:

PBA Local 105

1. **ARTICLE XLVIII, Term of Agreement**

This contract shall become effective on July 1, 2007 and shall remain in full force and effect until June 30, 2011.

The contract shall automatically be renewed from year to year thereafter unless either party shall give written notice of its desire to terminate, modify or amend the Agreement. Such notice shall be by certified mail prior to October 1, 2010 or October 1 of any succeeding year.

2. **ARTICLE XIV, Salary Compensation Plan and Program**

B. Compensation Adjustment

It is agreed that 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. Subject to the State Legislature enacting appropriations 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 enactment of the appropriation:

a. For corrections employees, the attached spreadsheet shall apply. For non-corrections employees, effective July 1, 2007, there shall be a five percent (5.0%) across-the-board increase applied to the then current base salary for all employees in the bargaining unit. Also, for non-corrections employees, effective and retroactive to July 1, 2007 and thereafter, an officer first step class shall be implemented with a base pay that shall be 2.50% above top pay.¹ For all employees,

¹ Eligibility for 1st Class status shall be in accordance with the requirements set forth on the attached spreadsheet.

the State Compensation Plan Salary schedule shall be adjusted in accordance with established procedures to incorporate these increases for each Step of each salary range. Each employee shall receive the increase by remaining at the step in the range occupied prior to the adjustment.

- b. For corrections employees, the attached spreadsheet shall apply. For non-corrections employees, effective July 1, 2008, there shall be a five percent (5.0%) across-the-board increase applied to the base salary in effect on June 30, 2008 for all employees in the bargaining unit. For all employees, the State Compensation Plan Salary schedule shall be adjusted in accordance with established procedures to incorporate the increase by remaining at the Step in the range occupied prior to the adjustment. Each employee shall receive the increase by remaining at the Step in the range occupied prior to the adjustments.
- c. For corrections employees, the attached spreadsheet shall apply. For non-corrections employees, effective July 1, 2009, there shall be a five and one-half percent (5.5%) across-the-board increase applied to the base salary in effect on June 30, 2009 for all employees in the bargaining unit. For all employees, the State Compensation Plan Salary schedule shall be adjusted in accordance with established procedures to incorporate the increase by remaining at the Step in the range occupied prior to the adjustment. Each employee shall receive the increase by remaining at the Step in the range occupied prior to the adjustment.
- d. For corrections employees, the attached spreadsheet shall apply. For non-corrections employees, effective July 1, 2010, there shall be a five and one-half percent (5.50%) across-the-board increase applied to the base salary in effect on June 30, 2010 for all employees in the bargaining unit. For all employees, the State Compensation Plan Salary schedule shall be adjusted in accordance with established procedures to incorporate the increase by remaining at the Step in the range occupied prior to the adjustment. Each employee shall receive the increase by remaining at the Step in the range occupied prior to the adjustment.

- e. Effective July 1, 2006, a 10th Step shall be added to the salary range. Employees who have been at the top of the range (Step 9) for a period of at least 18 months shall be eligible for the additional increment. For custodial Officers hired on or after the date of the Interest Arbitration Award, this section shall apply to Steps 10 and 11.
2. The wage increases as set forth above shall become effective as soon as administratively feasible, but no later than thirty (30) days after the ratification of this agreement. These wage increases shall be retroactive to July 1, 2007.
 3. Normal increments shall be paid to all employees eligible for such increments within the policies of the State Compensation Plan.
 5. Effective and retroactive to July 1, 2007, employees who have been at the eighth step of the same range for 12 months or longer shall be eligible for movement to the ninth step providing their performance warrants this salary adjustment. For custodial officers hired on or after the date of the Interest Arbitration Award, this section shall apply to Steps 9 and 10.

D. Dental Plan

Full-time employees and eligible dependents shall be eligible for the State-administered Dental Care Program. Retirees shall be eligible for the Dental Care Program under the same terms as active employees.

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.

E. Eye Care Plan

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 dependents to receive a \$40.00 payment for prescription eye glasses with regular lenses and a \$45.00 payment for eye glasses with bi-focal lenses. Effective and July 1, 2008, the \$40.00 and \$45.00 payments shall each be increased to \$60.00. Each eligible employee and dependent may receive only one payment per participant, per year. The extension of benefits to dependents shall be effective only after the employee has been continuously employed for a minimum of sixty (60) days.

Full-time employees and eligible dependents as defined above shall be eligible for a maximum payment of \$35.00 or the cost, whichever is less, of an eye examination by an Ophthalmologist or an Optometrist. Effective July 1, 2008, the \$35.00 payment shall each be increased to \$60.00 per year, per participant.

3. **ARTICLE XXIII, Special Leave**

F. (New Paragraph) Whenever the President of the United States, Governor of the State of New Jersey, or other appropriate authority declares a holiday or otherwise grants time off to non-essential State personnel, all officers in the bargaining unit shall receive an equal amount of compensatory time.

4. **ARTICLE (New), Longevity**

All Officers shall receive longevity increase to their base pay as follows:

After completion of 5 years	4%
After completion of 10 years	6%
After completion of 15 years	8%
After completion of 20 years	10%

Longevity pay shall be part of an officer's base pay for all purposes and shall be paid in equal installments in an officer's regular payroll check.

5. **ARTICLE XXXIX, Uniform Allowance**

The State agrees to continue its practice of making initial issues of uniforms to all new employees in this unit.

Non-Corrections: The State agrees to provide a cash payment as follows for uniform maintenance: \$1685.00 retroactive to January 2008, \$1885.00 in January 2009, \$2085 in January 2010, and \$2285.00 in January 2011 and thereafter.

Corrections: Employees serving in the titles of Correction Officers Recruit, Senior Correction Officer, Correction Officer Recruit, Juvenile Justice and Senior Correction Officer, Juvenile Justice will be granted, in lieu of any uniform allowances other than the initial issues, the following cash payments: \$1055.00 retroactive to July 1, 2007, \$1055.00 in January 2008, \$1255.00 in July 2008, \$1255.00 in January 2009, \$1455 in July 2009, \$1455.00 in January 2010, \$1655 in July 2010 and \$1655.00 in January 2011 and each July and January thereafter.

6. **ARTICLE XXIX, Overtime**

B. 5. (New) Any officer who is called in prior to or after his shift

or on his day off shall be guaranteed four (4) hours of pay at time and one half and shall be allowed to leave upon completion of his assignment.

7. **ARTICLE XX, Compensatory Time Off**

A. An employee has the option to elect to take cash overtime payment or compensatory time. When employees accumulate compensatory time balances, the administrative procedures of the department involved shall be followed to assure the employee that such compensatory balances will not be taken away but will be scheduled as time off or alternatively paid in cash.

8. **ARTICLE XXVI, LEAVE FOR NJSCA ACTIVITY**

Add to paragraph A the following: In addition, the State agrees to provide full Union release time for a Union representative/designee employed as a Senior Parole Officer. Said person shall be designated by the Executive Board of PBA Local 326 and shall placed on a Monday through Friday schedule..

9. **ARTICLE XXVIII, HOURS OF WORK**

Add a new paragraph I as follows: Effective July 1, 2009, all Senior Parole Officers and Parole Officer Recruits (including JJC) shall work an eight (8) hour day, inclusive of a ½ hour paid lunch break.

The State of New Jersey

1. **Term** – Article XLVIII – July 1, 2007 to June 30, 2011
2. **Wages** – Article XIV – Compensation Plan and Program

Base wage rates shall be increased over the term of this agreement as follows:

- a. Effective retroactive to first full pay period in July 2007 – 3.0%
- b. Effective retroactive to first full pay period in July 2008 – 3.0%
- c. Effective first full pay period in July 2009 – 3.5%
- d. Effective first full pay period in July 2010 – 3.5%

3. **Fringe Benefits** – Amend Article XXXVIII:

- a. **Healthcare Contributions:**

For employees hired on or after July 1, 2007: Effective retroactive to the first full pay period of September 2007 and continuing

through the term of the Agreement, all employees hired on or after July 1, 2007 shall be required to pay 1.5% of their annual base salary as a contribution to be used for the purpose of sharing the cost of health benefits provided by the State. The parties agree that there shall be no open enrollment period triggered by this contribution. The parties agree that should such an employee voluntarily waive all coverage under the State Health Benefits Plan ("SHBP") and provide a certification to the State that he/she has other health insurance coverage, the State will waive the 1.5% Health Insurance contribution for that employee.

For employees hired prior to July 1, 2007: Effective retroactive to the first full pay period of September 2007 and continuing through the term of the Agreement, all employees hired prior to July 1, 2007 shall make a contribution, as a deduction from each paycheck, for the purpose of sharing the cost of health benefits provided by the State. The parties agree that there shall be no open enrollment period triggered by this contribution. The amount of the contribution per bi-weekly pay shall be as set forth below:

Effective Date (First Full Pay Period of)	Individual Plan	Parent/Child Plan	Family or Employee/ Spouse Plan
September 2007	\$20.00	\$30.00	\$40.00
January 2009	\$26.00	\$39.00	\$49.00

The parties agree that should such an employee voluntarily waive all coverage under the State Health Benefits Plan ("SHBP") and provide a certification to the State that he/she has other health insurance coverage, the State will waive the 1.5% Health Insurance contribution for that employee.

If an employee is on leave without pay from which the above-referenced deductions are made, the employee shall be required to contribute the above referenced amount and shall be billed by the State. If payment is not made in a timely manner coverage will cease.

- b. Establishment of PPO Plan: Effective as soon as practicable following ratification, and as soon thereafter as an open enrollment period is held by the SHBP, active eligible employees will be able to elect to participate in a PPO (referred to as "NJ Direct 15") or in an HMO offered by SHBC. Once active eligible employees are able to elect to participate in the NJ Direct 15 Plan, the NJ Plus Plan shall no longer be available to any bargaining unit employees. Thus,

effective as soon as practicable following ratification, employees will be able to elect to enroll in either NJ Direct 15 or an HMO.

- c. Co-Pays: Effective January 1, 2009, or as soon as practicable after issuance of the interest arbitration award, in-network doctor visit co-pays, including specialist co-pays, will increase from \$10 to \$15. There will be a co-pay of \$15 for the first in-network prenatal visit; subsequent in-network prenatal visits are 100% covered. The emergency room co-pay will increase from \$25 to \$50, which is waived if admitted. These increases shall be imposed regardless of whether an open enrollment period allowing an election of NJ Direct 15 has been held; such increases, therefore, are applicable to all healthcare plans, including the existing NJ Plus and HMO coverage, as well as to NJ Direct 15 once applicable.
- d. Prescription Drug Co-pays: Effective January 1, 2009, or as soon as practicable after issuance of the interest arbitration award, the co-pays for prescription drugs shall be as follows:

	Non Mail Order	90-Day Mail Order
Generics	\$3.00	\$5.00
Brand names where there is no generic equivalent and brand names where the employee's doctor certifies that the employee is medically unable to take the generic version of the medication	\$10.00	\$15.00
Brand names where there is a generic equivalent, unless the employee meets the standard set forth above	\$25.00	\$40.00

Dispute resolution mechanism for generic claims:

In the event that an employee's physician certifies that the employee is medically unable to take the generic version of medication, said certification shall be sent to the employee's carrier for review utilizing procedures for approval of said certification that are consistent with those for the approval of treatment or service by the carrier. Appeals from the decisions by the carrier shall be consistent with the internal appeal process of each carrier. Any such decision is not subject to the grievance procedure in this contract.

Retiree Health Benefits:

1. Employees who accrue 25 years of pension credit service after June 30, 2007 and before June 30, 2011 or who retire on a disability pension after June 30, 2007 and before June 30, 2011, will be eligible to receive post retirement medical benefits ("PRM") in accordance with the terms set forth in the parties' 2007-2011 collective negotiations agreement. such employees will be eligible to participate in NJ Plus, until it is replaced by a PPO (NJ Direct 15), and thereafter in the PPO (NJ Direct 15), or in an HMO without paying for such coverage provided the employee participates in the Wellness program for retirees as set forth below.
2. Wellness Program: The employees shall be eligible to participate in a Retiree Wellness program, which shall provide for health assessments of the retiree to promote wellness and prevent disease. The Wellness program is to be established on or about April 1, 2008. when such a program is established, the employee who retires after having accrued 25 years of service on or after July 1, 2007 and before June 30, 2011 shall be required to participate in the Wellness program. In the event the program is established and the retiree does not participate during a given year, the retiree shall be required to pay 1.5% of their monthly pension benefit as a contribution to the cost of health benefits to retain such coverage for the remainder of that year.
3. Employees who retire having accrued 25 years of pension service credit on or before June 30, 2007 shall receive post retirement medical benefits without the requirement of participation in a Retiree Wellness program or without requirement to pay any contribution toward the cost of health benefits.
4. Uniform Allowance – Article XXXIX: Amend the uniform allowance to provide the amounts shown below for those bargaining unit employees with at least one (1) year of service as of the last day of the month preceding the following dates:

Effective Date	Corrections & JJC Titles	Uniform Allowance
July 2007	\$855.00	\$1,485.00
January 2008	\$855.00	
July 2008	\$855.00	\$1,485.00
January 2009	\$855.00	
July 2009	\$867.50	\$1,510.00

January 2010	\$867.50	
July 2010	\$880.00	\$1,535.00
January 2010	\$880.00	

5. Article XIV, Trainee Stipends: Effective first full pay period following the issuance of the arbitration award, increase Recruit stipend to \$550.00 per week; effective 7/1/09 increase to \$575.00 per week; effective 7/1/10 increase to \$600.00 per week;

Effective first full pay period following issuance of the interest arbitration award change Correction Officer Recruit (DOC and JJC) salary to \$40,000 and keep it at \$40,000 through term of this Agreement.

BACKGROUND

The backdrop to this impasse has an unusual history. The last collective negotiations agreement [the "Agreement"] covering unit employees had effective dates of July 1, 2003 through June 30, 2007. That Agreement was negotiated between the State of New Jersey and FOP Lodge 200. A representation challenge to the FOP's status was initiated by the PBA. After a P.E.R.C. conducted election, the PBA replaced the FOP as the certified exclusive representative for unit employees. The PBA then commenced negotiations with the State for a new labor agreement. A tentative agreement was reached between the State and the PBA on September 26, 2007 resulting in a Memorandum of Agreement [the "MOA"]. The MOA was rejected by the PBA membership after a ratification vote. The record reflects that the underlying discontent with the MOA by the membership was the issue of contributions toward health insurance. On this issue, there would have been a 1.5% contribution for employees hired on or after July 1, 2007 and graduated dollar

contributions up to \$49 per pay period for family coverage per pay period for employees hired before July 1, 2007. After the rejection of the MOA, and prior to continuing negotiations, a representation petition was filed by FOP Lodge 200 in an effort to replace the PBA as the majority representative. The PBA prevailed in a P.E.R.C. conducted representation election. Thereafter, the State and the PBA resumed negotiations. Those negotiations led to the impasse that resulted in the filing of the interest arbitration petition and the institution of these proceedings.

