

SENATE BUDGET AND APPROPRIATIONS COMMITTEE

STATEMENT TO

SENATE COMMITTEE SUBSTITUTE FOR SENATE, No. 989

STATE OF NEW JERSEY

DATED: FEBRUARY 11, 2021

The Senate Budget and Appropriations Committee reports favorably a committee substitute for Senate Bill No. 989.

This committee substitute requires certain airport and train station workers to be paid certain wage rates and benefits and makes those requirements subject to the "New Jersey Prevailing Wage Act," P.L.1963, c.150 (C.34:11-56.25 et seq.).

Under the bill, "covered airport or related location worker" means

(1) any person employed to perform work at a covered airport or related location, provided at least half of the employee's time during any workweek is performed at a covered airport and related location; or

(2) any person who performs work related to the preparation or delivery of food for consumption on airplanes departing from a covered airport or related location. The term does not include persons employed in an executive, administrative, or professional capacity or any person employed by a public agency.

The bill provides that the prevailing wage rates will be a minimum standard rate of compensation for these workers, as follows:

On and after September 1, 2021 and every year thereafter, in no event will the prevailing wage rate applicable to a covered airport or related location worker be less than the following:

(a) any otherwise applicable minimum wage rate established through a policy of the Port Authority of New York and New Jersey; and

(b) an amount of wages or supplements equal to the rate for health and welfare for all occupations, designated by the commissioner based on the determinations made by the federal department of labor pursuant to the McNamara-O'Hara Service Contract Act of 1965 (41 U.S.C. 6701 et seq.) for the geographic region in which the covered airport location is located and in effect on the date of the designation by the commissioner; and

(c) paid leave equal to the paid leave requirements designated by the Commissioner the immediately preceding August 1, based on the determinations made by the General Services Administration pursuant to the federal "Service Contract Act of 1965" (41 U.S.C. s.351 et seq.).

The bill defines “covered airport or related location” as Newark Liberty International Airport and Newark Liberty International Airport Train Station.

In 2018, over 30 million passengers traveled through Newark Liberty International Airport, making this airport and the Newark Liberty International Airport Train Station one of the busiest transit hubs in the country.

The workers at the airport and train station often cannot afford employer-provided healthcare plans, and unaffordable healthcare expenses is one of the sources of the high rates of turnover for the workers in the airport and train station.

Improved retention rates of workers in the airport and train station is an investment in service and safety for all who pass through the airport and train station and compensating these workers so that they can afford healthcare and receive a prevailing wage is a way to increase retention.

FISCAL IMPACT:

This bill is not certified as requiring a fiscal note.