

ASSEMBLY LABOR COMMITTEE

STATEMENT TO

ASSEMBLY, No. 5378

with committee amendments

STATE OF NEW JERSEY

DATED: MARCH 15, 2021

The Assembly Labor Committee reports favorably and with committee amendments Assembly Bill No. 5378.

As amended, this bill promotes workforce diversity in public works projects by permitting any public entity which includes a project labor agreement (PLA) in a contract for a public works project to include, as part of the PLA, provisions to provide on-the-job or off-the-job outreach and training programs for minority group members, members of disadvantaged communities, and women, which may include programs to provide incentives for, or otherwise facilitate, the hiring, training, and employment of minority group members, members of disadvantaged communities, and women, including employment of local residents.

This bill also expands the permissible use of PLAs beyond contracts for building-based public works projects, thus allowing PLAs to be used for highway, bridge, pumping station, water, and sewage treatment plant projects.

As amended, the bill requires that each project labor agreement stipulates that:

1. the project labor agreement applies to work done at construction sites of the public works project but not to work done outside of those sites; and
2. if a union trust fund covered by the PLA has not adopted the building and construction industry exemption authorized by the federal Employee Retirement Income Security Act, the signatory employers are not obligated to hire employees covered by that fund.

Current law permits, but does not require, public entities to enter into PLAs for projects over \$5 million. The bill does not affect the requirement that a political subdivision would be required to adopt an ordinance approving a PLA. Any requirements to have PLAs in private public partnerships are not affected or diminished by the bill.

COMMITTEE AMENDMENTS:

The committee amended the bill to require that each project labor agreement stipulates that:

1. the project labor agreement applies to work done at construction sites of the public works project but not to work done outside of those sites; and

2. if a union trust fund covered by the PLA has not adopted the building and construction industry exemption authorized by the federal Employee Retirement Income Security Act, the signatory employers are not obligated to hire employees covered by that fund.

As adopted and reported, the amendments make the bill identical to Senate Bill No. 3414 (2R) of the 2020-2021 session.