
Committee Meeting

of

NEW JERSEY ASSEMBLY LABOR COMMITTEE

“A discussion of the concerns and objectives related to issues which may be addressed by the committee during the 2002-2003 session”

LOCATION: Committee Room 9
State House Annex
Trenton, New Jersey

DATE: February 4, 2002
10:00 a.m.

MEMBERS OF COMMITTEE PRESENT:

Assemblywoman Arline M. Friscia, Chairwoman
Assemblyman Paul Sarlo, Vice-Chair
Assemblyman Neil M. Cohen
Assemblyman Robert J. Smith
Assemblyman Guy R. Gregg
Assemblyman George F. Geist



ALSO PRESENT:

Gregory L. Williams
Office of Legislative Services
Committee Aide

Victoria Bostic
Assembly Majority
Committee Aide

Victoria Brogan
Assembly Republican
Committee Aide

Meeting Recorded and Transcribed by
The Office of Legislative Services, Public Information Office,
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ASSEMBLYWOMAN ARLINE M. FRISCIA (Chairwoman):

The meeting will come to order.

Good morning, everyone. It is indeed a pleasure to be here for the first meeting of the Labor Committee in this session. We have a number of people who are interested in speaking today. We're looking forward to hearing what you have to say, because I'm sure that given the budget constraints that we're facing here in the state of New Jersey right now, we are going to be forced to use our creativity. And we are looking forward to your input and are very anxious to hear what you have to say. And I'm going to cut my remarks right there because we've got about 18 people right now who are interested in addressing the Committee.

So, I'm going to lead off with the new Commissioner of Labor, Mr. Kroll, because you're a busy guy.

COMMISSIONER ALBERT G. KROLL: Thank you. My comments are also going to be somewhat brief this morning because you do have a full schedule, but I want to thank everyone for the kind invitation to -- having to make a couple of brief comments. And as I've said, they will be brief.

There are a number of issues, and before I start I want to introduce the Deputy Commissioner, Kevin McCabe, who is sitting at my right. Kevin is someone I have worked closely with over the last year, and I'm very proud to have him as my Deputy.

The Department -- right now we are doing an evaluation from top to bottom. We are evaluating every program. And there are a couple of things that I think that you should be -- everyone in this room should be -- aware of.

As you know, much of our budget comes from the Federal Government, with respect to spending. There are a number of things that are being proposed in Washington, D.C. now that will have an impact.

They are looking to cut some of the training programs. That's going to have an impact because we sponsor those training programs. There are also, with respect to the Unemployment Insurance Program, they are looking to have a number of changes with respect to how that is funded. Now whether that proposed legislation moves forward, I don't know, but obviously we should be very attentive to that. We do have some concerns.

The other issue that is of utmost importance is we're about to embark on a \$8.5 billion School Construction Program. And one of the areas we have a great deal of concern is with respect to the Prevailing Wage Act. I've read the transcripts from your hearings that Assemblyman Geist had conducted, and we intend on taking a number of steps, proactive steps, in those areas as opposed to waiting for violations to occur.

I think you can anticipate that we will be submitting some proposed legislation in those areas for your consideration. It is an area that we have, as I said, a great deal of concern. This is public money that is being spent, and the last thing we want to do is see that money go in areas that it should not.

So therefore, I have scheduled a meeting with the Inspector General's Office, which is in charge of some of the aspects of this. And we're meeting in February, the middle of February, with them to go over that. I know that they also testified in front of you.

In addition, we are meeting with the individual who runs the program in New York City, which has been fairly successful. So we intend to be in front of the curve on this issue. It's an important issue to the citizens of this State.

Other than that, I look forward to working with each and every one of you in this room. Most of you know me by name or reputation. My door is always open, and that is the way we plan on doing business. I'm looking forward to working with each and every one of you in this room.

Thank you.

Kevin.

DEPUTY COMMISSIONER KEVIN MCCABE: I just echo the sentiments of the Commissioner. And Assemblywoman Friscia, we've worked for a long time now in Woodbridge. I look forward to working with each and every one of you as well and the outline that the Commissioner just presented.

ASSEMBLYWOMAN FRISCIA: Thank you.

Thank you for coming Commissioner, and thank you for coming also Deputy Commissioner McCabe. Good to see you.

COMMISSIONER KROLL: Thank you.

DEPUTY COMMISSIONER MCCABE: Thank you.

ASSEMBLYWOMAN FRISCIA: I'd like to call Henry Plotkin. Henry is from the State Employment and Training Commission.

Good morning and welcome, Henry.

HENRY A. PLOTKIN: Thank you for inviting me. I will try to be brief. I think the Commissioner set a wonderful example given the amount of people here.

What I really just want to say and say it briefly -- first I want to thank Assemblyman Geist, who is a member of the State Employment and Training Commission, and Chairwoman Friscia, who will become a member of the Commission as well.

Members of the Committee have been given a copy of the State Employment and Training Commission's White Paper. And I just wanted to just briefly talk about what this paper is about. It is about what we think is a neglected, not talked about, issue. We call it in the paper the "Quiet Crisis of the Workforce New Jersey." And simply put, there is an existing and a growing mismatch between the skills of the workforce in New Jersey and the direction of the labor market.

There have been national literacy studies done. New Jersey is one of the states they selected out. Any look at literacy, no matter how you define literacy, the direction of the labor market and where the population is is not going in the right direction. What we suggest -- and let me just quickly go through the major recommendations. I'd be happy to come back anytime to talk in more in detail about this.

There are, spread out among many departments throughout New Jersey, all kinds of programs that speak to the needs of the workforce. When I talk about the workforce, I'm talking about students, workers, and those seeking employment. It includes the incumbent workforce, the existing

workforce, displaced homemakers, high school dropouts, and all those people whose life chances will be enhanced if their skills are enhanced.

The one true thing about the economy we live in, and this is true now than at any point in our history, is the link between skills and income is almost absolute. There are few semiskilled routes to upper mobility. The only route is a more skilled route. The skilled are well rewarded, the unskilled are punished.

If you look through the recommendations of the paper, among the major ones, and Chairwoman Friscia satisfied the beginning of one of them today, is that workforce issues need to become a knowable, transparent State priority. Those states, like Michigan, that have made it a priority have benefited from it.

Second, programs that I alluded to before are spread among many departments, many divisions in many departments, and they exist incoherently with very low coordination. I think there is money to be saved, efficiencies to be achieved, if we begin to take all those to work programs that exist throughout the State and put them under the umbrella. What we suggest is the Department of Labor and Workforce Readiness where those programs could be coordinated.

We talk a lot in this paper about literacy and the mismatch -- I won't bore you with the details with that. We also talk about, I think, a very important issue, and I'll end with this. The need to focus workforce issues on the demand side of the economy. For too many years and too many Federal programs the training for the workforce has been amazingly, in my opinion, disconnected from the economy. The skill sets people need are not developed

in reference to the needs of the economy but by other standards. We're about to engage, working very closely with the Commissioner, the Department of Labor, on a major and systematic study of the New Jersey labor market. Our question is a very simple question: what is that economy going to look like, in terms of the skills demanded, the jobs required, as we come out of this recession? If you think back to the last time we were in a recession and think about what you thought about the economy as we went to the recession, then think about what mattered after we were out of the recession. Nobody before the recession talked about IT. Everybody in the '90s couldn't stop talking about information technology.

We need not be a reactive system, but a proactive system. So I'm hoping within the year, if we were to come back to this Committee with a report that will say to us, you know what, this is what is over the next hill. Once we know that, we can then tie that to skill sets. We could then tell the training institutions, the K to 12 system, the universities, "You know what, you're training for the wrong things. You ought to begin thinking about training for real jobs for real people."

And this is -- and I could go on, as many of you know, but in the interest of time I will stop. Hopefully, I'll be able to keep the Committee informed as the study goes forward.

ASSEMBLYWOMAN FRISCIA: Thank you, Henry. I look forward to proceeding with this because that is one of my main issues, not only here in the Labor Committee, but also on the Education Committee. So I look forward to the developments that occur in the very near future.

Thank you.

MR. PLOTKIN: Thank you.

ASSEMBLYWOMAN FRISCIA: Eric Richard, from the New Jersey State AFL-CIO.

ERIC RICHARD: (speaking from the audience) Chairwoman, our Secretary-Treasurer, Laurel Brennan, is here as well.

ASSEMBLYWOMAN FRISCIA: Oh, good morning, Laurel Brennan. How are you?

LAUREL BRENNAN: (speaking from audience) Good afternoon.

First of all, let me say good morning to all of you. And on behalf of President Charlie Wowkanech, who was not able to be with us today, who deeply regrets not being here. But unfortunately -- well, fortunately for other union members, he had a previous commitment who I'm sure will benefit by his being there. But on his behalf and on behalf of all the members in the state of New Jersey and all of the working families in the state of New Jersey, I want to thank you for this opportunity. And I want to say that it is with great promise for the working families of New Jersey that we will be working with each and every one of you on a broad spectrum of issues.

As you know, the New Jersey State Fed is comprised of over one million members. And we represent a broad spectrum of members ranging from health care workers, industrial workers, public employees, building and construction crews, and health care workers. We expect to be working on a lot of issues that effect them in the future. But -- I just ran over here, I'm sorry.

