

ASSEMBLY, No. 570

STATE OF NEW JERSEY

Introduced Pending Technical Review by Legislative Counsel

PRE-FILED FOR INTRODUCTION IN THE 1996 SESSION

By Assemblywoman TURNER

1 AN ACT concerning the privatization of State agencies and programs
2 and supplementing Title 52 of the Revised Statutes.

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

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7 1. a. At least 180 days before releasing a request for proposal,
8 other procurement document, or proposed agreement with the purpose
9 or intent of entering into a privatization contract with a
10 nongovernmental entity for the assumption or management of any
11 State agency asset, or for the performance of any State agency service
12 or operation, with a cumulative value equal to or greater than
13 \$100,000, or with an annual budget equal to or greater than \$100,000,
14 the agency shall submit written notice to the agency employees who
15 are likely to be terminated as a result of the privatization.

16 b. The notice required by this section shall identify the asset to be
17 assumed or managed or the service or operation to be performed by
18 the nongovernmental entity and shall include a copy of the request for
19 proposal, other procurement document, or proposed agreement
20 relating to the proposed privatization contract with the
21 nongovernmental entity.

22 c. The notice required by this section shall also advise the
23 employees of their right to submit a two-year business plan setting
24 forth a statement of intent by the employees to take over management
25 of the asset or performance of the operation or service in lieu of
26 privatizing the asset, operation or service. The notice shall also advise
27 the employees of their right to seek assistance from the New Jersey
28 Economic Development Authority in the formulation of the business
29 plan and to seek financing from the authority to implement the plan.

30 d. If the employees determine to submit a business plan pursuant
31 to this section, the plan shall be submitted to the agency prior to the
32 expiration of the 180-day period established by subsection a. of this
33 section. The plan shall include, but not be limited to, an analysis of the
34 financial, managerial and budgeting requirements necessary for
35 meeting the specific criteria of the proposal. The analysis shall be in

1 sufficient detail to permit the agency to evaluate the merits of the
2 business plan.

3 e. Within 60 days of the receipt of the business plan submitted
4 pursuant to this section, the agency shall either approve or disapprove
5 the plan or require modifications of the plan. If the plan is approved,
6 the agency and the employees shall have one year from the date of
7 approval to implement the plan. If the agency disapproves the plan or
8 recommends changes to the plan, the employees shall have 30 days
9 from receipt of the agency's disapproval or recommendations to amend
10 the business plan and resubmit it to the agency for approval. If the
11 employees are unable to obtain the agency's approval within 30 days
12 after the submission of the amended business plan to the agency, the
13 employees may not proceed with the plan.

14 For the purposes of this act, "State agency" or "agency" means any
15 of the principal departments in the Executive Branch of the State
16 government, and any division, board, bureau, office, commission or
17 instrumentality within or created by such department; the Legislature
18 of the State and any office, board, bureau, or commission within or
19 created by the Legislative Branch; and any independent State
20 authority, commission, instrumentality, or agency. A county or
21 municipality shall not be deemed an agency or instrumentality of the
22 State.

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24 2. This act shall take effect immediately.

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STATEMENT

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29 This bill requires State agencies to submit notice of a request for
30 proposal, other procurement document or proposed agreement for the
31 privatization of a State agency asset, service or operation, with a
32 cumulative value of \$100,000 or greater, to the employees who are
33 likely to be terminated as a result of the privatization.

34 The notice required by this bill must be sent at least 180 days before
35 the release of the request for proposal or other document and must
36 identify the asset to be assumed or managed or the service or
37 operation to be performed by the nongovernmental entity. The notice
38 shall advise the employees of their right to submit a two-year business
39 plan to the agency setting forth the employees' intent to take over
40 management of the asset or performance of an operation.

41 The bill provides that if the employees determine to submit a
42 business plan, the plan shall be submitted to the agency prior to the
43 expiration of the 180-day review period. The bill further provides that
44 the agency shall either approve or disapprove the plan or require
45 modifications of the plan within 60 days of receipt of the plan from the
46 employees.

1 If the agency disapproves the plan or requires modifications of the
2 plan, the employees would thereafter have 30 days from receipt of the
3 disapproval or recommendations to amend the plan and resubmit it to
4 the agency for approval.

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10 Requires State agencies to submit notice of request for proposals or
11 other documents pertinent to privatization contracts to certain State
employees.