The bargaining unit represented by PBA Local 105 consists of Correction Officer Recruits, Parole Officer Recruit, Correction Officer Recruit JJC, Senior Correction Officer, Senior Correction Officer JJC, Senior Parole Officer, Senior Parole Officer JJC, Senior Interstate Escort Officers.

There are over 6,600 employees in the bargaining unit. At the hearings, the PBA presented the testimony of several Correction Officers and a Parole Officer. Their testimony centered on the training, qualifications, duties and dangers concerning the work performed by unit personnel. New Jersey Department of Personnel ("DOP") Job Specifications for each title was submitted into evidence. They are as follows:

Senior Correction Officer

As assigned, has responsibility for the custody of a group of inmates in a wing, housing unit, kitchen, or on relief assignment in one of these areas. May be responsible for specialized assignments in Center, Sanitation, School, Hospital, Shops, Gates, Yard, Range, Transportation or other details. May be responsible for specialized assignments including

transportation, sentry duty, and special duty during serious disturbances, escape, riot, pursuit, or stakeout requiring the utilization of firearms as specified by the Commissioner, Department of Corrections. Performs assigned duties according to established policies, regulations, and procedures to encourage and assist persons deprived of their liberty toward complete social rehabilitation. Conducts periodic counts of assigned unit inmates; reports absent inmates. Controls the general conduct and behavior of inmates according to established institution procedures and prevents disturbances and escape attempts. Reports violations of institutional rules to supervisory Officers. Maintains discipline. Sees that contraband articles are not concealed on the bodies of the inmates or in any part of the concerned unit and that institution property and equipment is kept in clean, safe and orderly condition. Conducts periodic inspections of the locks, windows, bars and grills, doors and gates, and other places of possible egress from the unit. Escorts inmates to and from their quarters. Notes suspicious persons and conditions and takes appropriate measures in reporting significant actions, and occurrences in the buildings and on the grounds; reports conditions constituting dangers and hazards; and takes the necessary steps to assure safe and orderly conditions. As a member of a group, attends formal classes and receives instruction in the principles, procedures, practices, and terminology of correctional methods. Attends demonstrations to learn the proper methods of utilizing available institution equipment and accessories. Receives training to prepare reports and maintain essential records. Conducts the initial investigation of violations of rules, regulations, policies and procedures by inmates and visitors. Issues disciplinary charges to inmates violating rules, regulations, policies and procedures. Will be required to learn to utilize various types of electronic and/or manual recording and information systems used by the agency, office, or related units.

Senior Correction Officer – Juvenile Justice Commission

Exercises all powers and rights of enforcement to function as a law enforcement Officer for the detection, apprehension, arrest, custody, and prosecution of offenders against the law. Ensures enforcement of and adheres to rules, regulations, policies, directives, practices, operational methods, procedures, and processes related to juvenile correctional institutions, facilities, boot camps, and satellite locations. Conducts and leads military style training and regimented activities associated with close order drill and physical fitness conditioning and training for juvenile offenders. Interacts and reinforces program objectives developed for the social/emotional habilitation initiatives of juvenile offenders. Participates in programs to assist juvenile offenders gaining access to privileges and specialized programs. Attends demonstrations and training courses on proper methods of utilizing available institution equipment, accessories, and programming initiatives. As member of an assigned group, attends formal

training/classes for instruction of specialized program awareness needs addressing the practices, principles, and procedures designed to implement custody directives and correctional methods utilized in juvenile institutions, facilities, and boot camps. Performs military style inspections of juvenile offenders' clothing attire, living quarters, and hygiene practices on a regular daily basis. Supervises the well-being, care, inspection, and maintenance of juvenile offenders' living quarters to ensure that a safe, clean, and secure environment exists. Performs regular patrolling and surveillance activities of assigned areas, grounds, buildings, and living quarters, and renders regular periodic reports via telephone or electronic communications of whereabouts of all assigned juvenile offenders. Interacts and directs juvenile offenders in development of acceptable conduct/behavior in accord with established directives and assertive mannerisms to prevent disturbances and attempted escapes from custody. Reports violations and discrepancies of facility's rules/regulations to superiors. Issues disciplinary charges to juvenile offenders that violate stated rules, regulations, directives, policies, and procedures. Oversees and maintains appropriate discipline in living quarters, recreation areas, grounds, school classrooms, hospitals, theaters, churches, eateries, trade shops, and other areas/places where juvenile offenders gather in groups. Conducts searches and surveillance activities to identify and prevent stated contraband and unauthorized articles from entering the facility's grounds, buildings, and living quarters. Conducts regular periodic inspections and denotes conditions of living quarters, secured areas, door and window locks, and other restricted areas of the facility and surrounding grounds. Escorts juvenile offenders to/from living quarters to various areas of the facility and other authorized locations. Notifies superiors immediately of differing or suspicious actions displayed by juvenile offenders or visual contact of suspicious persons/conditions that warrant review/investigation, and makes note and records changing conditions to determine possible dangerous or hazardous situations to ensure a safe, orderly environment. Drives and escorts juvenile offenders to job/training sites which are off grounds and to courts of law and other formal proceedings which may require issuance and carrying of a firearm. Transports juvenile offenders to/from other jurisdictions and facilities as required which may require issuance and carrying of a firearm. Engages in searches and apprehending of escaped juvenile offenders which may require issuance and carrying of a firearm. When assigned to a medical area of treatment, assists civilian employees in performance of their duties. When assigned to boot and/or institution camps and other outside assigned details, is responsible for safety, security, well-being, and custody of juvenile offenders under said charge. Prepares reports. Maintains records and files. Attends training classes/seminars in preparation of specialized and/or specific programming requirements to record for report preparation. Performs various types of investigations and prepares detailed reports reflecting determined findings. Adheres to facility's procedures for monitoring enforcement programs and ensures juvenile offenders' rights are not violated. Prepares program incident reports of recorded juvenile offenders' violations to stated rules/regulations

and the investigation process required to complete reports thereon. Composes memoranda and other communications and statistical reports related to custody responsibilities and program activities. May be required to testify as a witness for the State before formal hearings, Grand Juries, Courts of Law, administrative hearings, or other judicial bodies. Recognizes and rapidly evaluates potentially dangerous/hazardous situations involving juvenile offenders' safety and well-being; exercises caution and good judgment in identifying these circumstances quickly to avoid personal injury or to prevent endangerment to the general public, serious personal injury to juvenile offenders, and/or property damage. Interacts with juvenile offenders' parents and/or guardians, coworkers, superiors, and other assigned employees to develop/maintain desired team leadership initiatives of positive reinforced values, incentives, and sanctions to address each juvenile's assessment needs, treatment, and educational requirements the facility can offer for rehabilitation objectives and goal attainment. Will be required to learn to utilize various types of electronic and/or manual recording and information systems used by the agency, office, or related units.

Senior Parole Officer

Acts as a peace Officer for the detection, arrest, and conviction of offenders. They are required to have a bachelors degree from an accredited University. Carries a firearm and other restraint/defense equipment while performing duties; is responsible for care, use, and security of firearm and equipment.Plans and supervises programs for social, emotional, and economic adjustment of parolees and prospective parolees in an effort to provide community treatment; conducts follow up evaluations. Conducts prerelease and related investigations. Conducts investigations of existing and potential employment opportunities available for persons on parole or to be paroled. Prepares reports to be used in the preparation of case histories. Interviews parolees, employers, and interested relatives explaining parole restrictions, aims, and resources of the Division of Parole. When necessary, takes parole violators into custody, conducts investigations and evaluations, and seeks viable alternatives to further confinement. Maintains cooperative working relationships with various community agencies including police, courts, probation, welfare agencies, and medical facilities for the purpose of rehabilitating persons on parole. When assigned to a parole office in a prison, correction institution, or training school, conducts the division's institution program, and instructs parolees regarding conditions and stipulations of their parole, and in the rules and regulations of the Division of Parole. Reviews and evaluates written and verbal information from intra- and interstate parole supervision agencies and compact offices to ensure that actions they take or recommend are in compliance with interstate compact mandates; verifies receipt of case material from other

states against checklists and other instruments. Issues or authorizes the issuance of warrants to obtain custody of fugitives and compact clients when parole has been violated, contemplated, or attempted. Monitors out-of-state inmates serving concurrent New Jersey sentences to ensure that Judgments of Conviction are filed, and the terms and conditions of the New Jersey sentence are met. Confers with Hearing Officer and/or Board Member to effectuate intermediate sanctions on selected cases and provide a cost benefit to the department through the parole violator analysis process. Computes remaining sentence lengths and maintains current classification and sentence records on New Jersey inmates housed out-of-state under the Interstate Corrections Compact. Computes and maintains remaining sentence lengths on out-of-state inmates serving concurrent New Jersey sentences; requests court clarification when necessary. Will be required to place a parole violator under arrest; contacts local law enforcement authority to provide information and/or request assistance. Recognizes and rapidly evaluates potentially dangerous situations involving parolees/parole violators; exercises caution and independent judgment in handling these circumstances to avoid personal injury, or to prevent endangerment of the general public or serious property damage.

Senior Parole Officer - Juvenile Justice Commission

Exercises all powers and rights of enforcement to function as a law enforcement Officer for the detection, apprehension, arrest, and prosecution of offenders against the law. They are required to have graduated from an accredited college or university with a Bachelor's degree in Social Work, Criminal Justice, Psychology, or related field of study. Conducts initial interviews with juvenile offenders pending parole hearings for the purposes of determining needs assessment and the development of services for each assigned corresponding disposition commitment. Plans, directs, and oversees programs for social, emotional, and economic adjustment of juvenile offenders in an effort to provide general, communal, and specialized treatment needs. Conducts ongoing case management evaluations and monitoring activities of assigned cases throughout custodial and community supervision portions of the sentence. Functions as a primary participant on various classification and selection committees including performing related investigative activities. Gathers information, and reviews and monitors appropriate case management needs designed to address supervision programmatic objectives and service records. Closely monitors case custodial histories and violations of each assigned case to prepare detailed corrective action reports and reviews recommendations within the records to determine prior assessment reviews and classification analyses activities. Conducts investigations to determine existing and potential employment, and educational and vocational opportunities available for juvenile offenders on parole or to be

paroled. Prepares reports to be utilized in the preparation of case histories. Submits monthly reports reflecting activities performed in the custody and aftercare programs including classification determinations, number of interviews performed, selection decisions, releases, available opportunities for treatment and enrichment programs, and so forth. Interviews juveniles, employers, educators, tutors, and relatives for the purpose of clarifying parole restrictions and supervision requirements depicting goals, objectives, community resources, treatment, concerns, and other procedures of the parole program. Identifies violations and enforces appropriate sanctions. Apprehends parole violators and conducts investigations to determine and evaluate viable alternatives or seeks further confinement needs. Maintains established relationships with various community groups and agencies and also with various law enforcement agencies, courts, probation and welfare agencies, schools and county outreach education programs, and medical and treatment facilities for the purpose of rehabilitation and enrichment objectives for juveniles on parole to include short term risk management and longer term behavior reform. Instructs juvenile offenders pending parole and parolees of specific conditions and stipulations of their parole and the rules and regulations of the parole release program. Conducts random urine monitoring and enforces violations for positive results determined on the urine samples tested using a range of sanctions. Serves as liaison with the youth service commission participation on multi-disciplinary teams providing technical assistance in areas of service delivery objectives and ensuring services are delivered in an efficient and cost effective manner within the needs expediency of each case. Maintains stringent surveillance and monitoring activities for quality insurances of services delivery. Identifies advocates for the delivery of various services in cooperation with the youth service commission approved service providerships. Serves warrants on parole violators and arrests identified parole violators. Contacts local law enforcement authorities to provide information and/or requests assistance in serving arrest warrants. Recognizes and evaluates potentially dangerous situations involving parole violators apprehension. Exercise caution and independent judgment in handling these circumstances to avoid personal injury or to prevent endangerment to the general public and/or serious personal or commercial property damage. Serves as a resource person to juvenile offenders on parole status matters. Renders assistance in presenting orientation objectives on inservice training activities, specifics of on-the-job training, and education programs available. Provides guidance on possible career considerations and educational opportunities for juveniles in custodial confinement, alternative aftercare programs, and recorded on parole status. Develops and implements graduated sanctions and incentives. Reviews procedures and specific recognition standards to monitor and revise each service plan, needs assessments, and surveillance activities of each assigned case. Investigates parolee violations and new criminal activities and completes incident reports for expedient review by all appropriate parties and initiates appropriate notices on incident detection in accord with agency incident reporting procedure requirements. Processes parolees for

release of both the parent institution and satellite units. Provides instruction and guidance to parole Officer recruits, juvenile justice in the performance of their assigned duties. Provides directions, instructions, and guidance to youth workers and other paraprofessional employees assigned to assist in the monitoring activities of parolees. Coordinates activities associated with furlough, study release, and work release programs. Monitors and assists in the resolution of problems between the institution phase and the community phase. Oversees and maintains records of financial aid accounts for parolees. Receives requests for emergency assistance, provides disbursements, and requests reimbursements as required by circumstance. Conducts special investigations and furnishes evaluations of Executive Clemency and Extradition Requests by the Governor's Office and/or State Parole Board. Discusses offenders' court imposed revenue obligations, sets payment schedules, and makes collections as set forth by the court. Coordinates collections efforts with other government and/or private agencies in the event of default. Performs and maintains recordkeeping activities. Reviews and evaluates New Jersey parole cases residing out of state. Prepares recommendations regarding parole status and correspondence. Provides immediate and long term assistance with juvenile parolee issues and problems. Develops new sources and updates community resources directory for client assistance and instructs effected personnel regarding available organizations and agencies to enhance program effectiveness to understand supervision need of the parolees. Serves as a hearing Officer in the preliminary phase of probable cause hearings and makes recommendations and/or decisions regarding parolee status. Prepares various reports and correspondence concerning parolees and their activities progress. Establishes and maintains essential and confidential records and files. Assists in developing procedures in the process of communications between parolees and their relatives who are not knowledgeable of the English language. Acts as a witness and testifies before formal hearings, Grand Juries, Courts of Law, administrative hearings, or other judicial bodies. Prepares and finalizes investigative reports in compliance with applicable policies and procedures. Performs investigative, surveillance, and covert activities in conjunction with federal and state agencies directives. Inputs and maintains case management system for parolee activities and investigative matters for up-to-date status and/or query of specific cases under investigation or prior closed case. Utilizes and instructs others in the usage of various types of video, audio, electronic communications, photographic and computer information systems and other various types of recording equipment, devices, and manual recordings used by the agency, institutions, facilities, or related components. Will be required to learn to utilize various types of electronic and/or manual recording and computerized information systems used by the agency, office, or related units.

Testimony concerning job duties was received from Corrections Officer Michael Mammen, Corrections Officer Juan Bravo, Senior Corrections Officer Edward Murphy, Senior Corrections Officer Aaron Jerome Swann, Senior Corrections Officer Aaron Dowdy, and Senior Corrections Officer Lance Lopez, Sr.

