

ASSEMBLY, No. 2480

STATE OF NEW JERSEY 214th LEGISLATURE

INTRODUCED MARCH 8, 2010

Sponsored by:

Assemblyman JOSEPH R. MALONE, III

District 30 (Burlington, Mercer, Monmouth and Ocean)

Assemblyman DECLAN J. O'SCANLON, JR.

District 12 (Mercer and Monmouth)

Co-Sponsored by:

Assemblywoman Addiego

SYNOPSIS

Freezes expenditures by public entities on salaries and benefits for period of three years and limits such expenditures thereafter.

CURRENT VERSION OF TEXT

As introduced.



(Sponsorship Updated As Of: 3/12/2010)

1 AN ACT freezing expenditures by public entities on salaries and
2 benefits for a period of three years and limiting such
3 expenditures thereafter and supplementing Title 52 of the
4 Revised Statutes.

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

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9 1. Notwithstanding the provisions of any other law to the
10 contrary, the amount expended by a public entity on employee
11 salaries and benefits in the three fiscal years following the effective
12 date of this act shall not be increased above the amount provided for
13 salaries and benefits in the budget for the fiscal year during which
14 this act takes effect. Thereafter, the amount expended by a public
15 entity on employee salaries and benefits shall not increase in any
16 fiscal year above the preceding year's level by more than the CPI.

17 For the purposes of this section, employee salaries and benefits
18 shall include any expenditure for the purpose of hiring a contractor
19 to perform any duty previously performed by an employee of the
20 public entity.

21 Nothing contained in this section shall be construed in a manner
22 that impairs the obligation of any public entity under a collective
23 negotiations agreement or an individual contract of employment
24 that is in effect on the effective date of this act, except that such
25 obligations shall not constitute an exception to the requirements of
26 this section limiting overall increases in expenditures on employee
27 salaries and benefits.

28 As used in this section,

29 "CPI" means the increase, expressed as a decimal, in the average
30 annualized consumer price index for the New York City and
31 Philadelphia areas during the preceding fiscal year relative to the
32 previous fiscal year as reported by the United States Department of
33 Labor; and

34 "public entity" means any of the principal departments in the
35 Executive Branch of State government, and any division, board,
36 bureau, office, commission or other instrumentality within or
37 created by such department; the Legislative Branch, and any office,
38 board, bureau or commission within or created by the Legislative
39 Branch; the Judicial Branch and any office, board, bureau or
40 commission within or created by the Judicial Branch; any
41 independent authority, commission, instrumentality or agency of the
42 State; any public institution of higher education; any interstate
43 agency to which New Jersey is a party to the extent permitted by
44 law; a county, municipality or school district, and any board,
45 authority, commission or other instrumentality created by one or
46 more counties, municipalities or school districts; and any other
47 State or local public body or quasi-public body the creation of
48 which is authorized or directed by statute.

1 2. This act shall take effect immediately.

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STATEMENT

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6 This bill would freeze expenditures on employee salaries and
7 benefits by public entities at all levels of government for a period of
8 three years and allow subsequent increases only to the extent that
9 those increases do not exceed any increase in the CPI (consumer
10 price index). In order to prevent a public entity from compensating
11 for the freeze on salary and benefit increases by “contracting out”,
12 employee salaries and benefits will be deemed to include any
13 expenditure for the purpose of hiring a contractor to perform any
14 duty previously performed by an employee of the public entity. The
15 bill provides that it will not be construed in a manner that impairs
16 the obligation of any public entity under a collective negotiations
17 agreement or an individual contract of employment that is in effect
18 on the bill’s effective date, except that such obligations will not
19 constitute an exception to the requirements of this section limiting
20 overall increases in expenditures on employee salaries and benefits.