

NEW JERSEY ASSOCIATION OF COUNTIES

County Government with a Unified Voice!

M. CLAIRE FRENCH
JOHN G. DONNADIO
NJAC President
Monmouth County Clerk

Executive Director

INTEREST ARBITRATION PRESS CONFERENCE

Remarks by NJAC President Claire French

11:00 a.m.

April 14, 2014

The War Memorial

Good morning. My name is Claire French. I'm the Monmouth County Clerk and President of the New Jersey Association of Counties, which commends Governor Chris Christie and Senate President Steve Sweeney for their leadership in collaborating on legislation that would extend the 2% cap on binding interest arbitration awards.

Our board of directors, comprised of county officials from all twenty-one counties and from both sides of the aisle, recognizes the unprecedented economic times our State, local governments, and taxpayers are struggling through; and, as an organization that advocates on behalf of a true regional form of government and long-time supporter of shared services and consolidation where feasible, chooses to be part of the solution.

With this in mind, the New Jersey Association of Counties supported the 2010 reduction to the property tax cap levy, provided it was accompanied by civil service reform, pension and health benefits reform; and, perhaps most importantly, a 2% cap on binding interest arbitration awards - as county governments dedicate up to 60% of their overall operating budgets for employee salaries, wages, and health benefits.

In addition to these substantial personnel costs, county governments face a restrictive 2% property tax cap levy where they must prepare budgets pursuant to two comprehensive cap calculations and then use the more restrictive one. To make matters more difficult for local governing bodies, the struggling real estate market caused a dramatic decrease in the State's ratable tax base and corresponding decline in taxable revenue.

Counties also face significant regulatory and statutory State mandates, which include operating county judicial facilities, providing courthouse security, housing inmates in county jails, delivering health and human service programs, maintaining county roads and bridges, funding county colleges and vocational-

technical schools, conducting primary and general elections, and much more. In light of these very complex and demanding factors, local governing bodies are finding it difficult to make ends meet while providing often mandated services in a cost effective manner.

The 2% cap on binding interest arbitration awards has leveled the playing field in negotiations between collective bargaining units and local governing bodies. Prior to the 2% cap, arbitrators routinely awarded contracts with increases that ranged from 15% to as high as 55% in some counties. These awards took into consideration base salary, step increments, and longevity pay all of which are now included under the cap. In addition to effectively controlling personnel costs, the cap on interest arbitration awards has been a critical tool for negotiating reasonable successor contracts as parties are closer to reaching an agreement from the onset of negotiations avoiding further legal and administrative costs.

Failure to permanently extend the 2% cap on binding interest arbitration awards will force county governments throughout the State to further reduce or even eliminate essential services, critical personnel, and long-overdue infrastructure improvement projects. For these reasons, the New Jersey Association of Counties urges the General Assembly to return to Trenton and concur with Governor Chris Christie's conditional veto of legislation that would extend the 2% cap. Thank you.

NJAC is committed to advocating for legislation, regulations, and policy directives that empower county governments to operate more effectively and efficiently. As a non-partisan organization that represents the only true regional form of government in the State with a unified and proactive voice, NJAC is dedicated to advancing innovative programs and initiatives that enhance the level of service provided and save valuable taxpayer dollars. Thank you for your time and consideration, and please do not hesitate to contact us with any questions or concerns.

150 West State Street · Trenton, New Jersey 08608 · Phone 609-394-3467 · Fax 609-989-8567 · www.njac.org