Before we begin to talk about the legislative matters that I hope this Committee will discuss, debate, and decide upon in the future, let me first congratulate the Chairwoman, Arline Friscia. I'd like to commend you for your

support of the working families in New Jersey from the past. I know that we look forward to working with you in the future and that you've been an outspoken voice for working families. And we look forward to working with you.

ASSEMBLYWOMAN FRISCIA: Thank you, Laurel.

MS. BRENNAN: We also look forward to working with the Co-Chair of the Committee, Assemblyman Paul Sarlo. We look forward to an open and productive dialogue.

And, as many of you know, the AFL-CIO -- and many of you in this room know that the AFL-CIO supports legislators that have the best interest of working families. We've been, fortunately, given the reputation of supporting those that support us, whether you are a Republican or whether you are a Democrat.

And we've worked very closely with an individual named George Geist, who was the former Chair of the Committee. We know that he certainly shares that motto of working families first. We look forward to working with you. We welcome you back to the Committee.

Now, we are very fortunate -- I don't see him here -- to have a union brother, Joe Egan, who is serving on this Committee. And his experience as the business manager of IBW Local 456 will prove to all of you to be extremely valuable in the future and as he serves as a legislator. We look forward to working with him.

We also would like to welcome the three new members of the Committee: Assemblyman Neil Cohen, who has been a strong proponent of working families' issues and workers' compensation in particular; and to

Assemblymen Robert Smith and Guy Gregg, we look forward to working with you on the Committee. We would like to forge a strong working relationship with you. So we want you to know that we are always available for you and that we hope that we can have a strong dialogue and debate and discussion about the issues that we will be talking about in the future.

And with that I would like to defer the rest of my time to our Legislative Coordinator, Eric Richard.

Again, thank you for this opportunity.

MR. RICHARD: Thank you very much, Madam Chairwoman, members of the Committee.

My name is Eric Richard. I am the Legislative Coordinator for the New Jersey State AFL-CIO, and I've worked with many of you in the past. And I look forward to working with the new members of the Committee in the future. I would just like to make myself available to everyone here as a resource on some of the issues that we hope that you will debate in the upcoming legislative session.

As Laurel mentioned, the New Jersey State AFL-CIO represents a diverse number of interests, whether it's the interest of our health care affiliates, whether it's the interest of the building trades unions, the industrial unions, or the public employee unions. We represent over 1000 affiliates with over one million members, both active and retired, in the State. And so we do take a position on a broad range of issues, and we're hoping the Labor Committee will look at some of the issues that we believe or that are our priorities for the legislative session.

First and foremost, in regards to the health care affiliates, safe staffing levels and requirements are critical. Short staffing jeopardizes the quality of patient care and the health and safety of staff and contributes to the cycle, in which stressed and injured health care workers leave the profession and further reduce the number of qualified staff. The New Jersey AFL-CIO would like to see the Committee post S-482 sponsored by Senator Vitale and Bennett, which directs the Department of Health and Senior Services to adopt regulations establishing minimum staff ratios for hospitals and nursing facilities and sets limits on medical residents' hours.

For the building trade unions, two of the most important issues that we hope that the Committee will address are project labor agreements and the prevailing wage. Legislation, which is currently being drafted, would amend current statutes to mirror Executive Order No. 1, recently issued by Governor McGreevey, and provide legislative intent for the policy. The bill has been reviewed by both the Governor's Council and the Department of Labor. The AFL believes that this is a quality bill that will ensure that bids on certain projects are granted to contractors with a history of qualified work performance by experience and well trained professionals.

Project labor agreements avoid the costly delays of potential strikes, slowdowns, and walkouts and other disruptions arising from work disputes, and promote labor harmony for the duration of the project, ensuring the project's completed on time and to the agency's specifications. PLA's benefit all parties involved including taxpayers because they help to avoid cost overruns, missed deadlines, and faulty craftsmanship while promoting efficiency, safety, and quality completion of projects.

Project labor agreements have already enjoyed a success in New Jersey. Governor Christie Whitman issued Executive Order No. 11 on March 21, 1994 that expresses New Jersey's public policy that State agencies may consider the use of PLAs for public works projects.

PLAs were also signed for the construction of the Hudson-Bergen Light Rail Transit System in April of 1996 and for the construction of the Essex County Correctional Facility in June of 1998 by the Essex County Improvement Authority.

The version of the bill that is currently being drafted would allow PLAs to apply on a limited project-by-project basis. The bill is not mandatory on all public works projects. Furthermore, neither nonunion contractors nor nonunion workers are excluded from consideration under this bill. These contracts may be bid on public works as long as they adhere to conditions established by the PLA on a particular project.

In regards to the prevailing wage issue, this Committee, or the Committee from last session, addressed several bills on the topic of reforming the Prevailing Wage Act. Assemblyman Geist, we'd like to thank you, in the past, for sponsoring an open dialogue on this and also for having hearings on the topic of the prevailing wage.

There are several bills that we hope this Committee will consider in regard to reforming the prevailing wage. The first, and what we believe is the strongest bill, is A-205 sponsored by Assemblyman Guear, which would enact -- which would criminalize the violation of certain prevailing wages. We believe that this is important. And as we specified in past testimony, we believe this is important because, in essence, when contractors willfully violate

the prevailing wage they are in essence not only cheating the workers, but they are also cheating the State. And we believe that this bill has the teeth that is required to help enforce the prevailing wage and ensure that the growing wage is not considered any longer simply a cost of doing business by some unlawful contractors in the State.

There are three other bills on the topic of prevailing wage: an increase in administrative fines, which is A-1344 sponsored by Assemblyman Geist and Assemblyman Guear; there is a second bill, which closes the prevailing wage loophole on EDA and DCEDA projects, which is A-214 sponsored by Chairwoman Friscia; and there is a new bill that we are in the process of researching which concerns stop payment orders. Stop payment orders have proven to be a valuable tool in the city of New York, and we hopefully would like to see the Committee address that issue as well.

In the topic of our public employment affiliates, as this Committee has heard in the past, we believe that privatization is one of the biggest issues that this Committee should be analyzing in the future. Privatization is an issue that has hurt State employees in the past, and we'd like to see once and for all a bill introduced -- I'm sorry, a bill that's already introduced, which is A-706 by Assemblywoman Weinberg and Assemblywoman Friscia, which would establish requirements and procedures regarding the privatization of contracts between State agencies and private businesses. We think that the time has come to take a thorough look at privatization, and we would hope that the Committee would take a close look at that bill and give it a favorable reference.

In regards to our industrial affiliates, one of the top issues that we hope the Committee would look at is procurement legislation. The Committee has analyzed this issue in the past although it hasn't had very much movement in the past. We understand that the Administration is considering an executive order on procurement. And although I don't think that is going to happen for a ways down the road, we would hope that the Administration would consider this as one of their priorities. We would hope that the Committee as well would consider this as one of their priorities.

And as for some of you that don't know, procurement is, of course, basically a fancy word for buy American, or we hope -- some say antisweat as well. I mean it's hand in hand. We don't like to see goods purchased by the State that are made overseas in sweatshops and by child labor. There has been legislation that was introduced in the past to stop that. And we would also like to see -- and that I know I read in the paper a couple of weeks ago that the State agency bought some foreign cars for a specific department in the State. We don't want to see that happen anymore. We think that New Jersey should buy American. And we'd like to see legislation promote that.

Finally, Assemblywoman, there is a bill that was taken up at the end of the last session, which concerns the extension of unemployment benefits and would also provide economic stimulus for the State. In light of what has happened recently on September 11th and also the economic slowdown, we would like to see the Committee make this bill a priority. We think it's important because, indeed, our Federal legislators have not come to the aid of working Americans up to this point. We'd hope that the State Legislature would do that. And because some of the workers are hurting at this

point, we think that the financial interests of these workers should be a priority, and we would hope that the bill would be considered. S-958 is the current version of the bill. Assemblywoman Friscia, you primed the bill last session in the Assembly, and we would hope the Committee would favorably recommend that bill as well.

Finally, as you know, New Jersey State AFL-CIO not only represents the interest of union members, but we represent the interest of all workers in the State. And for that reason, we would like to see the Committee address the issue of establishing a living wage, not just enforcing the minimum wage. We don't think that the minimum wage is set at a rate that is, indeed, beneficial to all workers of the State. AFL-CIO has formed a committee that is advancing the living wage at the county and municipal level throughout New Jersey, and we would hope that a statewide bill would be explored by the Committee as well.

Thank you, very much.

ASSEMBLYWOMAN FRISCIA: Thank you, Eric and Laurel.

Extremely well done, Eric, with good input, and I look forward to working with you and the AFL-CIO on these issues in the very near future. As you said, several of them are my bills, or I've cosponsored some bills, and they are near and dear to my heart. And I would like to see a lot of these worked on in the very near future.

Thank you, very much.

MR. RICHARD: Thank you, Assemblywoman.

MS. BRENNAN: Thank you.

ASSEMBLYWOMAN FRISCIA: Anyone on the panel have a question for our speakers? (no response)

Okay, thank you.

MR. RICHARD: Thank you.

ASSEMBLYWOMAN FRISCIA: Jeff Stoller, from New Jersey Business and Industry.

J E F F R E Y S T O L L E R: Good morning, Chairwoman.