A correction officer must complete a police training course. A trainee may be subjected to an unannounced drug test and, among other things, is trained in unarmed defense, physical restraint, baton and firearms training and exposure to chemical agents. Upon completion, correction officers are assigned to provide custody for over 18,000 inmates, 40% of whom have been convicted of crimes such as homicide, sexual assault, kidnapping, robbery, and sex offences. The inmate population is youthful. 42% of the inmates are thirty years old or younger. The PBA has provided evidence reflecting the intense pressures of the job. These include regular altercations between officers and inmates that create stress and health consequences leading to lower than average life expectancies.

Correction officers who work for the Department of Corrections testified to the witnessing of stabbings including the murder of an officer by an inmate. All testified that the job has become more dangerous. Officers are subjected to feces, urine and food being thrown at them and the reality that they work in imminent danger of violent inmate attacks. Shank-proof vests were provided in 2002 after an officer was stabbed to death. Testimony reflects the existence of

gang activity within the prisons. Officers are trained to identify gang members and gang recruiting activity. Correction officers estimate that, in certain prisons, the population that is affiliated with a gang is 70% to 80%. One officer testified to suffering a broken hand and two broken fingers while interceding in a gang attack upon two correction officers. Due to the incident, the officer's finger was amputated. Another officer suffered a concussion, tendon damage in a hand and damage to his shank-proof vest as a result of a similar incident.

In addition to being deployed in the Department of Corrections, correction officers are assigned to work within the Juvenile Justice Commission. Although they work with juvenile offenders, they exercise all powers that exist for law enforcement officers. Within the various juvenile correctional institutions, they provide custody for juvenile offenders who range from 12 to 23 years of age. The emphasis of the facilities is to provide for the rehabilitation of juveniles so that they can have a normal return to society. Despite this objective, correction officers have experienced violent interactions with inmates at these facilities. The record reflects altercations resulting in serious injuries to officers as well as riots to which officers are sent to control. As in the prisons, there is evidence of gang activity among these youthful offenders.

The Parole Officer classification assumes a somewhat different role. They are also law enforcement officers. They carry firearms after being legally authorized to do so in 1993. They work under the State Parole Board and

supervise more than 15,000 offenders. Their objective is to ease ex-convicts into societal roles. Because of the broad scope of their duties, parole officers work in several special operations groups. These include an Electronic Monitoring Unit where they work with parolees who are subject to home confinement because they may have violated their terms of parole. Another unit is the Fugitive Apprehensive Unit where they capture parolees who must be returned to prison for violating the terms of their parole. They have the legal authority to make arrests outside of the State of New Jersey. A Sex Offender Management Unit monitors over 4,000 sex offenders. This unit has expanded after the Legislature required community supervision for life for sex offenders. Another expanding unit is the Street Gang Unit where parole officers work to prevent gang violence and recruitment. Testimony concerning the role of parole officers and their extensive training was given by Kipley Astrom. Astrom emphasized that the role of a parole officer has progressed from that which was akin to a social worker to a law enforcement officer. Parole Officers are now required to have a four year college degree, a CPR certification and are required to pass firearms qualifications twice a year. Some parole officers work for the Office of Juvenile and Transitional Service in the Juvenile Justice Commission. These officers work with the community to transition juvenile offenders into society. Astrom also testified to the need to have union representation days dedicated to servicing parole officers who work statewide.

The PBA also presented testimony and documentation concerning the existence of dangerous communicable diseases in all of the State's facilities, where correction and parole officers are exposed to diseases such as MRSA, HIV, AIDS, Hepatitis B and C.

The PBA seeks the rejection of the State's proposals and the adoption of its own. The PBA contends that the State's demand for significant give-backs on health insurance, including a 1.5% contribution, would demoralize the bargaining unit and that the overall concessions the State seeks would not further the interests and welfare of the public and disrupt the continuity and stability of employment. Rather than stimulate the morale of the department, the PBA claims that the morale and the esprit de corps would suffer. The PBA emphasizes that the job conditions are harsh and that their interactions with felons subject them to physical and mental harm and disability and that they should be rewarded for these dangers. The PBA submits that:

The interest and welfare of the public is best served by attracting and keeping well-qualified and experienced Corrections and Parole Officers to serve the State and its citizens. However, the job conditions and compensation package offered by the State may lead to the loss of Officers to County facilities, Sheriff's Departments or other job opportunities with less danger. In turn, the taxpayers suffer because the State loses money every time a trained Officer leaves for a safer or more lucrative job.

The PBA compares its final offer with the State's and concludes that its proposed package is fair, affordable, well deserved and would best serve the interests and welfare of the public. The PBA views the State's position seeking

concessions as being inconsistent with the approach the executive and legislative branches of government have taken to improve the economy. These efforts include developing economic recovery funds, investing in small to medium size businesses and the promotion of capital investments for businesses. The PBA estimates the State's total economic stimulus package to be worth approximately \$250 million. In addition, the PBA points out that the State will be the beneficiary of the federal stimulus plan where money will be available to offset cuts that might otherwise be needed to balance the State budget and to bridge the State's economy until calendar year 2010 when the State projects that the economy will grow once again. The PBA raises the following question:

Why, given this accepted premise and strategy implemented by the State and Federal Governments, does the State want to take money out of the pockets of each PBA bargaining unit member? All PBA Local 105 bargaining unit members are taxpayers and consumers in this State. What better way to stimulate the economy than to put money back into the pockets of the very people who will be spending that money on Main Street and who will invest that money on Wall Street. Let us not punish these hard working public servants because the State wants to make a naked grab for givebacks from a group that can ill afford it.

Essentially the PBA contends that the State's view of economics is far too narrow and ignores the potential for near-term economic recovery. While acknowledging all of the State's submissions on finances, including the supplemental exhibits, the PBA directs the arbitrator's attention to various financial articles that warn against a rush to declare a bleak future and that things can quickly turn and reverse themselves as quickly as they have turned sour. The PBA offers testimony from financial expert Joseph Petrucelli, CPA,

emphasizing this point with exhibits of past recessions and recoveries. Petrucelli offered testimony, utilizing historical data from various stock markets, testified that the stock market typically shows sharp changes in value that normalize over a period of time. The PBA also submits the published views of one economist that we may be at the end of a recession and that there are early signs that point to a convincing recovery. The PBA focuses on the massive amounts of fiscal stimulus that are being pumped into the economy. It sees the State's position as running contrary to the prevailing view that the State should be putting more, rather than less, money in the hands of the 7,000 unit members who are also taxpaying consumers. The PBA emphasizes State testimony that the State has previously set aside funds to fund the first two years of wage increases and that these funds are in excess of what the State has proposed.

The PBA further contends that wage comparisons in private employment, public employment in general and in comparable job classifications in comparable jurisdictions, support the PBA's final offer more than the State's. The PBA cites various governmental reports on wage data showing 4.3% increases in private sector employment between 2006 and 2007 and 5.0% and 5.2% increases in annual income in State and Federal government employment respectively. The PBA views the State's offer as "starkly deficient" in comparison. The PBA also contends that the State's proposals would force bargaining unit members to lose ground when compared to county correction officer bargaining units. The PBA points out that six such units (Bergen, Passaic,

Monmouth, Ocean, Morris, Mercer and Middlesex) all earn more than correction officers and that the differentials would increase under the State's proposals.

These salary analyses are in the record in chart form, they reflect the following:

COUNTY	2007	2008	2009	2010
Bergen	\$94,304	\$98,076	\$102,146	\$106,385
Passaic	\$81,955	\$84,414	\$87,368	\$90,426
Monmouth	\$81,929	\$85,001	\$87,976	\$91,055
Ocean	\$80,120	\$83,324	\$86,857	\$89,897
Morris	\$75,477	\$77,742	\$80,463	\$83,279
Mercer	\$75,933	\$79,161	\$81,932	\$84,799
Middlesex	\$75,002	\$78,002	\$80,732	\$83,558
Somerset	\$73,302	\$77,334	\$81,471	\$84,322
Essex	\$71,490	\$73,635	\$76,212	\$78,879
Hudson	\$71,263	\$74,114	\$77,079	\$79,777
Union	\$70,668	\$74,201	\$77,911	\$80,638
Sussex	\$63,937	\$67,914	\$71,526	\$74,029
Hunterdon	\$60,570	\$62,992	\$65,197	\$67,479
Gloucester	\$60,295	\$63,501	\$66,041	\$68,683
Cape May	\$60,205	\$63,210	\$65,422	\$67,712
Camden	\$63,955	\$65,873	\$68,179	\$70,565
Warren	\$57,650	\$61,161	\$63,302	\$68,836
Burlington	\$57,584	\$60,387	\$62,501	\$64,688
Atlantic	\$56,032	\$57,713	\$59,733	\$61,824
Cumberland	\$51,050	\$52,582	\$54,422	\$56,327
Salem	\$50,404	\$56,355	\$58,328	\$60,369
PBA 105	\$74,300	\$76,529	\$79,208	\$81,980

These "inequities" are alleged to support the PBA's demand to make the Step 8 to Step 9 time period a 12 month rather than an 18 month step and the

Step 9 to Step 10 time period an 18 month rather than a 24 month step for L-Unit members.

For F-Unit members, the PBA also cites comparability evidence (internal and external) that it contends support its “above average” wage proposals for these employees, the elimination of the 30 minute unpaid lunch and request for PBA leave time. On this latter issue, the PBA cites Astrom’s testimony that the F-Unit parole officers are stationed throughout the State of New Jersey making it difficult to process their grievances.

The PBA, in support of its wage proposals, cites the average increase received by interest arbitration eligible employees (settlements and awards) at 3.83% in 2008 and 3.87% in 2009, thus showing the “deficiencies” in the State’s proposals. The PBA also submits that its uniform allowance proposal will not be burdensome on the State:

The State has already budgeted and earned interest on the uniform allowance that was due in 2007 and 2008. Without an increase, that amount totals \$19,452,960 for FY2008 and FY2009. This money has not been paid to bargaining unit members and therefore, they have had to purchase uniforms with their own income and without the benefit of a salary increase.

The PBA’s uniform proposal would add \$200 on July 1, 2007, July 1, 2008, July 1, 2009, and July 1, 2010. The totals would be: FY2008, \$2,275,200; FY2009, \$4,550,400; FY2010, \$6,825,600; and FY2011; \$9,100,800. These increases would add 5.42% to the FY 2006 wage rates paid to unit members or 1.36% per contract year. Obviously, this percentage would decrease upon the receipt of a wage increase.

In respect to the State's health insurance premium contribution proposal, the PBA responds that only five county correction officer units (Hunterdon, Mercer, Morris, Union, Warren) have premium sharing for all plans and all employees while two others (Camden and Middlesex) have more limited approaches. The PBA argues that the State's proposals on health insurance would provide for greater premium sharing than the following County bargaining units:

COUNTY	FAMILY	P/C	E + 1	SINGLE
Hunterdon	1.0% of base pay	1.0% of base pay	1.0% of base pay	1.0% of base pay
Mercer	\$48 per month	\$48 per month	\$48 per month	\$38 per month
Morris	\$41.96 to \$92.40 per month	\$27.32 to \$65.60 per month	na	\$4.92 to \$34.90 per month
Union	\$10 to \$40 per month	na	na	\$10 to \$40 per month.
Warren	\$30 to \$104 per month	\$30 to \$104 per month	\$24 to \$88 per month	\$12 to \$56 per month

The PBA also disputes the State's arguments concerning the pattern of settlement with its civilian employee units on the issue of whether a 1.5% contribution on healthcare is justified based upon that pattern. The PBA offers comparison charts into the record from which it concludes that there has been no such pattern of settlement between civilian and law enforcement employees within State employment.

The PBA offered the testimony of Louis Amato, an Employee Benefits Consultant. Amato provided substantial testimony and documentation through professional medical journals from which he offered the opinion that a co-

payment towards health insurance premiums is an ineffective method of lowering health insurance costs in the long-term and can also interfere with an employee's access towards seeking and receiving proper medical care through that employee's health insurance plan.

As a corollary to its comparability arguments on salary and health insurance, the PBA contends that its economic proposals are justified after an analysis of the current overall compensation and benefits that its members currently receive. It submits that certain portions of the existing overall benefit package are "sorely lacking." One such benefit concerns longevity, a benefit that it does not receive. The PBA points to evidence showing that 16 of the County correction officer units have some form of longevity compensation, with 9 of the 16 providing longevity in the form of a percentage of base pay. Another such benefit is bereavement leave. County bargaining units average 4.3 days while unit members receive none. The PBA points to the fact that its education reimbursement program was eliminated in the last contract while 12 of the 21 county units have formal tuition reimbursement programs and 10 of the 21 provide base pay increases for earning college credits. The PBA makes similar comparisons with respect to holidays, vacations and minimum call back time. On these issues, unit members receive 13 holidays compared to the County average of 14, 25 vacation days compared to the County average of 28 and 2 hours at straight time for call-ins (unless the call in is contiguous to the start of the shift) compared to the County average of 3.4 hours at the overtime rate.

The PBA contends that its proposal for a new wage system for newly hired L-Unit employees would save the State substantial money citing State testimony that, on average, 400 Correction Officers per year are hired. The PBA describes the details of this proposal:

It establishes a new Step Guide for employees hired on or after the date of the Arbitrator's Award that lowers the starting salary from the current \$50,105 per annum to \$40,000 (The rate for 7/1/07 would increase to \$51,608 and \$53,156 on July 1, 2008 based on the State's final offer). The \$40,000 rate would be in effect through June 30, 2010 when it would increase to \$41,600. The starting rate is a 6 month step (Step 1A) after which an Officer would move to Step 1B. Step 1B is \$45,000 from July, 1 2008 through June 30, 2009 and increases to \$46,800 and \$48,673 in FY 2010 and FY 2011, respectively. Thereafter, from July 1, 2008 through June 30, 2009, each of the subsequent pay steps increase by \$2,500 through Step 7. From Step 7 to Step 8 and Step 8 to new Step 9, the increment would be \$5,000 per step. From new Step 9 to Step 10, the increment would be \$6,831 and to new Step 11, the increment would be \$2,699. A new Senior Step would be added for those Officers who reach 14 years of PFRS service. That increment would be 2.5% above top pay.

Turning to the criterion that addresses the lawful authority of the Employer, the PBA submits that the State has presented no evidence that it cannot lawfully fund the PBA proposals. The same conclusion is reached in respect to the consideration of statutory restrictions imposed on the Employer pursuant to Section 10 P.L. 2007, C. 62 (C. 40A:4-45.45). The PBA contends that this criterion is not applicable and that the State has presented no evidence that there are any statutory restrictions concerning taxing limitations on the State's ability to fund the PBA final offer.

