

2% Cap on Labor Costs

ISSUE:

S-2043 (Kyrillos R, 13) is another piece of the Governor's "toolkit." It would cap increases in school districts' labor costs, including the cost of benefits, at 2%.

TALKING POINTS:

- This law would dismantle collective bargaining, a system that has protected the rights of school employees since 1968.
- A 2% cap is arbitrary and has no basis in economic reality.
 - Over the last 10 years, inflation in New Jersey has averaged more than 3% annually.
 - Over the last 10 years, private sector wage growth has averaged 3.75% annually.
- The collective bargaining process already responds to the economic climate.
 - According to the New Jersey School Boards Association, the average salary increase next year for contracts negotiated since January is 1.91%.
 - This legislation, though, would stop school employees from ever recovering or catching up once the economy returns to normal and inflation and private sector salaries begin increasing again.
- This cap, by setting a tight and permanent limit on salaries that is well below even the rate of inflation, will make it impossible to attract high quality applicants to our schools, and make it difficult to keep the excellent professionals we already have.

TO DO:

Please call, fax, email or visit your legislators.

Tell them that an artificial cap on salaries and benefits will hurt our schools.