ASSEMBLYWOMAN FRISCIA: Good morning, Jeff.

Good morning, Phil.

P H I L I P K I R S C H N E R: Good morning.

MR. STOLLER: Good morning, Chairwoman. Congratulations on your taking control of the Assembly Labor Committee. We welcome you.

I'm Jeff Stoller. I'm the Vice-President for Human Resource Issues at New Jersey Business and Industry Association. And Phil Kirschner is our Executive Vice-President.

I wanted to not only congratulate you and the members of the panel that are new to the panel, but to also thank you for the discussions we've already had to date. We are very pleased to hear from you that your approach to the issues, that come before the Committee, will involve having the chance for all the different parties to come forward, like today, and to share their concerns and to recognize there are often two sides to every issue and that we're very grateful for having the chance to discuss some of the issues from the business perspective.

Looking back over the ten years that I've now been working with you and other members of the Assembly Labor Committee, I really think that

some of the finest hours of the Committee have been those occasions where the Committee has fostered cooperation and communication with the business community and with the organized labor community. And the successes that have come from that kind of cooperation are really impressive.

When I look back, I guess it has been ten years now with the Customized Training Program that we launched, which has now retrained, I believe, more than 200,000 workers in New Jersey. That helped the displaced workers. That helped employers who were afraid that the skills of the current workforce were becoming obsolete. And as a result of this program that we helped get through jointly, that has prevented layoffs. It has helped people have skills that are relevant and will open up new opportunities for them.

We also worked together to help phase out the diversion. You remember, several years ago, that was weakening the unemployment insurance funds. So I think there are many opportunities where working cooperatively can generate great results for the State and for employees and for employers.

Because there are new members coming to the panel for the first time, I thought it would be appropriate to just take a minute to reintroduce the Business and Industry Association and to explain our interest in the issues that come before this Committee.

We are the largest State level business association in the United States. We now represent more than 17,000 employers here in the State of New Jersey, and they in turn employ more than one million workers. You will find that they represent virtually every industry you could imagine. They come in all sizes. I mean, you're most likely to have recognized some of the names of our Fortune 100 members, but the reality is that 75 percent of the

BIA membership, as large as it is, is employing less than 25 employees. And a full 85 percent of our membership employ less than 50 employees. So we're really talking about the smaller entrepreneur who is involved in a lot of the reaction to the issues that come before us here. And we hear from them all the time. We hear from them by phone. We hear from them now by E-mails that are filling up our E-mail slots. We have weekly meetings out in each county to hear from our member companies there as they sit down to breakfast and lunch with legislators. They advise us on our committees. They also are participating in a wide range of seminars.

What does that mean to the Committee? It means that we come before you. The issues that we are sharing with you are for real. They are not something that we made up among the staff in Trenton. They are really based on day to day fears and struggles and problems coming from the business community. It means that the people that we can put you in touch with are people who deal on a practical level with a wide range of problems. And they often see details in legislative proposals that even experienced staff don't recognize, nuances that really could complicate doing business in the State of New Jersey, creating jobs were it to become law. Those are the kinds of issues that we will try to flag for the Committee on their behalf and for you.

It also means that the kinds of companies that we are bringing concerns from are the kinds of companies who care enough to know what the laws are, who care what the regulations are, who care about compliance. The people that take the time to join BIA or Chamber of Commerce or Southern Jersey Chamber are the kinds of people who want to do the right thing, who

are confused by the rules or confused and concerned about proposals that are being floated that would affect their day-to-day life.

And so in some -- the kinds of companies that we would be sharing information from are people that I believe are a valuable resource for every member of this Committee going forward.

Now we have a stake in virtually all of the issues that you are going to encounter over this session. We are concerned about job creation. We are proud of the record that we've had over the '90s of creating jobs, creating jobs in numbers that are the envy of other states. And yes, we face a slowdown now, but that is one of our chief preoccupations. How do we create conditions to make sure, with the next wave of growth, New Jersey's on the cutting edge there?

We are totally committed to preserving a well-funded unemployment insurance system. We pay some of the top benefits in the nation. It is the employers who guarantee the solvency of the fund. If the fund's balance falls, it is the employer contributions that trigger a tax increase to keep it solvent. We'll never go back to the days of the '60s and '70s when we literally bankrupted that fund. And when we're paying out things like we did in 2001 -- I just learned that last year we paid out \$1.5 billion from that fund. And so, when you hear talk about that's a flush fund, that it's overfunded, we have to keep in mind the demands that are made on that, the commitment that we've made to giving some of those top level benefits.

We have a stake as employers in the Temporary Disability Insurance Fund, which pays out, I believe, something on the order of \$600 million in benefits a year. We have a stake in the Worker's Compensation

Fund, which is a model for other states. Again, paying some of the top level benefits of any worker's comp system in the United States. That's a record we're proud of, but it's one that takes effort to maintain. It just doesn't happen.

We have been active. Brian Markowitz of our staff and others have been working on issues relating to health insurance, keeping options available so small employers, who are the ones who've had the greatest trouble, in the past, offering some kind of health insurance. We've been actively working to provide those kinds of options.

We are investing millions, as employers in this State, in training, in education, in remedial training beyond the regular education that they get in the schools. And often times you'll find employers who have been among some of the largest property taxpayers in their district who've invested in the schools and still, when the young employees come to work, need additional training at an additional expense.

We've gone the extra mile in terms of benefits that this Committee will be reviewing. If you look at our family leave law, because our State family Leave law from 1990 never was addressed to reconcile with the Federal 1993 family leave law, we have employers in this State obligated to hold jobs for employees up to twice as long as the standard that is observed in many other states. Many other states simply have adopted the 12-week job protection period of the Federal law, and that's that. And we're in competition with that. So we have gone the extra mile there.

And finally, another area is in terms of the enforcement and providing resources for the Department of Labor. Assemblywoman, you

certainly recall in the past that we've come out in support of the Department and in support of legislation to give more resources to the Department to police things like violations of the Prevailing Wage Act. Even though we have questions about the degree of the penalties and the severity, you know as well as any member of the panel that we have consistently supported giving the Department of Labor the resources it needs to enforce the existing law.

But let me just turn to some of the issues and to say our resources are not unlimited. We are smaller companies. We do not have the resources of huge corporations, even though that might be the popular image. What we need is the ability to create jobs. What we need is to be able to operate in an environment that does not put us at a disadvantage with other states. And those are the kinds of issues that we are going to be voicing great concern about as we go forward with the agenda.

We can help with a wide range of things as I've already mentioned: preparing the workforce, talking about how the Department of Labor services can be made more efficient and effective. We are very eager to put you in touch with members of our membership who are available to provide all sorts of insights. So we're ready to talk there. But I would be kidding if I didn't suggest there are some serious concerns about some of the issues that you've already heard suggested that the Committee take up.

I'll just mention two or three this morning because there are many others we'll talk about as the years go ahead. Paid family leave. No other state has it. This is something that other states, even states that you clearly could not label as antilabor or antiemployee, have failed to adopt. It has been recognized by companies large and small. It's something that would disrupt

the workplace totally. It would affect the smaller employers who've been exempt from the existing family leave laws. We've heard concerns not only from private employers, but from public employers as well in terms of their availability to serve the public and continue functioning. We're concerned, as many other business groups are, in terms of the impact that kind of proposal would have on that UI fund, right at the time that it's under maximum pressure, in terms of the fiscal demands there. And now there is talk of turning to the Unemployment Insurance Fund for hundreds of millions of dollars, in terms of the budget package and the budget crisis that the Legislature and the Governor are confronting

It also undermines our competitiveness. Other states simply do not have that policy. No state in the United States has adopted it. And we cannot stress enough the kind of competitive edge that we need to have in order to compete. We already have costs that other states don't have, things like our skilled workforce are at an advantage. We've got to keep adopting a policy that is not standard in other states. It could have tremendous negative impact on us, but we want to talk. There are issues of striking a work-family balance. There are issues of what we could be doing as a State in terms of childcare and ensuring that working parents have resources to make sure their child is receiving care and can return to work confident of that.

Another issue is the issue regarding layoffs. Everyone is concerned about what's happening now. We're doing our best to create an environment where people who find themselves laid off, for whatever reason, are going to have new opportunities in New Jersey without leaving New Jersey. But we've got to tell you that our concern with Assembly Bill 211, the Job Destruction

Penalty Act, which would levy very, very severe severance requirements on any layoff of 25 or more for the larger companies, is so severe that we feel that it has the unattended consequence of actually discouraging future investments. A company that would be forced, for whatever reason, to change its product line, to cut back in one area, would be feeling so penalized that why would we take the risk of expanding our new product line that may bring new jobs to New Jersey. That's a concern of ours. Again, we can talk about all the different options out there for addressing layoffs. And we hope that that will be part of the ongoing conversation going ahead.

And a final issue that was mentioned earlier today that we really must respond to, and it's quite frankly -- there are a lot of issues that we can talk about, but there are certain issues that I'm not sure that we can talk about. One of those is the project labor agreements. We have had such a strong reaction against the proposal, the Executive Order No. 1, and now this talk of proposed legislation saying, in effect, that with all the school construction we need to do, with all the road construction that's ahead, that we need, again, to keep this economy going, that we are going to deny the participation of qualified nonunion contractors.

