

LEGISLATIVE FISCAL ESTIMATE

SENATE, No. 1412

STATE OF NEW JERSEY

222nd LEGISLATURE

DATED: OCTOBER 19, 2026

SUMMARY

Synopsis: Revises certain laws governing police and fire interest arbitration.

Type of Impact: Annual State and local expenditure increases.

Agencies Affected: New Jersey Public Employment Relations Commission; Law Enforcement and Fire Departments; certain State and local government employers.

Office of Legislative Services Estimate

Fiscal Impact	Annual
State Expenditure Increase	Indeterminate
Local Expenditure Increase	Indeterminate

- The Office of Legislative Services (OLS) determines that this bill will result in indeterminate increased expenditures for the State and local governments to the extent that arbitrators utilize the additional time permitted and increase their billable amounts for services to the allowable caps permitted under the bill.

BILL DESCRIPTION

This bill makes several changes to the current law governing arbitration awards in disputes between public employers and their police and fire departments.

Under current law, any time after a collective negotiation agreement between a public employer and a public police or fire department expires, either party may petition the New Jersey Public Employment Relations Commission for arbitration. Current law outlines the ways in which public employers are to negotiate these contractual disputes when the parties have reached impasse and are unable to resolve their dispute.

The bill requires the public employer to provide, prior to the commencement of the arbitration proceeding, the arbitrator and the employee representative with certain information as outlined in the bill.

The bill extends the time frame during which an arbitrator is required to render an opinion to 150 days of the commission’s assignment. Current law requires an arbitrator or panel of arbitrators to render an opinion within 90 days of the commission’s assignment. Under the bill, an arbitrator may request an extension and the commission chair or a designee may grant the extension if warranted. The bill limits the extension time to 30 days cumulatively but in no case more than 180 days. The bill also extends from 14 days to 21 days the amount of time that an aggrieved party may file an appeal under certain circumstances.

Under the bill, the parties would be required to meet within 10 days after the issuance of an award to complete the award’s implementation and resolve any issues to avoid filing an appeal. The bill also increases the fees associated with the cost of arbitration that are equally shared by the parties. Specifically, the bill increases the maximum cost of services provided by the arbitrator from \$1,000 to \$1,500 per day. The total maximum cost of services of an arbitrator would be increased from \$10,000 to \$15,000.

FISCAL ANALYSIS

EXECUTIVE BRANCH

None received.

OFFICE OF LEGISLATIVE SERVICES

The OLS determines that this bill will result in indeterminate increased expenditures for the State and local governments to the extent that arbitrators utilize the additional time permitted and increase their billable amounts for services.

The bill amends current law to provide that the decision of an arbitrator or panel of arbitrators must be rendered within 150 days of the assignment of an arbitrator by the Public Employment Relations Commission. Current law requires a decision to be rendered within 90 days. To the extent that arbitrators utilize this additional time, there will be an increase in State and local costs.

The bill further amends current law to increase the daily cap on services provided by an arbitrator from \$1,000 to \$1,500 and increases the cap on the total cost of arbitrator services from \$10,000 to \$15,000. To the extent that the services of an arbitrator are required, the State and local governments will experience increased costs.

The following chart from the 2024 Biennial Report of the New Jersey Public Employment Relations Commission shows the number of petitions filed, arbitrators appointed, and awards issued each year under the interest arbitration law from 2016 through 2023.

Calendar Year	2016	2017	2018	2019	2020	2021	2022	2023
IA Petitions Filed	9	29	12	17	17	19	20	23
Arbitrators Appointed	14	13	22	15	17	16	19	23
IA Voluntary Settlements	7	5	16	6	4	6	7	12
IA Awards Issued	8	4	2	6	4	7	9	5

**2024 Biennial Report of the New Jersey Public Employment Relations Commission*

Current law requires the cost of arbitration to be shared equally between the parties. Given that interest arbitration is used infrequently and that the costs must be shared between public employers and their police and fire departments, the bill is likely to have a limited impact on State and local finances.

Section: Law and Public Safety

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This legislative fiscal estimate has been produced by the Office of Legislative Services due to the failure of the Executive Branch to respond to our request for a fiscal note.

This fiscal estimate has been prepared pursuant to P.L.1980, c.67 (C.52:13B-6 et seq.).