

P.L. 2021, CHAPTER 104, *approved June 11, 2021*  
Senate, No. 2932

1   **AN ACT** concerning collective bargaining agreements and  
2       subcontracting and supplementing P.L.1941, c.100 (C.34:13A-1  
3       et seq.).  
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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. As used in this act:

9       "Employer" means a State college or university established  
10      pursuant to chapter 64 of Title 18A of the New Jersey Statutes or a  
11      public research university.

12      "Employee" means any employee, whether employed on a full or  
13      part-time basis, of an employer.

14      "Subcontracting" means any action, practice, or effort by an  
15      employer which results in any services or work performed by any of  
16      its employees being performed or provided by any other person,  
17      vendor, corporation, partnership or entity.

18      "Subcontracting agreement" means any agreement or  
19      arrangement entered into by an employer to implement  
20      subcontracting.  
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22      2. Except for actions of an employer expressly required or  
23      prohibited by the provisions of this act, all aspects or actions  
24      relating to or resulting from an employer's decision to subcontract  
25      including, but not limited to, whether or not severance pay is  
26      provided, shall be mandatory subjects of negotiations.  
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28      3. No employer shall enter into a subcontracting agreement  
29      which affects the employment of any employees in a collective  
30      bargaining unit represented by a majority representative during the  
31      term that an existing collective bargaining agreement with the  
32      majority representative is in effect. No employer shall enter into a  
33      subcontracting agreement for a period following the term of the  
34      current collective bargaining agreement unless the employer:

35      a. Provides written notice to the majority representative of  
36      employees in each collective bargaining unit which may be affected  
37      by the subcontracting agreement and to the New Jersey Public  
38      Employment Relations Commission, not less than 90 days before  
39      the employer requests bids, or solicits contractual proposals for the  
40      subcontracting agreement; and

41      b. Has offered the majority representative of the employees in  
42      each collective bargaining unit which may be affected by the

1 subcontracting agreement the opportunity to meet and consult with  
2 the employer to discuss the decision to subcontract, and the  
3 opportunity to engage in negotiations over the impact of the  
4 subcontracting. The employer's duty to negotiate with the majority  
5 representative of the employees in each collective bargaining unit  
6 shall not preclude the employer's right to subcontract should no  
7 successor agreement exist.

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9 4. Each employee replaced or displaced as the result of a  
10 subcontracting agreement shall retain all previously acquired  
11 seniority during that period and shall have recall rights whenever  
12 the subcontracting terminates.

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14 5. An employer who violates any provision of this act shall be  
15 deemed to have committed an unfair practice, and any employee or  
16 majority representative organization affected by the violation may  
17 file an unfair practice charge with the New Jersey Public  
18 Employment Relations Commission. If the employee or  
19 organization prevails on the charge, the employee is entitled to a  
20 remedy including, but not limited to, reinstatement, back pay, back  
21 benefits, back emoluments, tenure and seniority credit, attorney's  
22 fees, and any other relief the commission deems appropriate to  
23 effectuate the purposes of this act.

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25 6. Nothing in this act shall be construed as authorizing  
26 subcontracting which is not otherwise authorized by law. Nothing  
27 in this act shall be construed as restricting or limiting any right  
28 established or provided for employees by section 7 of  
29 P.L.1968, c.303 (C.34:13A-5.3); the purpose of this act is to  
30 provide rights in addition to those provided in that section.

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32 7. This act shall take effect immediately.

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35 STATEMENT

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37 This bill prohibits an employer from entering into a  
38 subcontracting agreement which may affect the employment of any  
39 employees in a collective bargaining unit under any circumstances  
40 during the term of an existing collective bargaining agreement  
41 covering the employees. The bill defines "employer" as a State  
42 four-year institution of higher education.

43 The employer is permitted to enter into a subcontracting  
44 agreement for a period following the term of a current collecting  
45 bargaining agreement only if the employer:

46 first, provides notice to both the majority representative of  
47 employees in each collective bargaining unit and to the Public  
48 Employment Relations Commission at least 90 days prior to any

1 effort by the employer to seek the subcontracting agreement; and  
2 second, offers the majority representative the opportunity to meet  
3 and discuss the decision to subcontract and negotiate over its  
4 impact. The employer's duty to negotiate over the impact of the  
5 subcontracting would not preclude the employer's right to  
6 subcontract should no successor agreement exist.

7 The bill makes all actions of an employer regarding  
8 subcontracting, except for those expressly required or prohibited by  
9 the bill, mandatory subjects of negotiations.

10 Each employee replaced or displaced because of a subcontracting  
11 agreement would retain all previously acquired seniority and would  
12 have recall rights when the subcontracting terminates.

13 The bill provides that an employer who violates the act has  
14 committed an unfair practice and may be subject to an unfair  
15 practice charge with the Public Employment Relations Commission,  
16 under which the employee may be entitled to a remedy including,  
17 but not limited to: reinstatement, back pay, back benefits, back  
18 emoluments, tenure and seniority credit, and attorney's fees.

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23 Concerns subcontracting agreements entered into by four-year  
24 public institutions of higher education.