We believe, even when you say it's on a case-by-case basis, well, we can't think of a case when it makes sense to discriminate against a qualified bidder who is going to obey the prevailing wage law, who's going to pay the prevailing wage benefits, has a record of completing jobs on time and within budget to just simply, even in a one-case basis, to sweep them aside and say, you're out. It makes no sense to us at all. We think it is -- there's no way that that's going to bring costs down. It's going to drive costs up. We don't think

it's going to assure that there will be no delays in the project. That's not true. In the cases that we know that have existed before, you heard that there is a promise not to strike. There have been strikes. That's not true.

We are concerned that -- as you've heard, the representative from AFL-CIO mentioned that they'll be considered, that anyone would be considered for these bids. Well, they'll be considered, but they can't meet the ultimate condition that would allow them to actually get the contract. And that is that unless they abandon their nonunion workers, that maybe they've worked successfully with on all past projects that -- again, they are ultimately not going to qualify to participate. We just believe that that is discriminatory and we'll be talking to you as the days and weeks go ahead about this proposal of legislation.

I want to conclude now and simply say again that we are committed to the shared goal, which I think every member of this panel and the others in the room share, of trying to build this economy, of trying to restart the job growth that we were so successful in initiating in the '90s. But we believe the key to doing that successfully is going to be focusing our efforts on the skills training, on helping people who might be displaced find new opportunities in the new economy. And that is our best defense against all these changes that are taking place beyond the control of New Jersey or any individual company, that are global changes.

And finally, we are going to work very hard to discourage adopting policies that are unique to New Jersey that put us out of step with our competitors around the county and around the world.

With that, I'll defer to Phil Kirschner, who works very closely with me on all these issues. And again, thank you so much for the chance to share these. We look forward to an opportunity of going into other issues in greater detail in the weeks ahead.

Phil.

MR. KIRSCHNER: Thank you, very much. I'll be very, very brief. Jeffrey really gave a very, very good summary of the issues and the approach that we'll take.

I just wanted to reiterate just a couple of things. We do take our obligation very, very seriously, when we come before this Committee, to give you the best thinking of the business community. And as Jeff has outlined, we get that in a variety of ways. And we get it everyday. It proves accurate.

Sometimes legislation is done with the best of intent, but the consequences, in terms of how employers react to it and where they go, can be very, very serious. I think we have been right when we say, for instance, in manufacturers, certain things are put on them -- that they will leave. And sometimes the union's "no, no, no," and they leave. They go overseas, they go to another state. We are now, for the first time, below the national average in manufacturing, number of manufacturing jobs per capita. We always used to be in the top five for decades. They will go. This is no bluff when they say that. There's only a limit to what you can squeeze out of the stone, so to speak. And that's true. They tell us everyday that one of the frustrations -- so people who want to stay in New Jersey. They have their families here. They built their businesses here. They don't want to go overseas. They don't want to go to a different state. But if they can't be competitive here, particularly in

certain industries, they not only will go, they have gone. So that is really important to keep in mind when you hear about certain things that will cut out certain companies. It's a benefit to those, for instance, with union labor or what have you. It's very important. So we pledge to you to bring you the real world impacts. This is not something high in the sky that we make up off the top of our head in the morning before we come to the Committee. This is real. It's very important to the economy of the State. In keeping jobs in the State, number one is -- job retention is even more important than job creations. It's a lot easier to keep jobs here that you've already had. It may be more glamorous to bring, you know, the big 1000 job contract here, but actually it's a much, much more effective economic strategy to keep the jobs that you have here, to have the companies who are here, expand here. They're here. They have a base here. Again, they have their families here. They -- most of these companies are homegrown, New Jersey companies. They don't want to go anywhere. So please keep that in mind. We look forward to working with you.

ASSEMBLYWOMAN FRISCIA: Thank you, gentlemen. I appreciate your appearing here this morning.

MR. STOLLER: Thank you, Madam Chair.

MR. KIRSCHNER: Thanks so much.

ASSEMBLYWOMAN FRISCIA: Is Bill Kane in the room, from the Industrial Union Council?

Bill, good morning and welcome to the Committee.

WILLIAM KANE: Good morning.

Good morning, Madam Chairman, and I want to thank you for the opportunity to appear here today. Before I begin I would like to congratulate you on your appointment as the Chair of this Committee. I'm sure that your leadership is going to do good things for working people. And I would like to congratulate everyone here on their election and reelection.

While I was thinking about what I was going to say to you folks today, I was thinking about purely labor issues that effect working people and the normal purview of this Committee. And I will address some of those issues that have already been talked about here. But I thought about something more, in terms of your responsibility as elected officials representing the people in New Jersey. And I look at the world that we're in today and the situation that this country and the world is facing. I have to just say to you that I think that you have a greater responsibility than probably any Legislature in a very long time in the history of this country. Not just you, but every state Legislature around the country.

Because we're now in a situation that I can't describe what it is. I think I saw more red, white, and blue yesterday watching the Super Bowl pregame show than I've seen in my entire life. And that was good. It was a very good thing to rally the country around the patriotic theme that we are, because we are in a war. I think it is incumbent on the elected officials at the State level to make sure that this war that we're in is not forced upon us in such a way that takes away the freedoms that this country stands for.

Now, I'm in opposition to the people that are in power in Washington before they got there and after they leave. I have no qualms in saying that the problem, as I see it right now, is not only to go after the

lunatics that would bring down buildings by commandeering aircraft with box cutters -- wherever they are found, they should be brought to justice -- but we should not allow right-wing fanatics -- and in my estimation, that's what we're faced with in Washington right now -- to turn the United States into a police state, with an unelected President that we have made a military dictator, who says that this war will last beyond our lifetime, and he is telling us he's going to take it to 60 countries. I have no problem getting the terrorists, but I have a real problem with a war that is going to last beyond my lifetime. And I think as representatives of the State that you have a responsibility --

ASSEMBLYMAN GREGG: Madam Chair.

MR. KANE: -- to do that.

ASSEMBLYMAN GREGG: Madam Chair.

MR. KANE: Now I'd like to go on, Mr. Geist, (*sic*) if you don't mind?

ASSEMBLYMAN GEIST: Excuse me, Mr. Kane, you've got the name wrong. (laughing)

MR. KANE: Pardon me, sir?

ASSEMBLYWOMAN FRISCIA: It was Mr. Gregg.

MR. KANE: I said Geist.

ASSEMBLYWOMAN FRISCIA: It was Mr. Gregg that --

MR. KANE: Oh, I'm sorry, sir.

When I looked at the issues that confront your responsibilities as the Assembly Labor Committee and the things that need to be done for the working people of the State -- this morning I was reminded that the President of the United States is going to submit his budget to the Congress, which will

increase the military budget by \$48 billion and propose cuts in training and education. And I think that is something that hits home very dearly in the State of New Jersey and is clearly in line with the purview of this Committee's responsibility that that should be paid very strict attention to as to what comes out of that budget.

Many of you have -- and he's also talking about reducing funds for transportation infrastructure, which is an issue that comes up before this Committee quite frequently, in terms of the Transportation Trust Fund and the jobs that that creates. So it behooves us to pay attention in many ways and many respects to what's going on in Washington, D.C.

Now, the support of the labor movement politically in this State hinges on much more than project labor agreements that Mr. Stoller, from the BIA, espouses as being uncompetitive. And it hinges on more than the Transportation Trust Fund. It hinges on more than the relationship with the building trades or government workers. It hinges on what is this Committee going to do for the average working person in the State of New Jersey.

The Ford workers at Edison, at the Edison plant, that are going to lose their jobs not as a result of onerous New Jersey laws, but the result of what was being protested this weekend in New York City, the corporate globalization of the world. Ford built plants around the world and created to the mass of overcapacity in the auto industry and around the world. You don't have to be a rocket scientist to figure if you got too many factories and you're not selling cars, which ones are you going to close. You're going to close the ones that cost you the most, and that's the ones in the United States. So when

we get to the bottom of Ford and you do all of your investigation, you'll find out simply overcapacity is the reason that Ford is gone.

You also, I think, need to pay attention to people that I'm sure you're going to hear about -- I see my friend Ira Stern from UNITE. The people that work for Douglas Stevens in Paterson, New Jersey, a company that was given boondoggles by the city of Paterson and was given taxpayer money to secure their business. And when the workers organized in a union, the company refused to recognize that union, and the politicians in that geographic area seem to be deaf to the pleas of those workers that want recognition for their union.

You need to pay attention to the teamsters because the teamsters' jobs are threatened to a great extent by this cross border trucking that's taking place because of NAFTA that's now going to be unleashed. The great rules that we had when obtaining CDL license in this country are meaningless if NAFTA provisions are simply allowed to happen. And then furthermore, with the Free Trade of the America's Act we're going to have trucks coming up here from Chile delivering goods to our homes if we do that. And you talk about job erosion and unsafe conditions. That's something that needs to be paid attention to on a State level.

Health care: Health care workers and health care facilities and home health care facilities who perform the service of taking care of our sick and dying loved ones for wages and benefits that could not support one person let alone a family. These people are sorely, sorely ignored in this State and in this society and need to be paid attention to.