The PBA addresses the financial impact of the parties' proposals on the State, its residents and taxpayers as is required by N.J.S.A. 34:13A-16g(6). On this point the PBA notes that the costs to run the Department of Corrections amount to only 3% of the State's budget including all costs and not just those attributed to salary and benefits. Thus, in the overall budget scheme, it believes that any increase in the Department's budget must be viewed as negligible (\$1.14 billion compared to the FY2009 budget of \$32.87 billion). The PBA views the State's projections of decreases in revenues, \$257 million during the first four months of FY2009, to be insignificant. The PBA extends this trend to the end of FY2009 and projects a shortfall of only \$771 million "or 2.2% of projected revenues." Pointing to the testimony of Ranjana Madhusudhan, Assistant Director, Division of Taxation, during the last recession in calendar year 2002 the state's revenues were down \$1.7 billion. However, notwithstanding this decline, the PBA 105 bargaining unit members received a 2% increase on January 1, 2002 and 4% on July 1, 2002. The PBA quotes its economic expert who concluded that "in relationship to the overall budget ... the PBA 105 portion is not significant enough that it would impact ... the supposed shortfall that is being generated." The PBA also notes that the Governor's budget message for FY2009 shows an expansion in services and programs despite a reduction in overall spending. In respect to the financial impact criterion, the PBA cites State testimony on health benefits that reflect substantial reductions in the costs for the New Jersey State Health Benefits Plan (NJSHBP). Comparing the monthly

premium for a family plan under Direct 15 at \$605, this represents an 18% reduction from the average monthly cost for a family plan under Traditional and NJ Plus (combined) which averaged \$739; because of the April 1, 2008 changes to NJSHBP, the savings to the State of New Jersey are substantial demonstrating, in the PBA's view, that there is no legitimate basis for any contributions towards health insurance premiums. The Union also points to record evidence showing that the SHBP is operating in a fiscally sound manner and that its rate increases are well below insurance industry trends.

According to the PBA, its proposals would support the State's position on finances by creating a new wage system for newly hired L-U unit employees. The PBA projects this proposal as saving \$8,346,400 over 2 years compared to the State's wage proposal, based upon the State's hiring of 400 correction officers per year. The PBA's argument with respect to these proposals states:

The PBA's wage proposal creates a new wage system for newly hired L-Unit. It establishes a new Step Guide for employees hired on or after the date of the Arbitrator's Award that lowers the starting salary from the current \$50,105 per annum to \$40,000.² The \$40,000 rate would be in effect through June 30, 2010 when it would increase to \$41,600. The starting rate is a 6 month step (Step 1A) after which an Officer would move to Step 1B. Step 1B is \$45,000 from July 1, 2008 through June 30, 2009 and increases to \$46,800 and \$48,673 in FY 2010 and FY 2011, respectively. Thereafter, from July 1, 2008 through June 30, 2009, each of the subsequent pay steps increase by \$2500 through Step 7. From Step 7 to Step 8 and Step 8 to new Step 9, the increment would be \$5000 per step. From new Step 9 to Step 10 the increment would be \$6,831 and to new Step 11, the increment would be \$2699. A new Senior Step would be added for those Officers who reach 14

² The rate for 7/1/07 would increase to \$51,608 and \$53,156 on July 1, 2008 based on the State's final offer.

years of PFRS service. That increment would be 2.5% above top pay.

According to the Mr. Beckett, the State hires on average, 400 Corrections Officers per year. By implementing the PBA's proposal, the State will save significant money on new hires. For example, if the State hires 400 Officers in 2009 after this Award issues, it would pay each of them \$55,017 per annum when they reach Step 1. Under the PBA new hire proposal, the State would pay an average of \$42,500 for the new hire at Steps 1A and 1B. That is a cost savings of \$12,517 per Officer and a total of \$5,006,800 for 400 Officers in 2009. If we track these same 400 Officers through Step 2 into 2010, the State will save an additional \$8349 per Officer or \$3,339,600 for all 400. The 2 year cost savings for implementing the PBA's final wage offer versus the State's is \$8,346,400.

According to the PBA's economic expert, Joseph Petrucelli, the State would realize immediate cost savings by implementing the PBA's wage proposal for new hires. (Tr. 7: 105). He concluded that based on 400 new hires, the State would save \$13,071,200 as these Officers progressed from Step 1A through Step 10. (Exh. P-32). The State would only start seeing an increase from its proposed wage increases versus the PBA's when an Officer reaches the 9th Step and beyond. In 2010, an Officer at Step 9 who is subject to the PBA's proposed "new hire" scale will be earning \$77,175 per year and \$76,417 per year under the State's proposal.

The PBA also addresses the criterion concerning the continuity and stability of employment. The PBA contends that its proposals will promote the continuity of employment while the State's would negatively impact on the continuity and stability of employment within the bargaining unit. The PBA argues that:

The State's offer leaves Officer's working at a deficit under the terms of a successor contract when the cost of living is factored in. They will also be required to pay for benefits that inmates get for free. Thus, Officers may leave for greener and safer pastures. This will have a negative effect on the State and its taxpayers because each time an Officer quits his employment with the State,

the State loses money that it spent to train that Officer and must incur the expense of training a new Officer.

It is clear that the level of wages and benefits must be enough to retain qualified and competent Officers and to counteract the lure of better paying positions within the law enforcement community as well as in the private sector, where there is less hazardous employment.

The State disagrees with the PBA's submissions and its arguments. It disputes the PBA's analysis of the State's financial and economic evidence contained in the record of this proceeding. First and foremost, the State emphasizes what it sees as a worsening economic situation as reflected in Gross Income Tax and Sales Tax projections that have led to "skyrocketing revenue shortfalls." Contributing factors to these decisions include rising unemployment, diminished consumer spending, and reductions in collections from many revenue sources including, but not limited to, Casino and State Lottery revenues. Other substantial declines were in retail sales, auto sales, furniture and appliance sales. The State also disagrees with the PBA's position that the State's negotiated agreements with its other units (civilian and the SLEU) do not compel the awarding of a patterned result in the area of health insurance contributions which include co-payments of 1.5% of premiums for civilian employees and a two tiered program that includes a 1.5% contribution for employees hired on or after July 1, 2007 and a dollar contribution per bi-weekly pay period up to \$49.00 (Family or Employee/Spouse) for employees hired prior to July 1, 2007 in the SLEU unit.

The State, in support of its motion to allow the revision of its Final Offer, submits that the financial evidence clearly shows that economic conditions continue to deteriorate. It argues that:

During the course of the arbitration, evidence was presented regarding the worsening economic situation throughout the State and the country as a whole. However, since the last day of hearings on October 28, 2008 there have been significant developments in this area. More specifically, the New Jersey Department of Treasury issued its October Revenue report highlighting revenues for the month that were \$211 million below the monthly targets. (October Revenue Report, released November 12, 2008, attached hereto as Exhibit A). The Treasurer stated that “[t]he October collections are sobering evidence that the economic downturn is having an across-the-board effect on State revenues.” Id. The Treasurer went on to state that [w]eaknesses in the Gross Income Tax, the Sales Tax and other sources reflect difficult employment conditions, diminished consumer spending and other indicators of a struggling economy.” Id. In addition, for the month of October, Gross Income Tax collections totaled \$713 million, which is \$115.9 million (-14 percent) below targets for the month. Id. After September’s revenue report the yearly shortfall was projected to be approximately \$400 million. However, given October figures, the estimated shortfall has skyrocketed to \$1.2 billion for FY 09. Id.

That shortfall has increased even more dramatically for FY10. At the start of FY09, revenues were anticipated to provide close to \$33 billion to spend in FY10; now, the shortfall in revenue is projected to decrease the total anticipated revenues to only a bit over \$30 billion, resulting in a budget gap of over \$5 billion. This Motion focuses on the implications of the projected budgetary gap for FY-10. (See Exhibit B, revenue projections reported for FY10).

Based on these projected revenue shortfalls, the State has given notice to its civilian bargaining units that it needs to reduce personnel costs for FY10. Among the means that have been discussed for achieving such reductions are having civilian unit employees forgo previously negotiated wage increases for FY10 and freezing increment adjustments for one year. In addition, in its Final Offer to the New Jersey Law Enforcement Supervisors Association (Sergeant’s Unit) the State has proposed a zero (“0”) percent increase in FY10, along with the one year increment freeze

in order to control personnel related costs in this budgetary environment.

At the hearing, the State offered evidence in finances through the testimony from Treasury Department Officials, Charlene Holzbaaur, Director of the Office of Management and Budget (“OMB”) and Dr. Ranjana Madhusudhan, head of the Office of Revenue and Economic Analysis (“OREA”). The State submits that their testimony, while clearly demonstrating a weak budget picture, was given during a deteriorating financial posture that dramatically worsened after the end of October 2008. These worsening conditions are urged to support its argument for no increases in salary for FY 2010 and the health insurance proposal, including the 1.5% contribution.

Highlights from Hozbaaur’s testimony include the following. The FY-2009 budget spends \$600 million less than the FY-2008 budget representing the largest decrease in spending in history; notwithstanding higher costs, \$500 million of the FY-2009 Appropriation Act’s \$1.1 billion surplus (originally projected at \$2.5 billion) was used to balance the FY-2009 budget; the \$600 million surplus carried forward was less than 2% of the budget, far less than the nationally recognized standard of 5%; the \$33 billion FY-2009 budget contains only 25% left for State operations that fund salaries and benefits after 75% is directed towards State aid or grants in aid (to schools and municipalities, etc.); the FY-2009 budget requires a 4.8% or \$183.8 million of reductions in Executive Branch Departments; the percentage of the State’s budget dedicated toward debt has

increased from 5.9% in FY-2005 to 7.7% in FY-2009, an increase of \$50 million or 50%; the FY-2009 budget is further strained by increases in pension funding and larger contributions toward debt obligations.

Dr. Madhusudhan's testimony emphasized that her office's projection of revenues for the FY2009 budget required revaluation after the first few months of the fiscal year. This review is said to have revealed a drastically different situation than had been initially forecast. A series of charts and graphs were presented to accompany her testimony.

Dr. Madhusudhan's testimony reflected that there had been negative growth in the state's real GDP growth between July and October 2008, the first such decline since January 2000 and a substantial slowing in total personal income. She testified that her projections going in to the fiscal year were based upon indications of weakness but that revisions were required after "... the unraveling of the financial market crisis. That was not part of the budget. Nobody knew about it. We knew things were going to weaken, but nobody knew this. Nobody anticipated it."

Dr. Madhusudhan's testimony compared the nation's economic indicators since August 2008 and her testimony in October 2008. She concluded that the indicator took a "nose dive." Her testimony showed that between August 18, 2008 and October 6, 2008, the NASDAQ decreased by 32.7%, the S&P

decreased 30.4% and the DJI by 27.3%. Her testimony reflected serious concern over the negative differences that were appearing between the estimated gross income tax revenues and sales tax revenues from actual revenues. She noted a 15.1% decline in new car registrations during the first two months of FY-2009, and an increase in the rate of unemployment from 4.2% in September 2007 to 5.8% in September 2008. She testified candidly that due to the date of her testimony she was not able to confirm the precise amount of revenues or how much lower the revenues might be by the end of FY-2009 from than which was originally projected.

The State asks the arbitrator to take arbitral notice of post hearing developments including a rise of unemployment in the State to 7.1% and the loss of 35,000 jobs in November and December 2008. Referring to testimony, documents evidence and post hearing official public records the State submits:

OMB also prepared a revised document projecting the shortfall into FY-10 [E-28]. Holzbaur referred to the numbers in this document as "optimistic," such as the fact that revenues were projected for FY-10 at \$32.3 billion, the same amount as was budgeted for revenues in FY-09. Also, the document sets forth projected FY-10 expenses, and ultimately concludes that the State is projected to have a \$3.5 billion shortfall. This \$3.5 billion shortfall also assumes that pensions are funded at 65% and that the State will not utilize any of the \$600 million surplus [E-28]. Thus, even with very optimistic revenue projections, as of Ms. Holzbaur's testimony on October 22, 2008, the State was looking at a \$3.5 billion budget deficit for FY-10. Holzbaur recognized that the revenue projections were probably realistic when she states: "We're not optimistic we'll achieve that." [5T:42]. Accordingly, the true value of the budget deficit for FY-10 is likely significantly worse.

In fact, following the conclusion of testimony in this proceeding, the economic data for New Jersey got even worse. In a press release dated November 12, 2008 [E-123], the Treasury Department issued its October 2008 Revenue report highlighting revenues for the month that were \$211 million below the monthly targets. The Treasurer stated as follows:

The October collections are sobering evidence that the economic downturn is having an across-the-board effect on State revenues. Weaknesses in the Gross Income Tax, the Sales Tax and other sources reflect difficult employment conditions, diminished consumer spending and other indicators of a struggling economy.

Gross Income Tax collections for October 2008 totaled \$713 million, which is \$115.9 million (-14%) below targets for the month. Id. Sales Tax similarly missed monthly target projections, falling 4% below monthly projections, while Corporate Business Tax were 15.7% below projections. Id. After September's revenue report the yearly shortfall in revenue was projected to be approximately \$400 million. However, given October figures, the estimated shortfall has skyrocketed to \$1.2 billion for FY-09. Id. Based on the foregoing, the Treasurer concluded as follows:

We were cautious and conservative with setting our revenue projections for the fiscal year last June, and crafted a budget that contained the largest year to year spending reduction in state history. While the large collection periods from the holiday season and next spring are still ahead of us, revenues to date point to the prospect of making adjustments in the current year in order to maintain a balanced budget [E-123].

The "adjustments" referenced by the Treasurer are evidence from the revised "Projected Shortfall" [E-124] prepared by OMB following the Treasurer's statements in November 2008. This document demonstrates that while revenues were previously (in October 2008) projected for FY-10 to be \$32.368 billion [E-28], by November 2008 the revised projections were for revenues of only \$30.1 billion. Even with actions to reduce FY-09 spending by \$1.2 billion to account for the FY-09 revenue shortfall, the projected FY-10 budget deficit was projected to be over \$5.1 billion [E-124].

In order for the State to balance a budget with anticipated expenses of \$35.2 billion, but with anticipated revenues of only \$30.1 billion, the State must figure out how to trim \$5.1 billion or approximately 15% off of its FY-10 expenses. In order to obtain spending reductions of this type, the State will have to consider anything and everything. For example, under circumstances such as this, it would not be unreasonable for the State to have to go to its civilian employees and seek to have them forego the agree-upon 3.5% wage increase that they are due to receive for FY-10. Regardless, the circumstances described herein are extreme and require the Arbitrator to Award no wage increase to the PBA for FY-10. The State stands by its Final Offer on wage increases for FY-08 (3.00% increase), FY-09 (3.00% increase) and FY-11 (3.50% increase). However, a fair and reasonable Award that takes into account the criterion involving the interests and welfare of the public, N.J.S.A. 34:13A-16(b)(1), or the criterion involving the financial impact on the governing unit, its residents and taxpayers, N.J.S.A. 34:13A-16(b)(6) must recognize that the unprecedented nature of the fiscal crisis described at the hearing mandates that no increase be given to members of the PBA in FY-10.

If the State's proposal on across-the-board wage increases for FY-08 of 3.00% and FY-09 of 3.00% is awarded, the estimated total base salary for PBA members would be \$456,466,243 [E-58]. Accordingly, for each 1% increase that the Arbitrator awards for FY-10, it will cost the State over \$4.5 million. Thus, providing no increase in FY-10 as opposed to a 3.5% increase will save the State nearly \$16 million in FY-10 alone. This is essential to contribute toward the \$5.1 billion deficit.

