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African American Chamber of Commerce of New Jersey and Associated Builders and Contractors New Jersey Chapter Issues Statement On Passing Of Bill S-3414/A-5378 Through State Assembly

Mt. Laurel, NJ - March 26, 2021: Yesterday, the New Jersey State Assembly voted to pass Bill S-3414/A-5378, which revises the “public work projects” definition to require a government-mandated project labor agreement to **any** public works contract exceeding \$5 million. The Bill has now passed both the State Senate and Assembly, moving the legislation to Governor Murphy’s desk.

A PLA is a project-specific collective bargaining agreement unique to the construction industry. Typically, PLAs force contractors to recognize unions as the representatives of their employees on a given project, discouraging merit shop contractors from bidding on taxpayer-funded construction activities. According to the U.S. Bureau of Labor Statistics (2019), only 17.8 % of New Jersey’s private construction workforce is represented by a union.

“It is beyond disappointing that our legislators voted to pass a Bill that shuts out 80% of the construction workforce, many of which are minority and female-owned businesses. 98% of Black and Hispanic construction companies are non-union and this legislation will limit any possibility of these businesses competing on public projects,” said Samantha DeAlmeida, Second Vice President and Government Affairs Liaison.

“We share our disappointment along with Associated Builders Contractors, due to the passage of this Bill, although, not surprising given that this Legislature has advanced every union sponsored Bill that I can recall during this session,” said John E. Harmon, Sr., IOM, Founder, President, and CEO of the African American Chamber of Commerce of New Jersey. “We are not opposed to unions; they perform a significant role in New Jersey's economy, however, when it comes to taxpayer dollars; there must be a level playing field with fair and open access to compete,” Harmon continued. “There is no doubt that Black People, and Black Business

owners will realize very little benefits if this Bill is signed into Law by Governor Murphy, based on the historical record of minimal inclusion in the trades and public construction projects. Now, our only hope is that Governor Murphy will remember that Black People and Black Business owners held an equitable stake (94%) in electing him to office when the Bill arrives at his desk for signature.”

On July 25th, 2002, The *Project Labor Agreement Act* was signed into law. Section C:52:38 of the *Act* required an annual report be provided to the Governor and Legislature detailing the effectiveness of all PLAs entered pursuant to the act. Parameters of the required report were outlined including a requirement that the first report is prepared and submitted on December 31, 2003, and each year thereafter. Additionally, the *Act* requires that in the 2006 report an analysis should be included detailing the overall effectiveness of the *Act*. To date, the only study that has been conducted took place in 2010, based on data from 2008.

“Our organization represents over 450,000 workers throughout New Jersey and vehemently opposes this piece of legislation,” said Sam Fiocchi, President of ABC-NJ. “According to the State’s own study, enforcing PLAs on public school projects resulted in increased costs of 33%, and slowed project timelines by 6-8 weeks. We are at a point in time where job growth and workforce diversity should be the priority, not restricting who can bid on jobs. We are asking Governor Murphy, on behalf of our members, taxpayers in the State of New Jersey, and the vast majority of the construction workforce to have an equitable opportunity to work on these public projects,” Fiocchi continued.

About Associated Builders and Contractors: ABC is a national association representing 21,000 merit shop construction and construction-related firms in 69 Chapters across the United States. Our membership represents all specialties within the U.S. construction industry and is comprised primarily of firms that perform work in the industrial and commercial sectors of the industry. ABC NJ is the industry's liaison to federal, state, and local governments and the public at large. For more information, please visit our website at www.abcnjc.org.

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