Also, we need to pay attention to hardworking, honest immigrants in this State. A very large population of immigrants in this State. And like many of our forebearers that came to this country, our grandfathers and grandmothers and great-grandfathers and great-grandmothers, they came here to try and make a living. And right now some of them, many of them, are being treated with the utmost disrespect in just trying to get the basic services that the society is supposed to provide for immigrants. In some cases, some of them have even been disappearing with no link to the outside world to what has happened to them. That needs to be paid attention to.

In order for me and the IEC to say that a politician demands support from the labor movement, certain things need to stop. Giving special deals to employers who violate labor laws in an attempt to thwart organizing drives should stop. Tax dollars money should not be used for violators of the law. You can't be a friend to working people if you support the bandits that suppress our rights. The Marriott in this city is an example. And I'm sure you're going to hear more of that from the hotel and restaurant workers before this day is over, if you haven't already heard.

You talked here about the UI Fund. Extended benefits are clearly needed right now in these economic hard times. It looks like that's going to happen. It's even being proposed by George W., but he's also proposing to revamp the whole thing. And God only knows what that means. Be very cautious in supporting anything that is going to change that Fund into something that favors corporations, because I don't think George W. Bush is going to propose something that's going to be lopsided and in favor of the workers that depend on that Fund.

The Fund has a very large surplus, and it should be used. There's enough money in that Fund to see us through this economic crisis we're in. They'll probably even take some to balance the budget, to pay for paid family leave and to do some other things, many innovative things, to help the working people of the State. I would suggest you look at health care as being one of those, because the health care situation in this State, in this country, is quite frankly, horrible.

Mr. Stoller said that no other state has paid family leave. Well, every other industrialized country in the West has paid family leave, and we don't seem to have a problem competing with Europe in that regard. We would welcome, obviously, an overture to make the paid family leave a national effort, but since we can't get that, we believe it should be done on the State level.

In terms of -- in reference to your bill, the Job Destruction Penalty Act, Madam Chairman, there has to be some type of penalty on the books for those who willfully destroy jobs and the livelihood of hardworking people purely for greed or criminal misconduct. And I'm thinking about Enron right now and all of the politicians who were in bed with them. There's got to be some kind of law that protects people from that kind of behavior and the willful destruction of jobs. I think your bill goes a long way in addressing that issue, Madam Chair.

There are many things that need to be done, and there are many things that you -- that I believe you should look at in your role. There are many things that you need to do, and I don't expect a whole lot of flurry of activity out of this Committee given the situation that the State is in with a

budget crunch. And obviously the first thing you need to do is provide a constitutional mandated balanced budget.

Governor McGreevey is setting the bright light, I believe, on the sins of budget manipulation that seem to prevail. Whenever a Democrat moves into the Governor's Mansion, the discovery is made.

Working people in New Jersey need a break. The standard of living is the highest. The cost of raising a family is through the roof. The job situation is deteriorating. People need some consideration rather than the large corporation. They've gotten enough. In fact, they've gotten too much. It's time to look at the needs of regular people.

The system here in Trenton that you have to work in doesn't lend itself to doing the right thing. The political maneuvering that must take place for a piece of legislation to get passed are quite frankly not something that the average person, that is affected by that manipulation, would find tasteful. Maybe we need to just get more plain folks down here to see what is happening. And also to let you know from their mouth what their problems are. I believe if we start doing a little bit of that we can enlighten you to the needs of the people of New Jersey in a way that you haven't been lately, and in a way that will allow you to construct the proper legislative answers to their problem. We'll be happy to work with you in that effort in the coming years.

And if you have any questions, I'd be glad to respond.

ASSEMBLYWOMAN FRISCIA: Any questions or comments?

(no response)

Thank you, very much.

MR. KANE: Thank you for your time, Madam Chair.

ASSEMBLYWOMAN FRISCIA: Glad to see you. Thank you.
Thank you for coming.

I'd like to call Bridget Devane. Is she here?

UNIDENTIFIED SPEAKER: (speaking from audience) She just went to the meter in the parking lot. I think that she (indiscernible).

ASSEMBLYWOMAN FRISCIA: Okay.

Rick Engler, from the New Jersey Work Environment Council.

Good morning, Rick, and welcome.

R I C K E N G L E R: Good morning, and thank you for allowing us the opportunity to testify this morning. And I will try to be quite brief.

The New Jersey Work Environment Council occupies a kind of unique role in New Jersey in that we try to find issues that the labor organizations and environmental community organizations can actually agree on. That's not always an easy task. We've had pitched battles over things like dredging, over various construction projects, but nonetheless we think that ultimately there is common ground to be found in, however difficult, that these kinds of efforts are worth making.

The Work Environment Council has 54 affiliates. Many of the unions that are, in fact, in this room are affiliated, including locals or district bodies of UNITE, CWA, UAW, SCIU, AFSCME, teamsters, NJEA, and AFT, as well as major environmental organizations such as the New Jersey Environmental Federation.

When we work on a number of program areas involving environmental and occupational health, always keeping in mind that we want to ensure job security and job retention as we do that work, we want to focus

very quickly on four particular areas that I think that are worthy of the Committee's attention over the next period.

First of all, the status of occupational disease and injury in the State: 1989 was the last time that a report was done on the extent of occupational disease and injury in New Jersey. There was a study done for the New Jersey Department of Health by the Mount Sinai School of Medicine. It found that 2000 to 3000 deaths were caused each year by -- there are five types of occupational disease and 7000 to 15,000 new cases of occupational disease that occurred every year. And this old weather beaten report, although had a minor update a few years ago, which I should note was not released by the previous administration to the press and we had to do that, needs updating because right now, we do not have an appropriate baseline of information about the extent of occupational injury and illness in this State.

We know that things like ergonomic injuries have skyrocketed among many occupations, but we still would find it most worthy if the Department of Health and Senior Services would develop a revised study, either doing it themselves or going back to Mount Sinai or another institution to provide such a report.

The second -- and that's just the finding what the problem is in this area.

The second is there are still laws that the State has not been complying with, frankly, that need to be met. One is the New Jersey Work and Community Right to Know law, and I'll focus just briefly on one small aspect of that. Under this law, the Department of Health has to produce something called Hazardous Substance Fact Sheets. And these are fact sheets

that are providing information on the basic hazards of about 2500 different chemicals. They're used by thousands of people. Their Web site gets roughly 60,000 to 70,000 hits per month of people using this data. Firefighters use the data. Physicians use the data. Regular workers encountering toxic chemicals use the data. Well, there is a particular problem in that the State has only produced 430 in Spanish, and yet the law says that there needs to be a Hazardous Substance Fact Sheet for each chemical on the State Hazardous Substance's List. And the Hispanic population of our State has grown, roughly, 36 percent over the last decade, and yet we're lagging way, way, way behind in production of this vital and needed information that is required under law.

And I should note that just a week ago, Friday, in Willingboro, New Jersey there was a chemical explosion at a plant called High Tech Speciality Metals. Governor McGreevey went to -- firsthand to see the situation, to provide assurances to the workers, and I think to help prompt the thorough investigation. We're most appreciative of that, but we note that the entire workforce of this nonunion plant spoke Spanish. There are preliminary indications that there are all kinds of problems in the investigation by Federal agencies because of communication barriers. We have a situation where only two OSHA inspectors in the entire State of New Jersey, perhaps three, speak fluent Spanish. So this is a major new part of the workforce. We have to be responsive. One specific way that we can deal with this is to ensure that we're meeting the basic requirements of the law.

A third area is school renovation and construction. First, they're talking about defining the problem, then meeting the law's requirements.

Here's one where I think we can do a good job of anticipating the problem. The School Renovation and Construction Program that was mentioned earlier by the Commissioner of Labor is, indeed, going to be massive, and it is going to rediscover problems that we thought were mostly solved, including asbestos and including lead: because the amount of work that's going to be done in renovation is just going to bring these old hazards back to life. And this time I think with a vengeance because we're going to find that in some cases the exposures are going to be far worse, not just construction workers who've borne the brunt of many of these exposures in the past, but also teachers, other school personnel, and our own children attending public schools in adjacent areas.

As I noted before, OSHA has only 50 inspectors for the entire State. They're very worried about this problem of school construction in New Jersey. They set up a task force. The task force basically hasn't met because of September 11th, when resources were diverted to emergency response to the World Trade Center catastrophe.

The Economic Development Authority has very limited internal capacity to deal with this issue, yet they have tremendous opportunity because they're controlling State funding, and they can influence contractors to do the right thing, to insure and bid specifications, serious safety and health protections. So we think there's an opportunity in the School Construction Program to protect children, to protect teachers, to protect other school personnel, and to protect building trades workers if we anticipate the kind of hazards we're going to face and take steps to deal with them. And we've suggested a whole number of areas of how that might be done.

One, by the way, is that we've proposed to the Governor that he issue an executive order establishing a healthy schools task force because right now we have -- I can barely remember all the agencies involved in this. We have the Department of Labor, the Department of Health, the Department of Environmental Protection, the Economic Development Authority, the Department of -- did I say the Department of Education? I keep going around and around because there are so many of them plus Federal agencies, plus many interested people from the New Jersey Education Association, which has formally endorsed this proposal, to school nurses who see increasing rates of asthma among school children all the time. So we think that the Committee's -- at least tracking of issues of school safety and health issues are very, very important.