Based on the foregoing, the State asserts that the only fair and reasonable Award concerning across-the-board wage increase is an Award that provides the PBA with 3% increases in FY-08 and FY-09, zero increase in FY-10, and a 3.5% increase in FY-11. Such an Award would be fair and reasonable, so long as the other three components of the overall package proposed by the State (See Point II, III and IV below) are awarded as per the State's Final Offer.

The State contends that its position on wages, as required by the fiscal crisis, is nevertheless, fair and equitable when measured against salary levels that exist for employees who perform comparable services in governmental

jurisdictions that the State deems comparable. On this point, the State makes the following arguments:

The State also believes that the wage package that it seeks the Arbitrator to Award in this proceeding is justified by the comparability criterion of N.J.S.A. 34:13A-16(g)(2). This criterion requires, among other things, that the Arbitrator give “due weight” to the wages, salaries, hours and conditions of employment for PBA employees as compared to those of employees performing the same or similar services in the same or similar comparable jurisdictions. N.J.S.A. 34:13A-16(g)(2)(c).

Moreover, even where County Correction Officers in all counties in New Jersey are analyzed, the PBA employees compare favorably, with top salary for the PBA higher than that paid to Correction Officers in 15 of the 21 counties in 2006 [E-69]. PBA top salary is approximately \$7,000 over the average salary for 2005 and 2006, and is nearly 11% higher than the average in 2006. the State notes that the average salaries shown in E-69 for 2007 and 2008 are artificially high due to the fact that the contracts for some of the lower paying counties (i.e., Atlantic, Salem and Camden in 2007 and Atlantic, Cumberland, Salem and Camden in 2008) had not yet settled and are thus not included in the average salary.

The PBA employees are also very highly paid as compared to the Corrections Officers in other states. Even without any increase to the top rate that they received in 2006 (\$72,136), New Jersey Corrections Officers rank 2nd in terms of salary, just slightly below California (\$73,136) [E-51], and significantly higher than the top salary for Correction Officers in neighboring states such as New York (\$59,861) and Pennsylvania (\$60,047). In addition to base salary, New Jersey Correction Officers rank sixth in the nation in terms of total amount of overtime received by each Officer [E-53]. In addition, the overtime received by PBA employees (\$7,988) is higher than the average amount of overtime received by other state’s Correction Officers (\$6,310). Id.

Moreover, the Federal Correctional Institutions in New Jersey are Fort Dix (Burlington County) and Fairton (Cumberland County). These federal prisons employ Correctional Officers, which have a pay grade of GS-05 or GS-06 depending upon their qualifications [E-77]. Under the federal system, there are different salary guides for law enforcement officers depending upon which “locality” they fall under. E-77 demonstrates that both Fairton and Fort Dix fall under the “Philadelphia-Camden-Vineland, PA-NJ-DE-MD” area for pay purpose, given that they are located in Burlington and Cumberland County, respectively. Even top pay for a Correctional Officer at the GS-06 level in the Philadelphia locality effective

January 1, 2008 is only \$51,588. Thus, if the PBA employees were to receive the 3% increase for 2007 and the 3% increase for 2008 as per the State's Final Offer, the top salary for a Correction Officer in the PBA would be \$76,529, which is \$25,000 higher than the top pay for a Correctional Officer that works in Fort Dix or Fairton. This is nearly 50% higher pay.

The evidence is inescapable that the State pays Correction Officers very highly for the job that they perform as compared to those in the same or similar job in the U.S. generally and in New Jersey specifically. Accordingly, an analysis of the comparability criterion pursuant to N.J.S.A. 34:13A-16(g)(2) is supportive of the State's position with respect to across-the-board wage increases in this proceeding. Specifically, an Award that provides a 3% increase on July 1, 2007 and July 1, 2008, then no increase on July 1, 2009, and a 3.5% increase on July 1, 2010 is fair and reasonable, and would not change the fact that PBA employees are paid very highly, and well above the average for employees that perform this type of work.

The state urges rejection of the PBA's final offer in respect to the awarding of longevity pay. The state submits that:

The PBA provided no testimony in support of its Final Offer to create longevity pay for the PBA. The PBA's longevity pay proposal is incredibly expensive. The State introduced into evidence a spreadsheet showing all PBA bargaining unit members as of Pay Period 21 of 2008 [E-67]. The spreadsheet includes base salary and years of service, among other things, for all members of the PBA. By ranking the data by years of service, it is evident that the PBA proposal would currently provide longevity pay to 4,910 of the 6,646 employees (based on years of service information from pay period 21, 2008). This represents 74% of the PBA's members. Assuming these 4,910 PBA employees received a 3.00% wage increase effective for FY-08, the FY-08 total base salary for employees in each category and total FY-08 longevity for employees in each category is set forth in the table below:

From E-67	# EP's	Total Base FY-08	Longevity %	Long. Cost
5+ Years	1764	\$116,490,913	4%	\$4,659,637
10+ Years	1302	\$96,305,354	6%	\$5,778,321
15+ Years	799	\$59,671,196	8%	\$4,773,696
20+ Years	1045	\$77,854,509	10%	\$7,785,451
TOTAL	4910	\$350,321,972		\$22,997,104

* Total Base FY-08 assumes 3.00% increase as per State Final Offer

Thus, the PBA Final Offer on Longevity would cost the state an estimated \$23 million in FY-08. On average, employees entitled to longevity would be receiving \$4,684 for FY-08. Those with 5+ years would average \$2,642; those with 10+ years \$4,438, 15+ years \$5,975, and 20+ years \$7,450 annually for FY-08. The proposal also requires that the longevity become part of base salary, meaning that the impact will be compounded by all future wage increases.

Since the FY-08 base salary for the PBA is \$443,171,110 if a 3.00% increase is assumed for FY-08, the PBA Final Offer on longevity, which would cost approximately \$23 million in FY-08 amounts to the equivalent of a 5.19% across-the-board wage increase for FY-08. As already described in Point I above, a fair and reasonable Award in this matter cannot include wage increases (whether in the form of across-the-board increases or under the guise of longevity pay) that exceed 3.00% in FY-08 and FY-09, a wage freeze for FY-10, and 3.50% for FY-11. Accordingly, the PBA Final Offer seeking longevity pay must be rejected in its entirety.

The State submits evidence and argument in support of its health insurance proposals. The proposals include health insurance contributions retroactive to 2007, the conversion of employees from NJ Plus to NJ Direct 15, a new co-payment plan for physician visits and emergency room co-pays, an addition of a third tier of co-payment for multi-source brand drugs, and a post-retirement medical benefit proposal.

The State's position rests primarily upon pattern of settlement with its civilian bargaining units that required a 1.5% of base salary contribution towards

health insurance and a more recent MOA it entered into with the PBA SLEU unit that was signed on August 20, 2008 that contained the 1.5% contribution and also dollar amount contributions depending upon date of hire retroactive to 2007. All contained some form of health insurance contribution and various other changes in co-pays. The State views its proposal as eminently reasonable in that it would bring employees represented by PBA Local 105 in line with a vast majority of its workforce. The State also submits Kaiser benefit surveys reflecting that private sector or State and Local government employees are paying significantly higher percentage for health care benefits than what the PBA would be paying even if the State's last offer on this issue were awarded. The State provides detailed cost analyses on the savings to be derived from its many proposals on health insurance.

The State notes that the prescription proposal, if awarded, would still allow for a better than average benefit on a comparable basis.

- Generic Retail: PBA would maintain the \$3 co-pay as compared to NY (\$5), DE (\$8.50) and PA (\$10);
- Generic Mail: PBA would maintain the \$5 co-pay as compared to NY (\$5), DE (\$17) and PA (\$15);
- Single Source Brand Retail: PBA would maintain the \$10 co-pay as compared to NY (\$15 for preferred, \$30 for non-preferred), DE (\$20) and PA (\$18 for preferred, \$36 for non-preferred);
- Single Source Brand Mail: PBA would maintain the \$15 co-pay as compared to NY (\$20 for preferred, \$55 for non-preferred), DE (\$40) and PA (\$27 for preferred, \$54 for non-preferred);

- Multi-source Brand Retail: PBA would pay \$25 co-pay as compared to DE (\$45) and NY and PA, which both require the employee to pay the cost of the co-pay for the single source brand drug plus the difference in cost between the cost of the brand name drug and the cost of the generic drug.
- Multi-source Brand Mail: PBA would pay \$40 co-pay as compared to DE (\$90) and NY and PA, which both require the employee to pay the cost of the co-pay for the single source brand drug plus the difference in cost between the cost of the brand name drug and the cost of the generic drug.

The State urges rejection of the PBA's proposal on uniform allowance pointing out that it would cost an additional \$1,600 per employee by the end of the contract. The State estimates the cost of the proposal to be over \$10.5 million per year in addition to what it is currently paying. Instead, the State proposes to increase the uniform allowance by \$25 in FY 2010 and \$25 in FY 2011; these amounts would be consistent with the increases in uniform allowance that the State agreed to with its civilian bargaining units.

The State urges the awarding of its proposal to increase the trainee stipend. These payments are paid to trainees before they become a Correction Officer Recruit and while they are undergoing training in the "Correction Officer Training Academy" (COTA). The State's proposal would double the training stipend from \$300 per week to \$600 per week over a period of time. The weekly stipend is received while a trainee is in COTA for a fourteen (14) week period. Although the PBA has pointed out that it does not represent the trainees and does not seek to negotiate on their behalf, the State points out that the increases that it has proposed were part of the September 2007 MOA with the PBA that did

not receive ratification and, for this reason, it is resubmitting the proposal in this proceeding.

The State also submits argument in support of the evidence it has submitted concerning modifications in the salaries paid to a Correction Officer Recruit (COR) in both DOC and JJC. The proposal would modify the COR salary from \$45,549 to \$40,000 and keep the salary at that level for the term of the Agreement. The State points out that this proposal would create a \$2 million savings but that the savings would be far less than the amount that was achieved by the reduction and freezing of the starting salary for several titles in the SLEU MOA. Those savings amounted to 1.15% of the total SLEU bargaining unit salaries in FY 2010 and 1.34% in FY 2011. The State further submits that, even if its proposal is awarded, the \$40,000 salary still compares favorably to County Correction Officers throughout the State of New Jersey. The State submits the following argument:

Moreover, even when comparing the starting salary of the COR to the starting salary of other Corrections Officers in New Jersey, it is clear that the State pays its COR's far and away more than any County in terms of starting salary [E-71, E-72]. When compared to the starting salary of Corrections Officers in comparable jurisdictions, which the State defines as those seven (7) counties where State Corrections Officers work, the average starting salary for a Corrections Officer in these counties for 2007 was \$33,387, which is 36.7% below the starting salary that the State pays its CORs [E-72]. Even the highest paying county (Burlington) of these seven in terms of 2007 starting salary paid its Corrections Officers only \$36,558 or \$9,000 less than the State currently pays.

Even when Corrections Officers in all 21 New Jersey counties are examined, the highest paying County in terms of 2007 starting

salary for its Corrections Officers is Ocean at \$38,682. The 2007 average starting salary for Corrections Officers in New Jersey counties is only \$32,604, which is nearly 40% less than what the State pays its CORs, and 22.6% less than what the State will pay its CORs if the State's Final Offer is Awarded.

Even at \$40,000, new CORs under the State's proposal will be receiving a starting salary that far exceeds the salary that they could start at anywhere else in New Jersey and virtually anywhere else in the U.S. [E-71, E-72, E-50]. Further, since this proposal has no impact on any of the current 6,600+ bargaining unit members, and since it only impacts future CORs earnings for a one-year period, there is no basis not to Award the State's Final Offer on this issue.

The State offers extensive argument seeking rejection of the PBA's proposals, not only on the salary and health insurance issues, but also the PBA's proposals on Special Leave, Overtime, Compensatory Time Off, PBA Leave for parole officers and Hours of Work for parole officers. While providing detailed reasoning in support of their denial, the main thrust of the State's arguments target its belief that the PBA has not met its burden to prove that any of those proposals should be awarded.

DISCUSSION

The PBA and the State have substantial documentary evidence, testimony and oral and written argument in support of their last offers. I am required to make a reasonable determination of the above issues giving due weight to those factors set forth in N.J.S.A. 34:13A-16g(1) through (9) that I find relevant to the resolution of these negotiations. These factors, commonly called the statutory criteria, 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).

In interest arbitration proceedings, the party seeking to modify existing terms and conditions of employment has a burden to prove that there is basis for its proposed change. I will apply that principle as part of my analysis to the issues in dispute. The burden to be met must be at a level beyond merely

seeking change without sufficient evidentiary support. Any decision to award or deny any individual issue or subset of an issue in dispute will include consideration as to the reasonableness of that individual issue in relation to the terms of the entire award. In other words, there may be merit to awarding or denying a single issue, or subset of an issue, if it were to stand alone, but a different result may be reached after assessing the merits of any individual issue or subset of an issue within the context of an overall award.

I commence with an awarding of the stipulations reached by the parties on many language issues. This is consistent with N.J.S.A. 34:13A-16(g)(4). They are as follows:

STIPULATIONS

1. **Article I, Recognition:** Revise to reflect PBA Local 105 bargaining unit; revise Appendix III to reflect PBA Local 105 job titles only. All references in the Agreement to SLEU group titles or provisions that relate solely to SLEU group titles shall be deleted.
2. **Article IX(A), Personnel Folder and Evaluations:** Revise as follows:
 - First Sentence:** Reduce 5-day notice to two working days notice the amount of notice an employee must give to have an opportunity to review his personnel folder;
 - Paragraph 2, Second Sentence:** Replace “fifteen (15) days” with “ten (10) business days”.
3. **Article X, Section B:** Add new paragraph B(3) as follows: “Annually, but not later than September 1st of each year, PBA Local 105 may make a written request to OER to facilitate a meeting between representatives from the Department of Personnel (or successor), OER and PBA Local 105 for the express purpose of having discussion concerning the dates for open competitive examinations for the upcoming year. Upon receipt of a timely request, OER shall offer a date for this meeting that is not later than

October 1st. While the Department of Personnel (or successor) will retain final say over the dates for these examinations, the purpose of this provision is to provide PBA Local 105 with the opportunity to have open dialogue concerning this subject.”

