



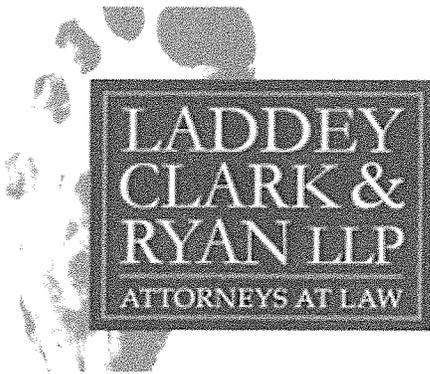
**Melissa Velez-Morales**

**From:** Masser, Michelle  
**Sent:** Wednesday, November 30, 2016 4:02 PM  
**To:** Harris, Laura  
**Cc:** Melissa Velez-Morales  
**Subject:** FW: Client Alert: Economic Hardship Is Insufficient To Unilaterally Alter Union Contract

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**To:** Masser, Michelle <clerkmichelle@mtolivetwp.org>  
**Subject:** Client Alert: Economic Hardship Is Insufficient To Unilaterally Alter Union Contract



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CLIENT ALERT NOVEMBER 2016

**Economic Hardship Is Insufficient To Unilaterally Alter Union Contract**

**OUR EMPLOYMENT AND LABOR LAW ATTORNEYS**

In an opinion issued yesterday, the New Jersey Supreme Court

held that a public employer may not unilaterally impose temporary furlough days on employees in contravention of a collective negotiations agreement, based solely on economic need. This decision clarifies when an employer has the management prerogative to alter the terms and conditions of employment without engaging in collective negotiations.

In March 2010, the Robbinsville Township Board of Education ("the Board") was notified that its state and local educational funding would be cut significantly. The Board requested that the teachers' Union reopen negotiations in light of these new budgetary constraints, but the Union declined to do so. Thus, to manage its tightened budget, the Board unilaterally imposed three (3) unpaid furlough days on teachers for the 2010-2011 school year. The Union filed an unfair labor practice claim against the Board, claiming the imposition of involuntary furlough days was subject to mandatory negotiations.

An item regarding public employment is subject to mandatory negotiations if: (1) the item directly affects the employees' work, (2) the item is not preempted by a statute or regulation, and (3) the negotiated agreement would not significantly interfere with governmental policy. The Public Employer Relations Commission ("PERC") and the Appellate Division both held that the Board's action was not subject to mandatory negotiations because it would significantly interfere with the Board's policymaking on how to manage its budgetary setbacks. The New Jersey Supreme Court reversed PERC and the Appellate Division. The Court determined that a mere financial setback - without something more, such as an emergency regulation authorizing temporary furloughs - did not render the matter non-negotiable. The Court concluded the Board committed an unfair labor practice and remanded the matter to PERC for a determination of damages.

Public employers should seek the assistance of a labor lawyer before unilaterally altering the terms of a collective negotiations agreement. If you have questions about this or any other public employment matter, please do not hesitate to contact one of our Employment and Labor Law attorneys: Thomas Ryan, Esq. ([tryan@lclrlaw.com](mailto:tryan@lclrlaw.com)); Ursula Leo, Esq. ([uleo@lclrlaw.com](mailto:uleo@lclrlaw.com));



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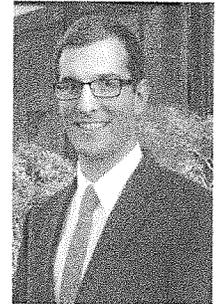
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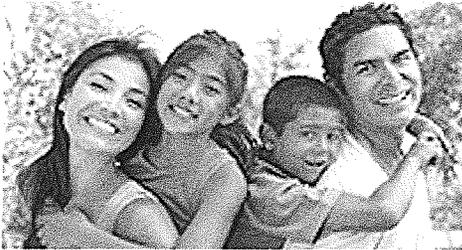
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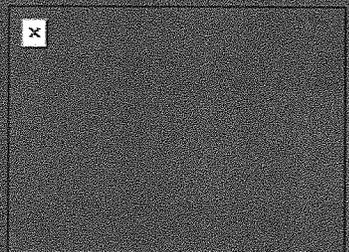
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