Finally, one note about security. Since September 11th, all kinds of concerns, quite legitimate, have been raised about the vulnerability of major industrial facilities in New Jersey. We've done and are in the process of doing a survey among union representatives at these facilities. And these are facilities where workers are on the front lines. They're the first people who are vulnerable whether it's from the routine in New Jersey of toxic exposures and explosions and fires, which is a continuing process I'm afraid -- even without September 11th and that potential threat -- are on the front lines of exposure to what happens to them in these situations. And at a number of major union facilities where we've asked union leaders have they been consulted about what should be done for site security since September 11th, so far, and it's a small sample -- we'll have more results later -- the answer is zero. What we're seeing is low paid, ill equipped security guards, barriers outside the facilities, but

nothing to deal with some of the inherent risks. And I'm pleased to say that Senator John Corzine is starting to address that with Federal legislation to get management to look at inherent risks, to do things like reduce unnecessarily large inventories of substances like chlorine that simply don't have to be on site. To get it -- what causes -- to try to minimize any impact of a catastrophe or a release, whether it comes from the continuing pattern of releases from industrial facilities in New Jersey or whether it comes, and certainly we hope not in either case, from some type of future attack. And we'll be coming out and working with our union affiliates with recommendations on that issue. And I mention it because I know there is a new committee on security, and I know you may have overlapping memberships. I'm sure you're all concerned about that issue.

And finally, the good news about all of this is that these things are preventable, that the kind of things that this Committee and State policy can do is to make an impact to prevent occupational injuries and illnesses, to prevent the kinds of things that not only hurt working people, but the surrounding communities. I'm convinced that particularly if we pay attention to the occupational and environmental health impacts, together that we can make a big difference in terms of State policy in approaching these issues.

So thank you. We look forward to working with you.

ASSEMBLYWOMAN FRISCIA: Thank you, Rick. Very interesting.

Fran Ehret.

FRANCELINE EHRET: Good morning.

ASSEMBLYWOMAN FRISCIA: Good morning, Fran. I'd like to welcome you to the Labor Committee. This is a new experience for you, but you're following in the very proud footsteps of your father, Frank Forst, as the President of the New Jersey Turnpike Employees Union. I'd like to welcome you to the Labor Committee this morning.

MS. EHRET: Thank you. I appreciate that.

As you said, I'm the President of the New Jersey Turnpike Employees Union, Local 194. And I want to thank Chairperson Friscia and the members of the Committee for this opportunity to discuss possible legislation needed in the public employer-employee sector.

What first comes to mind is the Middletown teachers' strike, which was settled last Friday. Everyone should be ashamed of the fact that teachers were sent to jail in New Jersey in the 21st century over a collective bargaining matter. PERC rules have been established that employers must notify employee organizations 150 days prior to their budget submission dates. Negotiations are expected to begin 120 days prior to the announced dates. It is anticipated that agreements should be reached within that reasonable period of time.

In other words, negotiations should be settled before budgets are adopted. Public employers, including the Middletown school board, generally ignore time limits. In most instances, as in the Middletown situation, an existing agreement is allowed to expire before serious negotiations even begin.

Public employees should have the right to strike. Thirty-five years ago, Attorney General Arthur Sills supported that position, except for employees involved in health and safety. Over the years, the Legislature

specifically banned strikes by police and firemen and employees involved in health and safety.

In order to provide a rational means of settling contract disputes, the Legislature provided police and firemen with binding arbitration when impasses were reached. The Legislature has not banned strikes by other public employees, and it is not against any written law to strike in the State of New Jersey.

This Legislature should settle the question of impasses in labor negotiations: disputes not involving police and firemen. The law should either provide these employees with the right to strike or with binding arbitration. It is unfair to both the workers and the public to have no appropriate resolution system in place when a situation like Middletown arises.

I've considered a possible alternate proposal. Why not let each public employer decide. At the beginning of each contract negotiations, the employer can declare a choice; either it will submit to binding arbitration in the event of an impasse or it will abide by a possible work stoppage. That way the individual employer can judge the impact of the choices and decide which is best in their particular situation.

The Legislature should also enact the PERC timeframes for negotiations into law. There's no sound reason for hundreds of public employers negotiating weeks, months, and sometimes a year or more past the contract deadline date. Frequently, employees who have left, retired, or died in the interim periods have retroactive pay increases that are omitted from the settlements unfairly.

Further, employees working under the uncertainty of a successor agreement are generally disgruntled, less productive, and lose their morale. We are all losers under the present circumstances.

Lastly, negotiable items need to be expanded, with the Ridgefield Park decision finally set aside. PERC must be limited in its ability to negate items which have already been agreed to by both parties. It is wrong for an employer to be able to file a scope negotiations petition with PERC, seeking to remove from an already signed agreement, a provision, or a part of a provision to which both the union and the employer have already agreed.

We have had several situations occur on the Turnpike, including the removal of a provision which was first in our contract in 1970, continued through to 1995. After 25 years, the Turnpike filed a scope petition and had the provision removed. The law should provide that any provision agreed upon between the parties and signed by the parties cannot be the subject of a scope of negotiation petition thereafter.

And just as an aside, consider that a union may make a concession in order to gain such a provision. Then we wake up someday and find out that we do not have that provision, but the employer has the concession. And that has happened in our case.

On behalf of my officers and members, I want to thank you for the opportunity to appear and express our views today.

ASSEMBLYWOMAN FRISCIA: Thank you very much, Fran.

MS. EHRET: Anybody have any questions? (no response)

ASSEMBLYWOMAN FRISCIA: I appreciate your coming today.

MS. EHRET: I appreciate it.

ASSEMBLYWOMAN FRISCIA: Any questions of Fran? (no response)

Thank you.

MS. EHRET: Thank you.

ASSEMBLYWOMAN FRISCIA: Has Bridget returned? Bridget Devane, from the New Jersey Citizen Action.

BRIDGET DEVANE: (speaking from audience) Yes.

ASSEMBLYWOMAN FRISCIA: Welcome, Bridget.

MS. DEVANE: My apologies for being out of the room when you called.

ASSEMBLYWOMAN FRISCIA: That's quite all right.

MS. DEVANE: Thank you, Chairwoman Friscia and Committee members, for giving us this opportunity to speak with you today about important issues for 2002.

On behalf of the New Jersey Citizen Action's 60,000, family members and 90 affiliated community, religious, labor, tenant, and civic organizations, we urge you to consider passage of a paid family leave insurance bill. A decade ago, the Citizen Action worked diligently to pass New Jersey's Family Leave Act. Since then, we've been working with a coalition of community organizations that include the AFL, National Organization for Women, the Older Women's League, CWA Local 1034, SCIU, the United Senior Alliance, Legal Services, and the Anti-Poverty Network. Through this coalition, we urge you to pass A-224 and A-228, both sponsored by Assemblywoman Friscia, and put this on your agenda for this year.

Nearly four in five Americans who do need to take leave do not because they cannot afford to take that. Working families are faced with choices, and they're hard pressed to find solutions that satisfy both their work and caregiving responsibilities. In today's society, households with two income earners often rely on both of those incomes to maintain their standard of living.

Of course, for families with a single income earner, the challenges are even greater. This is a pressing issue for low income employees because they are more likely to be the caregiver rather than paying for someone to take care of family members.

Children in low-income families are 60 percent more likely to be in fair or poor health, while adults in those families are twice as likely to be in poor or fair health. With a higher percentage of care needed among low income families, these workers are one of the largest groups that would benefit from having time off.

Senior citizens have also relied upon family members to take care of them, to bring them to doctor's appointments, and to meet other daily living needs. With 1.3 million senior citizens in New Jersey and an aging baby boomer population, we must be prepared to address the needs of a growing senior population. By 2020, about 40 percent of the workforce will be caring for older parents. The changing demographics of society should force us to examine how workplace policies can assist workers with family responsibilities.

Citizen Action can also testify to how paid family leave is good for business and not just for workers. In addition to being the State's largest independent citizen watchdog coalition, Citizen Action is also a small business

that has found paid family leave to be a very successful benefit for us and for our 35 employees across the State. Our paid family leave policy allows eligible staff to receive 70 percent of their salary for 12 weeks after using their accrued sick leave, in accordance with the Family Leave Act. This flexibility allows our employees to care for their families without worrying about how they will pay bills.

As a result, Citizen Action benefits because employees are committed to their work and return to their jobs better adjusted to their new family situation. As a small business, this has benefitted us enormously. And we did not have to expend our limited nonprofit resources to hire and train additional staff, knowing that these employees, like 94 percent of those who receive paid family leave, returned to their jobs. In fact, salary staff are much more likely than their low-income and moderate-income counterparts to receive a paid family leave benefit. A-224 and A-228 would rectify this unjust and unfair discrepancy.

Working families, regardless of their income, should be able to spend this vital time together. Religious and civic leaders often speak about the need for increased family time to help strengthen our communities. Paid family leave is an excellent opportunity for New Jersey to give parents the ability to do just that.

Low- and moderate-income families, and working women in particular, are too often stuck between rock and a hard place. They should not be forced by economic circumstances to choose between caring for their families and keeping their paycheck. One cannot realistically happen without the other. The Family Leave Act of 1990 was a tremendous step forward in

protecting the rights of working people to take time off to care for their loved ones without fearing the loss of their job.