4. Article X, Section G, Lateness or Absence Due to Weather Conditions: When the State of New Jersey or a County within New Jersey declares a state of emergency due to weather related conditions, an employee that is late for duty due to delays caused by such weather related conditions and who has made a reasonable effort to report on time shall not be disciplined for such lateness.
5. Article XII(H)(6), Department Hearings: Amend as follows: “In the event a disciplinary action is initiated, the employee or his/her representative may request and shall be provided with copies of all relevant discovery, including exculpatory evidence, that is requested by the representative to the extent that such information is in the possession of the management representative. Such relevant discovery must be provided to the representative not less than three (3) days prior to the scheduled hearing. Similarly, not less than three (3) days prior to the scheduled hearing, the union shall provide the management representative with all information upon which it intends to rely upon at the hearing. Neither party waives its right to assert a claim of confidentiality or privilege with respect to such discovery.
6. Article XII(J)(2), JUMP Panel: Amend to state as follows: “In order for a disciplinary appeal from NJSCA PBA Local 105 to be considered by the panel, the officer must submit his request to appeal to the PBA Local 105 President or his designee. The PBA Local 105 President or his designee must then submit a written notice of appeal must be filed with the Department (or Agency Head) or designee, who issued the decision upholding the disciplinary action. The State shall not be obligated or permitted to process any notice of appeal that is not submitted by PBA Local 105 pursuant to the above process. Such written notice must be filed by PBA Local 105 within ten (10) days of the issuance of such decision. The Department (or Agency Head) or designee will promptly forward a copy of such notice to the Office of Employee Relations and the PBA Local 105 together with a copy of the decision and any other documents that have been made a part of the record of the matter.
7. Article XV(B)(1), Vacation Schedule: Revise last two sentences of Paragraph as follows: “Requests for use of individual days of vacations that are made at least 48 hours in advance will not be denied on the basis of timeliness. Management, in its sole discretion, may grant a request for use of individual days of vacation made at least 24 hours in advance. However, any grievance resulting from management’s discretion to reject

a request for use of individual days of vacation shall not be subject to arbitration.

8. Article XVII: Personal Preference Days – Amend sub-section (c) to state: “the commitment to schedule the personal preference days off shall be non-revocable under any circumstances. The employee must actually work on the holiday that he/she agreed to work in exchange for the personal preference day in order to be entitled to the personal preference day. Moreover, under no circumstances shall there be compensation for personal preference days after retirement and employees shall be docked for any personal preference days that were utilized based upon the expectation of continued employment through the calendar year. Notwithstanding the foregoing, when an employee has already selected a personal preference day and worked the corresponding holiday as promised, and the employee gives at least ten (10) days written notice that he/she will be in no pay status for a period of at least twenty (20) days due to a documented medical condition, the employee may request that the personal preference day be rescheduled to a later date and such request shall be considered in light of operational needs.”

9. Article XVIII, Section C: Administrative Leave

- a. First Paragraph: Add the following sentence: “When an employee requests the use of administrative leave for unscheduled purposes, the employer can require that the employee provide documentation to support the unscheduled nature of the absence within 72 hours of return to work. So long as documentation is timely provided by the employee when required, leave shall not be denied.”
- b. Second Paragraph: change “emergencies” to “unscheduled absences”;
- c. Third Paragraph: First sentence – change “non-emergency” to “scheduled absence”; third sentence – change “emergency” to “unscheduled absence”.

10. Article XX, Section B, Comp Time: Amend first sentence to state: “Employee’s requests for use of compensatory time balances shall be honored, so long as the request is received by the employer at least 48 hours in advance. Requests for use of compensatory time may, in the sole discretion of management, be rejected in all circumstances if this advanced notice is not provided, including circumstances that were previously referred to as “emergency comp time”. Any grievance resulting from management’s discretion to reject a request for the use of comp time pursuant to this section shall not be subject to arbitration. Also, delete

sub-section 1, "where an emergency exists".

11. Article XXVI, Leave for PBA Activity:

Amend Section A(1) as follows:

The State agrees to provide full union release time to the PBA Local 105 President, Vice President, Executive Vice President #1, Executive Vice President #2, Executive Vice President #3, Executive Vice President #4, and State Delegate for a total of seven (7) employees, the names of which shall be designated in writing by the PBA Local 105. Such employees shall be placed on first shift, Monday through Friday. The PBA Local 105 President or his designee shall serve as the liaison between the PBA Local 105 and the State.

Amend Section A(2) as follows:

In addition to the foregoing, the State agrees to provide an additional 205 days per year of paid leave for PBA Local 105 activity for all other union business involving designees of PBA Local 105 to attend PBA Local 105 activities, other than those activities set forth in Article VIII(B), above. Thus, a total of 205 days of such leave may be used in the year July 1, 2008 to June 30, 2009; 205 days during the period July 1, 2009 to June 30, 2010 and 205 days during the period July 1, 2010 to June 30, 2011.

Amend Section E as follows:

In addition, the State agrees to provide leave of absence without pay for designees of PBA Local 105 to attend PBA Local 105 activities approved by the State. A total of 400 days of such leave of absence without pay may be used during the period July 1, 2008 to June 30, 2009; 400 days of leave of absence without pay during the period July 1, 2009 to June 30, 2010, and 400 days during the period July 1, 2010 to June 30, 2010.

12. Parole: Intranet Page: State will provide bargaining unit representatives for Parole to have access to an intranet page that shall serve as an electronic bulletin board. The use of this intranet page by the union shall be subject to all the restrictions and requirements of Article VIII(D).
13. Parole: Article XXXII-D, Job Posting: Amend Article XXXII-C to provide that in Parole, all job postings shall be forwarded to the appropriate union representative via e-mail and also posting it on the State Parole Board's intranet site.

14. Parole: Appendix I, Involuntary Transfers: The State agrees that Parole shall provide the union with an updated list once per quarter showing the location of all Parole Officer Recruits and Senior Parole Officers.
15. Article L, Notices: Change the Association representative to PBA Local 105 with address of 17 North Willow St., Trenton, New Jersey 08608.
16. Anywhere "NJSCA" appears, replace with "PBA Local 105".
17. Binding Agreement: The parties agree that these stipulations shall be incorporated into the Interest Arbitration Award issued by Arbitrator James Mastriani.
18. The parties agree that these stipulations constitute all non-economic issues and that no further non-economic issues not contained herein shall be presented to or decided by Arbitrator Mastriani.

In their submissions, the parties have had to address not only the evidence concerning the pre-negotiations time periods but also the changes that have occurred over the span of time that they have engaged in the process. This has been a challenging task due to an evolving economic cycle.

These negotiations have been protracted due to unusual circumstances. They have covered almost three years in length. They were impacted by an election causing a change in majority representative, a rejection of an MOA in September 2007, a representation election challenge to the majority representative after the MOA, a resumption of the negotiations thereafter leading to a renewed impasse followed by the conduct of mediation and interest arbitration proceedings that closed on February 2, 2009. During the course of all of these developments, the Nation and the State have suffered through the onset of a recession that has grown to become a severe one. A substantial portion of

the relevant evidence that has been submitted into the record concerns the State's economy, the impact of the economy on the State's budget, its revenues and expenses and the reconciling of the financial evidence with the remaining statutory criteria, including those emphasized by the PBA including comparability and the continuity and stability of employment. Each party believes its own proposals are more consistent with the interests and welfare of the public.

The economic impact of the recession on the State's budget has been shown in official financial records depicting all forms of revenue and revenue projections. The substance of that evidence is, for the most part, not in dispute. However, the State and the PBA sharply disagree on the meaning of this evidence and the facts and conclusions that should be drawn from them. In particular, how this evidence impacts on the issues in dispute.

The items of compensation and health insurance are the major sources of this dispute with each item containing subsections. The State contends that its health insurance proposals, with co-payments of premiums retroactive to September 1, 2007, must be awarded for both economic reasons and also to conform the health insurance program to a pattern of internal settlement that it claims exists for other State bargaining units. The State also sees a wage package of 3.0% for FY 2008, 3.0% for FY 2009, no wage increase for FY 2010 and a 3.5% increase for FY 2011 as being fair and reasonable under all of the financial circumstances including the supplemental evidence on finances. The

PBA, citing mostly external comparability data and economic projections that flow from its own financial analysis, strongly urges rejection of the State's positions in favor of its own proposals. The PBA also rejects the State's position that an internal pattern of settlement exists that would require any co-payments towards health insurance premiums and, specifically, a percentage co-pay that would penalize employees with higher salary earnings and any such contribution, percentage, or otherwise, that would slash into any retroactive wage increases that are awarded.

I first address the issue of health insurance. Several sub-issues are present on this subject. The central one is whether unit employees should contribute towards the cost of premiums and, if so, what should the level of contributions should be, what form should they take and when should they be implemented. The State has made an aggressive presentation that unit employees should be subject to a 1.5% contribution for those employees hired on or after July 1, 2007 and fixed bi-weekly contributions up to \$49 per pay period for those with family coverage for those hired prior to that date. It contends that 88% of all State active employees have begun to contribute 1.5% of base pay as a contribution towards health benefits (regardless of coverage selection) effective July 1, 2007. This includes employees represented in all of the civilian bargaining units and non-unionized employees. The State also points out that this unit, PBA Local 105, reached an MOA in the State on September 26, 2007, that also required that these contributions be made consistent with what the State now proposes. Moreover, the State points to the fact that another law

enforcement unit, PBA SLEU, on August 20, 2008, also agreed to a 1.5% contribution for employees hired on or after July 1, 2007 and a fixed dollar contribution arrangement wherein employees hired before that date would contribute \$26.00, \$39.00 and \$49.00 (individual, parent/child, family or employee/spouse) on a bi-weekly basis effective January 2009 with lesser amounts, \$20.00, \$30.00 and \$40.00 effective September 2007.

The issues concerning health care cannot be decided in a vacuum. Isolating these issues from the remainder of the package to be awarded ignores the interrelationships that necessarily exists among all major economic issues, especially when issues of retroactivity are involved in the salary and health insurance issues due to the protracted nature of the parties' negotiations process. N.J.S.A. 34:13A-16(g)(8) recognizes that there are factors that are ordinarily or traditionally considered on the determination of wages and other terms of employment that are relevant to making a reasonable determination of the issues. Because wages and health insurance both impact on total economic change I have weighed and balanced the merits of these two issues in order to render a reasonable determination of the disputed issues.

The State's presentation on the fundamentals of its finances bears heavily on this proceeding. While finances are routinely emphasized in this type of proceeding, the available revenues to fund this Award show a financial picture that is not routine. The State's submission on finances is overwhelming and is

rooted in hard evidence rather than in speculation. The PBA has offered rebuttal to much of the State's evidence and arguments. Its presentation has been carefully reviewed. The PBA has presented competent and expert testimony on the financial evidence. In part, it seeks comfort in predictions, based upon historical analysis, that business and economic cycles are temporary and should not be given nearly the weight sought by the State. If, as the PBA argues, the financial circumstances presented were transient, short term and akin to that which normally appears in the average ebb and flow of a normal business cycle, the arguments of the PBA would be more persuasive. But, while recognizing that no one, including this arbitrator, can accurately predict the future, predominant weight must be given to what is known and credible. This evidence supports the conclusion that the State has experienced sharp and deepening revenue shortfalls that have crippled its ability to balance the current budget and, in particular, the upcoming FY 2010 budget.

The testimony of Holzbaur in October 2008 reflected the projection of a \$3.5 billion budget deficit for FY 2010. Following that testimony, an October revenue report from Treasury showed revenue collections \$211 million below target. The October 2008 projections of \$32.3 billion in revenue for FY 2009 were revised in November to decrease to \$30.1 billion. On the other side of the ledger, the State has projected \$35.2 billion in expenses for 2010. Applying simple math to this complex network of financial data reflected at the time of hearing showed the availability of \$30.1 billion in revenues to pay anticipated

expenses of up to \$35.2 billion for FY 2010, commencing in July 1, 2010. Any analysis of expense projections and anticipated revenue collections are subject to revision based upon future developments. However, it is highly probable, based on what is currently known, that revenue collections will fall substantially short of anticipated expenses.

In a proceeding such as this, involving highly productive and valued employees, an employer's "ability to pay" position and projections must be very closely examined. The State does not dispute that correction and parole officers work in dangerous settings and that the public is deeply indebted to them for their contributions. The record reflects that they perform work deserving of reward. Financial arguments as the State has made which could affect salary and benefits must be supported by substantial credible evidence and projections must be supported beyond mere speculation. For these reasons, in addition to the testimony and exhibits that are included in the record of this proceeding, I have also taken arbitral notice of developments from official and credible sources extending through the time of award issuance for the main purpose of assessing the credibility and accuracy of the financial projections that were made at hearing.

The data reflects that the facts and projections offered at the time of hearing were reasonably grounded given the developments that continued shortly thereafter. February year-to-date Treasury reports show an overall cash

collection rate at a 10.1% reduction caused by factors such as a 13.5% decline in casino revenue, a 37.9% decline in the realty transfer tax, a 26.7% decline in corporate business taxes, 9.1% decline in gross income tax and a 7.6% decline in sales tax. The unemployment rate at hearing had risen to 6.0% and was projected to rise. In February, the unemployment rate indeed rose to 8.2%. 30,000 were jobs lost in January and February 2009. These figures, developed from official State documents, are compatible with the data reflected in reports from the twelve Federal Reserve Districts who officially report on the overall national economy. They reflect a national pattern consistent not only with the record developed at hearing but also the projections made at hearing. These reports summarized the state of the economy in February as follows:

Reports from the twelve Federal Reserve Districts suggest that national economic conditions deteriorated further during the reporting period of January through late February. Ten of the twelve reports indicated weaker conditions or declines in economic activity; the exceptions were Philadelphia and Chicago, which reported that their regional economies "remained weak." The deterioration was broad based, with only a few sectors such as basic food production and pharmaceuticals appearing to be exceptions. Looking ahead, contacts from various Districts rate the prospects for near-term improvement in economic conditions as poor, with a significant pickup not expected before late 2009 or early 2010.

Consumer spending remained sluggish on net, although many Districts noted some improvement in January and February compared with a dismal holiday spending season. Travel and tourist activity fell noticeably in key destinations, as did activity for a wide range of nonfinancial services, with substantial job cuts noted in many instances. Reports on manufacturing activity suggested steep declines in activity in some sectors and pronounced declines overall. Conditions weakened somewhat for agricultural producers and substantially for extractors of natural resources, with reduced global demand cited as an underlying determinant in both cases.

Markets for residential real estate remained largely stagnant, with only minimal and scattered signs of stabilization emerging in some areas, while demand for commercial real estate weakened significantly. Reports from banks and other financial institutions indicated further drops in business loan demand, a slight deterioration in credit quality for businesses and households, and continued tight credit availability.

Upward price pressures continued to ease across a broad spectrum of final goods and services. This was largely associated with lower prices for energy and assorted raw materials compared with earlier periods, but also with weak final demand more generally, which spurred price discounting for items other than energy and food. With rising layoffs and hiring freezes, unemployment has risen in all areas, reducing or eliminating upward wage pressures. A number of reports pointed to outright reductions in hourly compensation costs, through wage reductions and reduction or elimination of some employment benefits.

Significantly, the Federal Reserve District Reports also commented on the impact of the economy on prices and wages:

Upward price pressures were very limited during the reporting period, as a result of lower energy and commodity prices and weak demand for final goods and services across a wide range of sectors. The lower prices of energy and raw materials generally were passed on and contributed to downward pressure on the final prices of various products, according to Chicago and Dallas. Prices dropped on selected retail items in the Philadelphia, Kansas City, and San Francisco Districts, as discounting was widespread. Selected food products were a notable exception to downward price pressures, with Philadelphia reporting that some food processors raised their product prices. Gas prices rose, but according to Chicago and San Francisco the increase was not large enough to substantially offset the ongoing effects of the net decline from last year's highs.

