

SUPREME COURT OF NEW JERSEY

Paul Barila, William J. Ludwig, Candace R. Kantor, and Dennis Enrico v. Board of Education of Cliffside Park, Bergen County

Paul Barila, William J. Ludwig, Candace R. Kantor, and Dennis Enrico v. Board of Education of Cliffside Park, Bergen County · No. A-39-18; 081626 · Decided April 20, 2020

SUMMARY

The New Jersey Supreme Court considered whether a dispute over reduced sick-leave compensation was within the exclusive jurisdiction of the Public Employment Relations Commission and whether teachers possessed vested or contractual rights to compensation under a prior collective negotiations agreement. The Court held that the trial court had subject matter jurisdiction because the dispute was not a scope-of-negotiations question. It reversed the lower courts, concluding that the teachers’ rights did not vest until retirement or other separation from employment and that the 2015 agreement validly reduced the compensation cap from \$25,000 to \$15,000.

CASE DETAILS

COURT	Supreme Court of New Jersey
WRITING FOR THE COURT	Justice Patterson; Chief Justice Rabner; Justice LaVecchia; Justice Albin; Justice Fernandez-Vina; Justice Solomon; Justice Timpone
JURISDICTION	New Jersey
DECIDED	April 20, 2020
DOCKET	A-39-18; 081626
DISPOSITION	reversed
PROCEDURAL POSTURE	The Board appealed from summary judgment entered for teachers on their claim that they possessed vested or contractual rights to compensation for unused sick leave under the prior collective negotiations agreement. The Appellate Division affirmed, and the Supreme Court of New Jersey granted certification.
STANDARD OF REVIEW	Summary judgment is reviewed de novo under the same standard as the trial court. Contract interpretation is reviewed de novo in the absence of a factual dispute.
PRECEDENTIAL VALUE	Published and precedential New Jersey Supreme Court opinion

PARTIES

Board of Education of Cliffside Park, Bergen County v. Paul Barila,
William J. Ludwig, Candace R. Kantor, Dennis Enrico

TOPICS

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QUESTIONS PRESENTED

1. Whether the dispute over the authority to modify the sick-leave compensation provision was a scope-of-negotiations dispute within the exclusive initial jurisdiction of the Public Employment Relations Commission.
2. Whether the 2012 collective negotiations agreement created a vested or contractual right to compensation under its \$25,000 sick-leave cap for teachers who remained employed when the agreement expired.
3. Whether the 2015 collective negotiations agreement validly reduced the maximum compensation for accumulated unused sick leave from \$25,000 to \$15,000 for teachers who had accumulated sick leave under prior agreements but had not yet retired or separated from employment.

HOLDINGS

1. The dispute did not present a scope-of-negotiations question because plaintiffs challenged the parties' authority to bargain away allegedly vested contractual rights, not whether sick-leave compensation was a nonnegotiable managerial prerogative. The trial court therefore properly exercised subject matter jurisdiction.
2. The 2012 Agreement did not create a vested right to application of its \$25,000 sick-leave compensation formula after the agreement expired and while a successor agreement governed. A teacher's right to compensation vested only when the teacher satisfied the service requirements and retired or otherwise separated with sick leave still unused.
3. The 2015 Agreement clearly and unambiguously reduced the maximum compensation for accumulated unused sick leave from \$25,000 to \$15,000 for all eligible teachers who remained in service, including teachers who had accumulated unused sick leave during prior agreements.

KEY QUOTATIONS

"We therefore conclude that the trial court correctly invoked its subject matter jurisdiction in this case, and that the Appellate Division properly affirmed the court's assertion of subject matter jurisdiction over the parties' dispute." (at 24)

“The trial court and the Appellate Division erred when they concluded that the Board and the Association lacked the authority to reduce the cap on unused accumulated sick leave compensation from \$25,000 to \$15,000.” (at 39)

“Accordingly, we reverse the Appellate Division’s judgment, vacate the orders granting summary judgment in favor of plaintiffs and denying the Board’s motion for summary judgment, and enter summary judgment in favor of the Board.” (at 39)

FACTUAL BACKGROUND

The Board and the Cliffside Park Education Association entered a 2012 collective negotiations agreement providing compensation for accumulated unused sick leave, capped at \$25,000. Their 2015 successor agreement retained the eligibility requirements but increased the per-day rate and reduced the maximum compensation to \$15,000. The plaintiffs were teachers who had accumulated unused sick leave potentially worth more than \$15,000 under the prior agreement but had not yet retired when the 2015 Agreement was adopted. The Association knowingly negotiated the modified provision, declined the Board's proposed concessions to grandfather affected teachers, and the agreement was ratified.

PROCEDURAL HISTORY

The trial court rejected the Board's argument that the dispute was within the exclusive initial jurisdiction of the Public Employment Relations Commission, denied dismissal, and entered summary judgment for plaintiffs. The Appellate Division affirmed both the trial court's subject matter jurisdiction and its merits ruling. The Supreme Court affirmed jurisdiction but reversed on the vested-rights claim, vacated the trial court's orders, and entered summary judgment for the Board.

DISPOSITION

reversed

REMAND INSTRUCTIONS

The Appellate Division judgment was reversed; the trial court's orders granting plaintiffs summary judgment and denying the Board's motion were vacated; summary judgment was entered in favor of the Board on the vested-rights claim.

CASES CITED

- In re Local 195, 88 N.J. 393, 403-04 (1982)
- Owens v. Press Publishing Co., 20 N.J. 537, 541-49 (1956)
- In re Morris School District Board of Education, 310 N.J. Super. 332, 342-48 (App. Div. 1998)
- Woytas v. Greenwood Tree Experts, Inc., 237 N.J. 501, 511 (2019)
- Brill v. Guardian Life Insurance Co. of America, 142 N.J. 520, 528-29 (1995)
- Serico v. Rothberg, 234 N.J. 168, 178 (2018)
- County of Atlantic v. State of New Jersey, 230 N.J. 237, 252-55 (2017)

- In re Robbinsville Township Board of Education v. Washington Township Education Association, 227 N.J. 192, 198-99 (2016)
- In re Paterson Police PBA Local v. City of Paterson, 87 N.J. 78, 86 (1981)
- State v. State Supervisory Employees Association, 78 N.J. 54, 83 (1978)
- Ridgefield Park Education Association v. Ridgefield Park Board of Education, 78 N.J. 144, 153-54 (1978)
- Quinn v. Quinn, 225 N.J. 34, 45 (2016)
- New Jersey Association of School Administrators v. Schundler, 211 N.J. 535, 550-51 (2012)
- Caponegro v. State Operated School District of the City of Newark, 330 N.J. Super. 148, 156-61 (App. Div. 2000)
- Garfinkel v. Morristown Obstetrics & Gynecology Associates, P.A., 168 N.J. 124, 135 (2001)
- Atalese v. U.S. Legal Services Group, L.P., 219 N.J. 430, 443 (2014)
- Leodori v. Cigna Corp., 175 N.J. 293, 302 (2003)
- Gilman v. County of Cheshire, 493 A.2d 485, 486-88 (N.H. 1985)
- Lawrence v. Board of Education of School District 189, 503 N.E.2d 1201, 1209 (Ill. App. Ct. 1987)
- Knecht v. Board of Trustees for State Colleges and Universities and Northwestern State University, 591 So. 2d 690, 692, 694 (La. 1991)