The Paid Family Leave Act would allow them to use this benefit without fear and poverty. New Jersey's working families deserve no less, and we urge the Legislature to act on this critical legislation without delay.

Thank you.

ASSEMBLYWOMAN FRISCIA: Thank you, Bridget.

Anyone have any questions for Bridget? (no response)

Thank you.

MS. DEVANE: Thank you.

ASSEMBLYWOMAN FRISCIA: Jim Leonard from the New Jersey State Chamber of Commerce.

Welcome, Jim.

JAMES LEONARD: Thank you, Madam Chairwoman. Thank you for the opportunity.

I won't belabor some of the points that have been testified to previously. I do first want to congratulate you on your Chairmanship. We look forward to working with you and the rest of the members of the Committee. And we also look forward to the continuing positive forward motion of this Committee under your stewardship.

On behalf of the members of the State Chamber and the local regional chambers, which make up the State Chamber of Commerce, I'm going to briefly highlight some of the issues that we see as priority issues for today. Fortunately, we stand united with other members of the business community.

The AFL-CIO has mentioned some of their issues, and the unions are in sync. Fortunately, the business communities are in sync as well.

The State Chamber is interested in continuing to work on a balance that we have been able to work on for years between the employer community and the employee community. The balance is key to the economic continuation for our State. It's key to the business communities continuing to hire individuals and employ those individuals.

We feel that any legislation that tips the scale one way or the other could result in the loss of a business or a limited growth of a business and, therefore, hurt both employers and employees. Two years ago, this body held a similar forum in which the economy was doing an awful a lot better, under you at the time, Former Chairman Geist. The economy, obviously, as everyone has testified to, is in a much different situation, and this body has a great opportunity to make sure that legislation that is presented to the full Assembly provides incentives for the business community to grow, to thrive, and to survive.

We believe that areas in the training area, for example, where businesses are able to access training grounds, is something that has proven successful over the years, and those are some of the areas that should continue.

We also believe, and have continued to believe, that any attempt to take money out of the Unemployment Insurance Trust Fund for things other than payment for unemployment benefits could be disastrous to those individuals who count on unemployment insurance for their paycheck.

Attempts to balance the budget, attempts for paid family leave, or attempts to pay for health care we believe would not be prudent, especially at this time.

We also believe that this is not the time to impose costly mandates on the business community. We're looking forward to working with this legislation to provide legislation that will encourage businesses through incentives as opposed to through mandates.

The issues that you are going to confront are going to challenge you. We look forward to working with you. We look forward to providing any necessary resources that you would like us to provide in this regard. And I do thank you for the opportunity to testify today.

ASSEMBLYWOMAN FRISCIA: Thank you.

Wayne Dibofsky from the New Jersey Education Association.

WAYNE DIBOFSKY: Thank you, Madam Chair.

I'm certainly not going to read my testimony, but like all the other speakers, I'd like to wish you all the best in your deliberations. Madam Chair, it has been 30 years that we've known each other, and it is my distinct honor to come before this Committee today. And to all the other members of the Committee, the New Jersey Education Association willingly wants to be a partner in working with you to resolve some of the concerns that we have in representing our 175,000 members.

One of the previous speakers spoke in terms of the Middletown strike, which ended this weekend. James Carvale made a comment in his political speech once that two wrongs is only the beginning. And unfortunately, in the abstract, that was probably very true, but in the reality

of Middletown there were more than two wrongs. And that strike had been brewing for over 20 years, and there is enough blame to be passed around on both sides.

No longer should a school district be shut down and, in this case, 10,000 plus students denied an education. And no longer should a Board of Education be so recalcitrant than when mediator after mediator suggest binding arbitration as a resolve to a strike, that a Board of Education, under State law, can simply say no. And no longer should we jeopardize public employees in that 228 of them had to go to jail to stand up for what they believed in. It's wrong. It's not the proper thing to do. And it is not in the best interest of the children that we're entrusted to teach each and every day.

We would ask that you would take a long, hard look at legislation that we are crafting and working with the Governor's Office on that deals with the issue of crisis resolution bargaining. That when two immovable objects get to a point, albeit rare, that there should be a special way of bargaining when you have, in essence, two immovable objects. We will take part of the blame and the Board of Education and Middletown has to assume part of the blame.

But one of the reasons that pushes our membership to the brink is in each year, we negotiate over 300 school district contracts, and within those contract frames there are many subdivision contracts. But one of the things that pushes us to the brink is the inability, after fact-finding, for the Board of Education to do anything more than just simply put its last best offer on the table by imposing a contract.

Former Chairman Geist, then and now, has put in legislation to prohibit the imposition of a contract. It is long past due. It needs to be

passed. The imposition of a contract creates a tremendous immovable object at the bargaining table and a tremendous imbalance.

Specifically speaking of the last five strikes in the State of New Jersey, Middletown One and Two -- and they had a strike three years ago in Middletown and no one learned -- in Magnolia, at Ocean Community College where Assemblyman David Wolfe had a contract imposed on him, and most recently in Manville, New Jersey and in Hamilton, Boards of Education have imposed their last best offer and walked away from the table. That has to stop. Bargaining is not a divorce. Bargaining is a process that has to have an end result. And with the end of an imposition of a contract we believe we can end that scenario. So we would ask you to move that as quickly as possible, either through your Committee or become supportive of that initiative in the new 210th Legislature so we can move contracts to their finality so that no one, no one has to go to jail again. The strike in Middletown was the beginning of the end of that scenario.

Two other issues: With the economy in a downturn, as all other speakers have spoken about, we were very distressed as an organization that we were not able to bring a favorable resolve to the prohibition of subcontracting of public employees and the abrogation of contracts by Boards of Education again. We don't believe it's in the State's best interest, especially in tough economic times, to subcontract those areas of school employment where, unfortunately, the resolve of saving dollars comes from those so small in stature and the ability to provide jobs in this community in dollars and cents, but so great is the need of the school district to provide safe accommodations for their students. I'm talking about subcontracting school

bus drivers. I'm talking about subcontracting custodians, paraprofessionals, cafeteria workers. This process has to end.

In 90 percent of the cases, these employees work in the school district and live in the school district. We're taking not only an economic means out of their pocket, but you're providing it to a subcontract that after three years would probably walk away in a large profit motives, leaving people without health insurance, pension benefits, and a fair prevailing wage.

We have to stop that practice. And we would hope that with the Chairwoman's good intentions and her legislation and with the help of former Chairman, Mr. Geist, we could move this bill to the Governor's desk and finally rid us of this albatross.

It's not good for public schools. It's not good for public school employees. It's not even good for the community. You need people in public schools who have a stake in the shareholders and in the schools in which they work, not subcontractors who come in from miles away, and in many cases, after a short term, gain in a long-term profit, walk away and force the school district to rehire these employees, to buy new buses, as has happened in many of the school districts in the State of New Jersey, and ring up a large deficit on the district because they realized that they were wrong in their ways and find the corrective measure far too expensive to go back to.

Last but not least, Neptune: There was a decision by the Supreme Court of the State of New Jersey in 1996 that says that only for school employees and only in contracts of greater than three years in length school employees, upon receiving no successor agreement, will return to the fall of the

new school term, but not in their increment pattern, which on average, in the State of New Jersey, is between 1.8 and 2.2 percent.

Having school employees, especially professional certified people, coming back without a contract is not uncommon in the State of New Jersey. Over 120 school districts per year come back in September not on a strike situation, not in crisis bargaining, but in an attempt to resolve the dispute. One hundred and twenty contracts continue into the new school year in good faith, by both parties, except the school employees come back without their increments. Not the secretary, not the custodian, if they are in the same parallel universe in contractual negotiations, only the certified school teacher by one specific law. You talk about morale deflators. You talk about working to the clock. It would seem unconscionable that anyone should have to come out without their increment being withheld for any other reason that they have prolonged bargaining status. We need to correct that.

The interesting scenario is if the custodian is in a separate bargaining agreement, or the secretary, it comes back under the same scenario, their increments aren't withheld. But if they become an all inclusive wall-to-wall unit, they now would have their increments withheld as well. The law has to be clear. The law has to be created differently. The law has to be equalized for all.

Those are the major issues. We are also -- and I would leave you with one other thought, looking on a rationale to expand the scope of bargaining under the Richfield Park decision in areas of professional growth and student interaction, things that currently we do not bargain, but we should. We should be looking at how can we favorably reduce class size in our

public schools, at least K-3 so that we don't have 35 and 40 students in a classroom. But we negotiate a reasonable amount of student contacts in that classroom to get the best and the brightest. We lose so many of our students, not because we don't try, but we're not allowed to reach them all because we can't try hard enough.

We're also looking at instructional development time, certification time, and we would like to develop a quid pro quo with the Administration, this Committee, and yes, with Boards of Education. So we can bargain, in good faith, to build a community base to make our schools the best they can be. And each day they are becoming just that.

We demand so much of the teachers in our public schools. We need to demand more of the community in which we work, the school boards which oversee us. This is not a job that begins and ends in the classroom. This is a 24/7 job. And in the changing environment of our nation and in the concerns of our economy and for the long range growth of this State, it's incumbent that together we can make good things happen.