Upward wage pressures eased in all Districts, as a rising incidence of hiring freezes and continued job cuts increased the degree of labor market slack. Contacts from various Districts pointed to a higher incidence of wage freezes resulting from the added slack, with a few noting outright wage reductions. Some employers also reduced compensation by lowering benefit costs, including reduced contributions to employee retirement programs, according to the Philadelphia, Chicago, Minneapolis, and San Francisco Districts.

More recently, a report from the U.S. Commerce Department showed a 6.1% shrinking (decline of GNP) of the economy during the first quarter of 2009 following a 6.3% decline in the last quarter of 2008.

What emerges from all of this data is the conclusion that the testimony on trends and projections that were made at hearing were accurate as to what had occurred and what would occur.

The issues of salary and health insurance must be viewed in the context of all of the above, as well as the competing considerations submitted by the PBA which draws upon evidence relating to the statutory criteria other than those that concern financial impact.

The awarding of some form of health insurance contribution towards premiums paid by the State is reasonable under all of the relevant circumstances. It is consistent with the State's financial circumstances that dictate the need for cost savings. It is also consistent with the principle of cost sharing that every State bargaining unit has agreed to in every contract that is in the record including the one involving law enforcement personnel. What needs to be decided is the form of the contribution, the amount and the effective date. These issues are clearly related to the terms of the Award that concern salary

because economics dictate that the two issues are interrelated. For that reason, I address the salary issue in conjunction with those concerning health insurance.

The initial two contract years cover FY 2008 (contract year July 1, 2007 through June 30, 2008) and FY 2009 (contract July 1, 2008 through June 30, 2009). The State has proposed increases of 3.0% and 3.0% in each of these two years while the PBA has proposed increases of 5.0% encased in an intricate formula affecting the structure of the salary schedules for existing and new employees. PBA cross-examination of the State's financial witnesses established that the State reserved funding for terms generally consistent with what would have been required by the September 2007 MOA that was not ratified. An award of 3.5% in each of the first and second contract years, retroactive to the first full pay period in those respective years, is justified based upon all of the relevant evidence required for consideration by the statutory criteria.

The awarding of these levels of increases for the first two contract years shall not be accompanied by the awarding of retroactive health insurance premium contributions for these years or by contributions going forward into the third contract year commencing July 1, 2009. The awarding of retroactivity on the contributions issue would be unreasonable given the manner in which the salary issue must be decided for the third contract year that covers FY 2010. The financial circumstances for the third contract year covering FY 2010 compel

a carry forward of the FY 2008 and FY 2009 salary increases, through the last full pay period in June 2010 without further modification³. Notwithstanding any other application of the statutory criteria that might speak in favor of a wage adjustment in the third contract year, any such consideration to do so must fall under the overriding weight that must be given to the adverse financial impact of any such award on the governing body, the State's residents and taxpayers.

Beyond FY 2010 is the fourth and final contract year that coincides with FY 2011. The State and PBA have agreed upon a contract with a four year duration. Each has submitted last offers in conjunction with contract year July 1, 2010 through June 30, 2011 (FY 2011). The State has proposed a 3.5% increase while the PBA has proposed an increase of 5.5%. Despite the lack of certainty over the financial picture that might emerge during that contract year, I have, on this record, reached the conclusion that an increase of 2.0% effective the first full pay period in July 2010, an additional 2.0% effective the first full pay period in January 2011, coupled with the deferral of the commencement of a health insurance contribution until the implementation of the January 2011 increase represents a reasonable determination of these issues. The rate of the salary increase goes beyond what the State has proposed for that year but the payout (at 3.0%) is less due to the timing of the splitting of the increases. The rate of the increase, at 4.0%, addresses the concerns the PBA has presented in

³ The demonstrated severity of the State's budgetary situation justifies that, in addition to maintaining salary schedules during FY 2010 at their FY 2009 levels, there should be no eligibility for the receipt of step increments during the July 1, 2009 through June 30, 2010 time period. That is, eligible employees shall not move to the next step in the guide nor have time worked during this one-year period count toward time

the record over issues that relate to continuity and stability of employment and also with comparability considerations that exist between unit employees and those performing similar duties for other governmental jurisdictions. A splitting of the increases provides some protection to the State in the event that revenue shortfalls continue into FY 2011. The maximum base salary under the terms of this Award shall increase from \$72,136 at the expiration of the last agreement to \$80,396, effective the first full pay period in January of 2011. This represents an increase in maximum base pay of \$8,260 over the duration of the Agreement.

Each party has made proposals concerning salary guide structure. I have not been persuaded by any record evidence that a two tiered salary schedule or extra step is warranted. The PBA's proposals on these issues cause short and long-term costs in excess of what can be borne by the State. The record does reflect a basis to change the amount of compensation for Correction Officer Recruit (DOC and JJC). Comparisons show that existing compensation can be modified to a level that is lower and more comparable to that which exists for correction officer recruits in other state jurisdictions nationally and in county correction officer units in New Jersey. This can be accomplished by establishing a reasonable recruit salary of \$40,000 effective for employees hired during or after the first full pay period following the issuance of this award and maintaining that figure through the term of the Agreement.

needed for any increment except for the 18-month period between step 8 and step 9 and the 24-month period between step 9 and step 10.

The State has also made a proposal concerning trainee stipends. The State's proposal would increase the training stipend from the existing level of \$300 per week to \$550 per week immediately, to increase that amount to \$575 per week effective July 1, 2009 and to further increase that amount to \$600 per week effective July 1, 2010. The State submits that the existing payments are unreasonably low and that they offer insufficient support to trainees prior to the time that they become a Correction Officer Recruit. The PBA does not object to the proposal, but asserts that these trainees are not part of the bargaining unit nor are they represented by the PBA. Because the PBA does not negotiate on behalf of the trainees, I award the State's proposal for informational purposes only.

The specific health insurance program to be awarded must be reasonably related to the manner in which in which the State's deepening revenue losses have impacted upon the salary issue and also gives meaning to the health insurance programs that are set forth in the internal comparables within State government. The January 2011 commencement of contributions towards health insurance premiums for this unit relieves unit members of the three and one half years of retroactive payments that would have been required under the State's proposal. Yet, the awarding of a premium cost sharing program effective January 2011 places unit members within the overall internal pattern of settlement, including law enforcement officers in the SLEU group. The PBA has offered persuasive argument that the 1.5% of salary co-payment approach as

proposed by the State for employees hired after July 1, 2007 should not be awarded for the correction and parole officers. Instead, I award a dollar payment contribution that, in structure, parallels the terms included in the SLEU unit for employees hired prior to July 1, 2007. There, in addition to a 1.5% contribution for employees hired on or after July 1, 2007, a program was agreed upon that included a contribution per bi-weekly pay pursuant to the following terms:

Effective Date (First Full Pay Period of)	Individual Plan	Parent/Child Plan	Family or Employee/ Spouse Plan
September 2007	\$20.00	\$30.00	\$40.00
January 2009	\$26.00	\$39.00	\$49.00

The contributions in the SLEU unit were retroactive to September 2007. For employees in the PBA Local 105 unit, given the overall terms of this award, that include no modifications to salary in FY 2010, I award only the lesser contribution structure set forth above. For all PBA Local 105 employees, the contributions of \$20.00, \$30.00 and \$40.00 shall be effective commencing with the first full pay period in January 2011.⁴

The remaining elements of the State's final offer on health benefits are consistent with all of the terms that have been included in all of the other collective bargaining agreements that it has negotiated with all of the other unions that represent State employees during this contract period. These include

⁴ Because of the terms awarded on salary and health insurance, there is no inconsistency between these terms and the denial of the State's formal application to revise its final offer. The Award's terms differ in many key respects from the original final offer and the requested revised offer and are based upon the application of the statutory criteria to the totality of the record.

a \$15 co-pay for doctor visits, a \$50 payment for an emergency room visit, the creation of a third tier (\$25 retail or \$40 mail order) in prescription co-payments for brand name drugs that have a generic equivalent unless a physician certifies that the employee is medically unable to take the generic version of the medication, the replacement of the NJ Plus plan (a POS plan) with NJ Direct 15 (a PPO plan) and certain changes to retiree health benefits. On this latter issue, employees who have accrued 25 years of pension service credit on or before June 30, 2007 shall receive post-retirement medical benefits without having to make any contributions toward the cost of the benefits. However, employees who accrue such credit or who retire on a disability pension after June 30, 2007 will have to participate in the Retiree Wellness Program in order to avoid contributions towards the cost of health benefits. Those who do not participate would be required to pay 1.5% of their monthly pension benefit as a contribution toward the cost of health benefits in order to retain such coverage for the remainder of that year. In addition to the fact that these elements of the health insurance program are consistent with those included in the CWA, AFSCME, IFPTE, and the PBA SLEU units, the cost savings that were established in the record for these changes warrant their inclusion in the PBA Local 105 contract based upon the State's submission on finances. None of these changes shall be retroactive and the effective date of their implementation shall be as soon as is practicable after the issuance of this award. I do not award the PBA proposals to expand dental coverage to employees in retirement nor to increase the existing amount the State pays to employees to reimburse them for the cost of

eyeglasses and eye exams. The PBA proposals are inconsistent with what is currently provided to any other State employees and insufficient justification has been presented to alter the present level of these benefits during this contract term.

I next turn to the remaining economic issues. The PBA's proposal to create longevity pay is denied. The proposal would affect more than 75% of the more than 6,500 employees in the bargaining unit at a cost of approximately \$23 million, representing more than an additional 5% of base salary. The PBA has established that longevity pay does exist in a majority of County correction officer units. But this argument on comparability is far outweighed by the adverse financial impact of awarding its proposal.

The PBA has proposed that Article XXVI, Leave for NJSCA activity be modified to provide full union release time for a union representative/designee employed as a Senior Parole Officer. The PBA relies heavily upon the testimony of Senior Parole Officer Kipley Astrom. Astrom testified in detail to the demands that are placed upon PBA Local 105 while representing parole officers. Parole officers are employed on a statewide basis and perform comprehensive duties and functions that require time sensitive representation. While I do not find sufficient justification to provide full union release time for this purpose, the PBA has demonstrated the need for additional paid leave time to be devoted towards the representation of parole officers. Accordingly, I award an amendment to

Section A (2) of the Article to provide for an additional twenty (20) days annually of paid leave time for a designee of PBA Local 105 from the Parole Officer Unit. Such days shall be provided upon approval from PBA Local 105 and are subject to all the procedures and provisions of Article XXVI.

I also do not award the PBA's proposals that there be a four-hour minimum guarantee on overtime or to be granted the option of taking compensatory time as cash overtime. There is insufficient record evidence to support the PBA's proposals with respect to the minimum guarantee. Existing overtime compensation at approximately \$8,000 per employee annually is substantial and no estimate has been presented as to what the impact of the proposal would be on these costs. Moreover, there is no evidence that the existing method of handling call-ins has created problems or has been the subject of abuse. In respect to the proposal concerning the option of taking comp time as cash overtime, I note that N.J.A.C. 4A:3-5.5(b) allows for payments in cash or in compensatory time at the discretion of the department head with the approval of the commissioner. In the absence of evidence as to the manner in which this rule is being applied or to the possible impact of removing the exercise of discretion from the department, I am compelled to deny the proposal.

Both the State and the PBA have included proposals on Uniform Allowance in their respective last offers. The State has proposed to increase the uniform allowance by \$25 in FY 2010 and an additional \$25 in FY 2011. The

PBA's proposals would provide substantial increases that would nearly double the existing allowance. While I am persuaded by the PBA's presentation that the State's proposal on this issue over the four contract years insufficiently addresses the contractual requirement that unit employees meet prescribed standards and regulations and keep reasonable standards of maintenance, the PBA proposals for such substantial increases have not been justified in terms of need or financial impact. Accordingly, I award an amendment to the uniform allowance to provide the amounts shown below for those bargaining unit employees with at least one (1) year of service as of the last day of the month preceding the following dates:

Effective Date	Corrections & JJC Titles	Uniform Allowance
July 2007	\$867.50	\$1,485.00
January 2008	\$867.50	
July 2008	\$892.50	\$1,485.00
January 2009	\$892.50	
July 2009	\$892.50	\$1,510.00
January 2010	\$892.50	
July 2010	\$917.50	\$1,535.00
January 2010	\$917.50	

The PBA has proposed to add new language to the Agreement to provide that "whenever the President of the United States, Governor of the State of New Jersey, or other appropriate authority declares a holiday or otherwise grants time off to non-essential State personnel, all officers in the bargaining unit shall receive an equal amount of compensatory time." The State seeks the rejection

of this proposal for several reasons. Initially, the State contends that the record does not reflect any prior situation that would trigger the benefit sought by the PBA. The State further argues that the proposal is not clear because it does not specify whether the grant of time off has been given to all non-essential State personnel or to a group or less of employees who are considered non-essential. In addition, the State believes that the proposal has been preempted by N.J.A.C. 4A:6-2.5(d) which states as follows:

An essential attendance employee who is required to work in accordance with an Essential Employee Attendance plan shall be compensated at the regular rate of pay for such work. See N.J.A.C. 4A:3-5 for overtime compensation for work performed by non-exempt employees in excess of the regular workweek.

In the absence of sufficient evidentiary support for this proposal, it is denied.

The PBA has also proposed to add a new paragraph to Article XXVIII, Hours of Work that states as follows: “effective July 1, 2009, all Senior Parole Officers and Parole Officer Recruits (including JJC) shall work an eight (8) hour day, inclusive of a ½ hour paid lunch break.” The State seeks rejection of this proposal. According to the testimony of Senior Parole Officer Astron, parole officers currently work an eight and one-half hour work day that includes a half-hour unpaid lunch. This is in contrast with correction officers who are employed on a normal work schedule of eight hours per day “with thirty minutes for meal time within each work shift which shall be duty status.” The PBA has not demonstrated sufficient justification to award this proposal. The proposal

appears to be based upon seeking parallel normal work schedules between correction officers and parole officers, but the record does not reflect that the duties and the work environment between these two titles are so similar that an identical normal work schedule must be awarded. The proposal is denied.

In rendering the terms of this award, I have given predominant weight to the interests and welfare of the public criterion. That criterion includes, by reference, the financial impact of the cost of an award on the governing unit, its residents and taxpayers. The compensation aspects of the award have considered the overall compensation and benefits currently received, comparability evidence within state employment generally and in jurisdictions where similar work is performed within the State of New Jersey and in other state jurisdictions where corrections work is performed. The terms of the award will maintain the continuity and stability of employment for correction and parole officers employed by the State of New Jersey. The criterion concerning the cost of living has also been considered. While this factor is also relevant, I have not given this data the same level of weight as I have given to the other criteria. The cost of living figures have fluctuated with sharp spikes seen during certain months in 2008. However, the more recent data reflects a substantial moderating in the rate of increase with the CPI-U decreasing by 0.1 in March after rising by 0.4% in February. The index for all items less food and energy increased 0.2% in March, the same increase as in February. The award is generally consistent with the CPI data over the relevant time periods.

