

SENATE, No. 292

STATE OF NEW JERSEY 219th LEGISLATURE

PRE-FILED FOR INTRODUCTION IN THE 2020 SESSION

Sponsored by:

Senator JOSEPH PENNACCHIO

District 26 (Essex, Morris and Passaic)

SYNOPSIS

Prohibits public institutions of higher education from making certain payouts to departing employees that are not contractually obligated; requires Secretary of Higher Education to approve certain higher education employment contracts.

CURRENT VERSION OF TEXT

Introduced Pending Technical Review by Legislative Counsel.



1 **AN ACT** concerning certain employee contracts and payouts at
2 public institutions of higher education and supplementing
3 chapter 3B of Title 18A of the New Jersey Statutes.

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5 **BE IT ENACTED** *by the Senate and General Assembly of the State*
6 *of New Jersey:*

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8 1. a. Notwithstanding any provision of law to the contrary, a
9 public institution of higher education shall not make any payments
10 to an employee or former employee for the purpose of sabbatical
11 leave or employment severance unless the institution is
12 contractually bound to pay that amount pursuant to the terms of the
13 employment contract between the institution and the employee.

14 b. In the event that a public institution of higher education
15 violates the provisions of this section, the State Treasurer shall debit
16 from the institution's State operating aid an amount equal to the
17 difference between any contractually-obligated amount and the
18 amount actually paid by the institution to the employee or former
19 employee.

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21 2. Any multi-year contract between a public institution of
22 higher education and an employee for a salary amount of more than
23 \$100,000 per year shall, prior to the execution of the contract, be
24 reviewed and approved by the Secretary of Higher Education. The
25 secretary shall adopt standards and criteria for the review and
26 approval process.

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28 3. This act shall take effect immediately.

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STATEMENT

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33 This bill prohibits a public institution of higher education from
34 making any payments to an employee or former employee for the
35 purpose of sabbatical leave or employment severance unless the
36 institution is contractually bound to pay that amount pursuant to the
37 terms of the employment contract between the institution and the
38 employee. Under the bill, if a public institution of higher education
39 violates this prohibition, the State Treasurer will debit from the
40 institution's State operating aid an amount equal to the difference
41 between any contractually-obligated amount and the amount
42 actually paid by the institution to the employee or former employee.

43 In addition, the bill requires the Secretary of Higher Education to
44 review and approve any multi-year contract between a public
45 institution of higher education and an employee for a salary amount
46 of more than \$100,000 per year, prior to the execution of that
47 contract. The secretary will adopt standards and criteria for the
48 review and approval process.