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

AWARD

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

2. Term: Article XLVIII – July 1, 2007 to June 30, 2011

3. Wages: Article XIV – Compensation Plan and Program

Base wage rates shall be increased over the term of this agreement as follows:

Effective retroactive to first full pay period in July 2007 – 3.5%

Effective retroactive to first full pay period in July 2008

through the last pay period in June 2010 – 3.5%

Effective first full pay period in July 2010 – 2.0%

Effective first full pay period in January 2011 – 2.0%

Amend Section B(3) as follows: “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, except as set forth below:

Effective July 1, 2009 through June 30, 2010, and notwithstanding any other provision of this Agreement, no employee shall be eligible for any step increments. During the one year term, eligible employees shall not move to the next step in the guide. The time worked during the one-year period shall not count toward time needed for any increment except for the 18-month period between step 8 and step 9 and the 24 month period between step 9 and 10.”

All economic terms, unless provided otherwise, are retroactive to each effective date for those presently employed and those who were employed on each effective date and retired on ordinary or disability pension prior to the date of the Award.

4. Fringe Benefits: Amend Article XXXVIII:

a. Healthcare Contributions:

Effective the first full pay period of January 2011 and thereafter, all employees shall make a contribution, as a deduction from each paycheck for the purpose of sharing the cost of health benefits provided by the State. The parties agree that there shall be no open enrollment period triggered by this contribution. The amount of the contribution per bi-weekly pay shall be as set forth below:

Effective Date (First Full Pay Period of)	Individual Plan	Parent/Child Plan	Family or Employee/ Spouse Plan
January 2011	\$20.00	\$30.00	\$40.00

The parties agree that should an employee voluntarily waive all coverage under the State Health Benefits Plan ("SHBP") and provide a certification to the State that he/she has other health insurance coverage, the State will not deduct the above-referenced Health Insurance contribution for that employee.

If an employee is on leave without pay from which the above-referenced deductions are made, the employee shall be required to contribute the above referenced amount and shall be billed by the State. If payment is not made in a timely manner coverage will cease.

- b. Establishment of PPO Plan: Effective as soon as practicable following the issuance of this Award, and as soon thereafter as an open enrollment period is held by the SHBP, active eligible employees will be able to elect to participate in a PPO (referred to as "NJ Direct 15"), with a national network and the same benefit design as the current NJ Direct 15 Plan, except as modified in paragraph c below. Once active eligible employees are able to elect to participate in the NJ Direct 15 Plan, the NJ Plus Plan shall no longer be available to any bargaining unit employees. Thus, effective as soon as practicable following issuance of the interest arbitration award, employees will be able to elect to enroll in either NJ Direct 15 or an HMO.
- c. Co-Pays: Effective as soon as practicable after issuance of the interest arbitration award, in-network doctor visit co-pays, including specialist co-pays, will increase from \$10 to \$15. There will be a co-pay of \$15 for the first in-network prenatal visit; subsequent in-

network prenatal visits are 100% covered. The emergency room co-pay will increase from \$25 to \$50, which is waived if admitted. These increases shall be imposed regardless of whether an open enrollment period allowing an election of NJ Direct 15 has been held; such increases, therefore, are applicable to all healthcare plans, including the existing NJ Plus and HMO coverage, as well as to NJ Direct 15 once applicable.

- d. Prescription Drug Co-pays: Effective as soon as practicable after issuance of the interest arbitration award, the co-pays for prescription drugs shall be as follows:

	Non Mail Order	90-Day Mail Order
Generics	\$3.00	\$5.00
Brand names where there is no generic equivalent and brand names where the employee's doctor certifies that the employee is medically unable to take the generic version of the medication	\$10.00	\$15.00
Brand names where there is a generic equivalent, unless the employee meets the standard set forth above	\$25.00	\$40.00

Dispute resolution mechanism for generic claims:

In the event that an employee's physician certifies that the employee is medically unable to take the generic version of medication, said certification shall be sent to the employee's carrier for review utilizing procedures for approval of said certification that are consistent with those for the approval of treatment or service by the carrier. Appeals from the decisions by the carrier shall be consistent with the internal appeal process of each carrier. Any such decision is not subject to the grievance procedure in this contract.

- e. Retiree Health Benefits:

1. Employees who accrue 25 years of pension credit service after June 30, 2007 or who retire on a disability pension after June 30, 2007, will be eligible to receive post retirement medical benefits ("PRM") in accordance with the terms set forth in the parties' 2007-2011 collective negotiations agreement. Such employees will be eligible to participate in NJ Plus, until it is replaced by a PPO (NJ Direct 15), and thereafter in the PPO (NJ Direct 15), or in an HMO without

paying for such coverage provided the employee participates in the Wellness program for retirees as set forth below.

2. **Wellness Program:** The employees shall be eligible to participate in a Retiree Wellness program, which shall provide for health assessments of the retiree to promote wellness and prevent disease. The Wellness program was established on or about April 1, 2008. An employee who retires after having accrued 25 years of service on or after July 1, 2007 and on or before June 30, 2011 shall be required to participate in the Wellness program. In the event the program is established and the retiree does not participate during a given year, the retiree shall be required to pay 1.5% of their monthly pension benefit as a contribution to the cost of health benefits to retain such coverage for the remainder of that year.

3. Employees who retire having accrued 25 years of pension service credit on or before June 30, 2007 shall receive post retirement medical benefits without the requirement of participation in a Retiree Wellness program or without requirement to pay any contribution toward the cost of health benefits.

5. **Uniform Allowance – Article XXXIX:** Amend the uniform allowance to provide the amounts shown below for those bargaining unit employees with at least one (1) year of service as of the last day of the month preceding the following dates:

Effective Date	Corrections & JJC Titles	Uniform Allowance
July 2007	\$867.50	\$1,485.00
January 2008	\$867.50	
July 2008	\$892.50	\$1,485.00
January 2009	\$892.50	
July 2009	\$892.50	\$1,510.00
January 2010	\$892.50	
July 2010	\$917.50	\$1,535.00
January 2010	\$917.50	

6. **Article XIV: Trainee Stipends:** The State's position on trainee compensation is noted herein for informational purposes only inasmuch as PBA Local 105 does not represent the trainees and does not negotiate on

their behalf. Effective first full pay period following the issuance of the interest arbitration award, increase Recruit stipend to \$550.00 per week; effective 7/1/09 increase to \$575.00 per week; effective 7/1/10 increase to \$600.00 per week;

7. Correction Officer Recruit (DOC and JJC) - Effective first full pay period following issuance of the interest arbitration award change Correction Officer Recruit (DOC and JJC) salary to \$40,000 and keep it at \$40,000 through term of this Agreement.

8. Article XXVI, Leave for PBA Activity:

Section A(2) shall be amended to provide for an additional twenty (20) days annually of paid leave time for a designee of PBA Local 105 from the Parole Officer Unit. Such days shall be provided upon approval from PBA Local 105 and are subject to all the procedures and provisions of Article XXVI.

9. Incorporation of Stipulations:

Pursuant to N.J.S.A. 34:13A-16(g)(4), I award the following stipulations of the parties:

1. Article I, Recognition: Revise to reflect PBA Local 105 bargaining unit; revise Appendix III to reflect PBA Local 105 job titles only. All references in the Agreement to SLEU group titles or provisions that relate solely to SLEU group titles shall be deleted.

2. Article IX(A), Personnel Folder and Evaluations: Revise as follows:

First Sentence: Reduce 5-day notice to two working days notice the amount of notice an employee must give to have an opportunity to review his personnel folder;

Paragraph 2, Second Sentence: Replace "fifteen (15) days" with "ten (10) business days".

3. Article X, Section B: Add new paragraph B(3) as follows: "Annually, but not later than September 1st of each year, PBA Local 105 may make a written request to OER to facilitate a meeting between representatives from the Department of Personnel (or successor), OER and PBA Local 105 for the express purpose of having discussion concerning the dates for open competitive examinations for the upcoming year. Upon receipt of a timely request, OER shall offer a date for this meeting that is not later than October 1st. While the Department of Personnel (or successor) will retain final say over the dates for these examinations, the purpose of this

provision is to provide PBA Local 105 with the opportunity to have open dialogue concerning this subject.”

4. Article X, Section G, Lateness or Absence Due to Weather Conditions: When the State of New Jersey or a County within New Jersey declares a state of emergency due to weather related conditions, an employee that is late for duty due to delays caused by such weather related conditions and who has made a reasonable effort to report on time shall not be disciplined for such lateness.
5. Article XII(H)(6), Department Hearings: Amend as follows: “In the event a disciplinary action is initiated, the employee or his/her representative may request and shall be provided with copies of all relevant discovery, including exculpatory evidence, that is requested by the representative to the extent that such information is in the possession of the management representative. Such relevant discovery must be provided to the representative not less than three (3) days prior to the scheduled hearing. Similarly, not less than three (3) days prior to the scheduled hearing, the union shall provide the management representative with all information upon which it intends to rely upon at the hearing. Neither party waives its right to assert a claim of confidentiality or privilege with respect to such discovery.
6. Article XII(J)(2), JUMP Panel: Amend to state as follows: “In order for a disciplinary appeal from NJSCA PBA Local 105 to be considered by the panel, the officer must submit his request to appeal to the PBA Local 105 President or his designee. The PBA Local 105 President or his designee must then submit a written notice of appeal must be filed with the Department (or Agency Head) or designee, who issued the decision upholding the disciplinary action. The State shall not be obligated or permitted to process any notice of appeal that is not submitted by PBA Local 105 pursuant to the above process. Such written notice must be filed by PBA Local 105 within ten (10) days of the issuance of such decision. The Department (or Agency Head) or designee will promptly forward a copy of such notice to the Office of Employee Relations and the PBA Local 105 together with a copy of the decision and any other documents that have been made a part of the record of the matter.
7. Article XV(B)(1), Vacation Schedule: Revise last two sentences of Paragraph as follows: “Requests for use of individual days of vacations that are made at least 48 hours in advance will not be denied on the basis of timeliness. Management, in its sole discretion, may grant a request for use of individual days of vacation made at least 24 hours in advance. However, any grievance resulting from management’s discretion to reject a

request for use of individual days of vacation shall not be subject to arbitration.

8. Article XVII: Personal Preference Days – Amend sub-section (c) to state: “the commitment to schedule the personal preference days off shall be non-revocable under any circumstances. The employee must actually work on the holiday that he/she agreed to work in exchange for the personal preference day in order to be entitled to the personal preference day. Moreover, under no circumstances shall there be compensation for personal preference days after retirement and employees shall be docked for any personal preference days that were utilized based upon the expectation of continued employment through the calendar year. Notwithstanding the foregoing, when an employee has already selected a personal preference day and worked the corresponding holiday as promised, and the employee gives at least ten (10) days written notice that he/she will be in no pay status for a period of at least twenty (20) days due to a documented medical condition, the employee may request that the personal preference day be rescheduled to a later date and such request shall be considered in light of operational needs.”

9. Article XVIII, Section C: Administrative Leave
 - a. First Paragraph: Add the following sentence: “When an employee requests the use of administrative leave for unscheduled purposes, the employer can require that the employee provide documentation to support the unscheduled nature of the absence within 72 hours of return to work. So long as documentation is timely provided by the employee when required, leave shall not be denied.”

 - b. Second Paragraph: change “emergencies” to “unscheduled absences”;

 - c. Third Paragraph: First sentence – change “non-emergency” to “scheduled absence”; third sentence – change “emergency” to “unscheduled absence”.

10. Article XX, Section B, Comp Time: Amend first sentence to state: “Employee’s requests for use of compensatory time balances shall be honored, so long as the request is received by the employer at least 48 hours in advance. Requests for use of compensatory time may, in the sole discretion of management, be rejected in all circumstances if this advanced notice is not provided, including circumstances that were previously referred to as “emergency comp time”. Any grievance resulting from management’s

discretion to reject a request for the use of comp time pursuant to this section shall not be subject to arbitration. Also, delete subsection 1, "where an emergency exists".

11. Article XXVI, Leave for PBA Activity:

Amend Section A(1) as follows:

The State agrees to provide full union release time to the PBA Local 105 President, Vice President, Executive Vice President #1, Executive Vice President #2, Executive Vice President #3, Executive Vice President #4, and State Delegate for a total of seven (7) employees, the names of which shall be designated in writing by the PBA Local 105. Such employees shall be placed on first shift, Monday through Friday. The PBA Local 105 President or his designee shall serve as the liaison between the PBA Local 105 and the State.

Amend Section A(2) as follows:

In addition to the foregoing, the State agrees to provide an additional 205 days per year of paid leave for PBA Local 105 activity for all other union business involving designees of PBA Local 105 to attend PBA Local 105 activities, other than those activities set forth in Article VIII(B), above. Thus, a total of 205 days of such leave may be used in the year July 1, 2008 to June 30, 2009; 205 days during the period July 1, 2009 to June 30, 2010 and 205 days during the period July 1, 2010 to June 30, 2011.

Amend Section E as follows:

In addition, the State agrees to provide leave of absence without pay for designees of PBA Local 105 to attend PBA Local 105 activities approved by the State. A total of 400 days of such leave of absence without pay may be used during the period July 1, 2008 to June 30, 2009; 400 days of leave of absence without pay during the period July 1, 2009 to June 30, 2010, and 400 days during the period July 1, 2010 to June 30, 2010.

12. Parole: Intranet Page: State will provide bargaining unit representatives for Parole to have access to an intranet page that shall serve as an electronic bulletin board. The use of this intranet

page by the union shall be subject to all the restrictions and requirements of Article VIII(D).

- 13. Parole: Article XXXII-D, Job Posting: Amend Article XXXII-C to provide that in Parole, all job postings shall be forwarded to the appropriate union representative via e-mail and also posting it on the State Parole Board's intranet site.
- 14. Parole: Appendix I, Involuntary Transfers: The State agrees that Parole shall provide the union with an updated list once per quarter showing the location of all Parole Officer Recruits and Senior Parole Officers.
- 15. Article L, Notices: Change the Association representative to PBA Local 105 with address of 17 North Willow St., Trenton, New Jersey 08608.
- 16. Anywhere "NJSCA" appears, replace with "PBA Local 105".
- 17. Binding Agreement: The parties agree that these stipulations shall be incorporated into the Interest Arbitration Award issued by Arbitrator James Mastriani.
- 18. The parties agree that these stipulations constitute all non-economic issues and that no further non-economic issues not contained herein shall be presented to or decided by Arbitrator Mastriani.

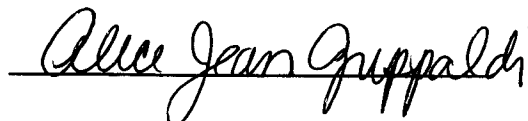
Dated: May 5, 2009
Sea Girt, New Jersey



James W. Mastriani

State of New Jersey }
County of Monmouth }ss:

On this 5th day of May, 2009, 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.



ALICE JEAN GRIPPALDI
NOTARY PUBLIC OF NEW JERSEY
My Commission Expires July 18, 2012