I look forward to working with you. Madam Chairwoman, thank you for the opportunity to testify.

ASSEMBLYWOMAN FRISCIA: Thank you for coming, Wayne.

MR. DIBOFSKY: You're very welcome.

ASSEMBLYWOMAN FRISCIA: We appreciate it.

ASSEMBLYMAN GEIST: Madam Chair.

ASSEMBLYWOMAN FRISCIA: Yes, Mr. Geist.

ASSEMBLYMAN GEIST: Thank you, Chairwoman.

I want to ask the Chair if she could perhaps prevail upon the new Speaker. You just heard testimony from NJEA's very articulate Mr. Dibofsky where he emphasizes these labor friendly initiatives, but unfortunately these labor friendly initiatives are not apparently assigned to this labor friendly Committee. And I think it's time these bills have a hearing. We should not have a continuation of contract impositions in the State.

I can't even tell you. I could never get Speaker Collins to assign the legislation to this Committee. They would have been up in a heart second. Perhaps you can accomplish a proper referral of these bills to the proper committee so that we can have some hearings so these stories can be told. It's time for some action on these initiatives. These are bipartisan bills that deserve some attention. I ask you to do what you can to get the bills assigned to our Committee.

ASSEMBLYWOMAN FRISCIA: I will do that, because having had personal experience as an NJEA employee, I would not take negotiations to mediation for fear of ending up in fact-finding and then having a contract imposed on the local that I was negotiating for. So, it is a real problem, and I will certainly do that, Mr. Geist. I appreciate the suggestion. Thank you.

ASSEMBLYMAN GEIST: Thank you, Chairwoman.

MR. DIBOFSKY: And if I may add, Madam Chair, I've already talked to the Speaker, and we're working on that.

ASSEMBLYMAN GEIST: Great.

MR. DIBOFSKY: So thank you very much for your suggestion. Thank you.

ASSEMBLYWOMAN FRISCIA: Good.

Alan Kaufman from the CWA. He's the Legislative and Political Coordinator. And we welcome you here today, Alan.

ALAN KAUFMAN: Good morning. I'm extremely happy to be here on behalf of the 60,000 members of the Communication Workers of America. I think that over time I've worked with each of you. I've met new Assemblyman Sarlo during the campaign.

When you started off, Assemblywoman Friscia, you sort of put the context of the budget and the budget crisis that we're in. So I'd like to make some comments that aren't directly the purview of this Committee per se but certainly impact upon labor because, in a certain way, a lot of things impact on labor that don't necessarily come through this Committee.

CWA probably gains the most headlines, unfortunately, because we do have to negotiate with the State. And even more than that, we end up -- and we have been in a lot situations where there has been a budget crisis. This is probably the worst one. I think this is the worst one that I've seen, and I've been here for 20 years. It's going to be difficult to get through it.

The Federal Communications Commission has what they call the seven dirty words, and I think in politics we have a couple of dirty words. I think some of those words have to be -- in politics we're going to have to address. And I think the one thing that we're going to have to address, and it's not going to be addressed right away, but it has to be addressed in terms of how we represent our members and how the rest of the labor movement, especially in the public sector, but not just in the public sector, but also in terms of contracting, and that is the issue of progressive taxation.

We have a huge structural deficit because we can't talk about that word of progressive taxation. The budget funds not only State services, it funds local government, it funds teachers, it funds contracts, it goes to all of the nonprofits for which the State is really the alter ego, having contracts to provide services through nonprofits that are nonunion. So that the issue of the resources of the State are intimately connected to the welfare of workers everywhere, not only working for the State, but also working for local governments, for people that are under contract with the State, not only in terms of their wages, but their benefits: health care, pensions, you name it. All the kinds of issues that come through or related to this Committee. So that down the road, we're going to have to have a more sane political debate. We can't say we can't have taxes. If you look in the paper, we can't have bonding of the tobacco money. It can't do this, we can't do that. We can't do anything to raise revenue. There's really only one way, sane way, to raise revenue and that's to try to get the revenue, a fair amount, from the people that have it. And there's a lot -- this is the wealthiest State. This is the wealthiest State in the Union, and while that Ford plant is closing down, up in Edison across the street is a dealership selling all the Jaguars and Lexus and BMWs where the auto workers never could have walked across the street and bought those cars. But some people are walking across the street, are driving up the road and buying those cars. So that's where the wealth is. And we're going to have to have a discussion to capture that.

In terms of specific issues that don't require getting into that, I think a lot of the labor people that talked beforehand got into issues that we also support. We're not just public workers, we represent people. You name

the title and we represent it. We would like to see in this time, and I think the AFL highlighted, and other people did too, an economic stimulus package. Not in terms of tax breaks to corporations, but in terms of payments to people. UI benefits people who can -- need the money, can use the money, who will go right off and spend the money right here in New Jersey. So that -- there are some good bills out there. I think the Chair has sponsored a particularly good bill, and we support that. And ditto with the paid family leave. I know there is a lot of opposition from the business community for paid family leave, and it always gets me when people come up here and say this is the only -- there's no state that has paid family leave so let's just rewind back to -- I don't know, we can rewind back to 1918 or '17 or '16, and somebody who was here before the Committee saying that women should have the right to vote. And no state had the right to vote. So the fact that no one has it doesn't have anything whatsoever to do with the merits with the issue. So I think that the paid family leave for both birth, adoption, and for sick family members would be good. And I know that this might be a tap on the UI Fund, and I think that that could be insulated in certain ways. The extended benefits and the paid family leave fund has a lot of money despite -- even with the needs that the recession might bring on, I think they could certainly afford that.

I think there's -- I see Jim Marketti is on the list of speakers, and he'll probably get into the question of privatization. But there is a particularly good bill which Weinberg and Friscia are on. It's on a cost analysis bill. I think it's a very similar bill to the bill that was -- Assemblyman Geist and Bonnie Watson Coleman had in the last session also. And it addresses a lot of the issues that have been in other bills that might have been in front of the

Labor Committee in terms of if privatization contracts are signed, people want to make sure that the health benefits were maintained, pension benefits were maintained, civil rights, quality of services. It's all in that bill. It would make sure that there was an independent audit. I think it would protect the tax payers in New Jersey, and it would protect workers too. It's an excellent bill, and I really hope that we can do that -- the bills.

I think, other issues -- I don't think anybody mentioned, I think, of the concerns of the Basic Skills Fund. We'd like to see something in that to make sure that anybody that works in a one stop center would have to be (indiscernible) or civil service rather than have it privatized.

So with that I will -- I anticipate other people will hit issues that I would normally have talked about, but there's plenty of people here to talk about those. I appreciate the opportunity to speak in front of the Committee, and I look forward to working with you. And I do think, despite the fiscal crisis that we're in now, that over the next years that we can do a lot of things to readdress some of the problems here in terms of workers: the need to organize workers to meet, to raise the minimum wage, and to have a living wage in New Jersey.

Thank you, very much.

ASSEMBLYWOMAN FRISCIA: Thank you, Al.

Jim Marketti, also from CWA.

Welcome, Jim.

JAMES MARKETTI: Thank you.

Thank you, Madam Chairman and Committee members, for allowing me to speak. I'm actually the President of CWA Local 1032. We

represent about 6000 State, local, government, and private sector workers throughout the State of New Jersey. Plus we have the Department of Transportation, OIT, and about 36 local government units spread all over the State, also, 1000 people at the Port Authority of New York and New Jersey.

Alan assigned me the task of speaking about privatization. I hadn't planned on talking about privatization, but I will say a few words about it. It seems incredibly strange to me that here in New Jersey we spend millions of dollars to privatize State work on the promise that somehow, by getting the work outside of the State, it can be done more efficiently and at a better standard of quality. Yet there's no follow-up to see whether that assumption is true. And one thing in the bill that you've introduced, Assemblywoman Friscia, 706, is a requirement that there be post audits of privatized contracts, merely to test the proposition as to whether work has been done more efficiently and more cheaply and at a better quality of standard.

We know, for example, that the Department of Transportation, where there are \$900 million in active State engineered design contracts, that state after state, after state, about a dozen of them, have looked at this question and found that the states could make 40 percent savings by doing that work in-house rather than contracting it out. We can't help but believe that there are literally millions of dollars to be saved by stopping the subsidy of various industries in New Jersey, such as the engineering design industry, and there must be others.

But actually, what I really wanted to talk about was the other side of the coin of privatization and about an issue that is really too large for me to set out the parameters and to ask for your assistance in getting us to do that.

And that is people who are really made up of the other New Jersey: People who make six to twelve dollars an hour, no benefits, no pensions -- actually no pensions -- meager health benefits if they have them at all. The funny thing about that is that really it's the State who creates these confused conditions. These are people who work for subcontractors, the State of New Jersey, and its agencies and its departments.

I'm most familiar with these kinds of workers at the Port Authority of New York and New Jersey where there are about 10,000 of them. Very difficult to organize when the subcontractors fight you tooth and nail. You could get them organized and then try to engage in collective bargaining. Contractors will fight you tooth and nail and not because the contractors are inherently evil or opposed to their employees having better wages and benefits. It's a simple economic matter. If they negotiate better wages and better benefits for employees, the Port Authority forces them to pay the cost of that out of their contracted benefits. That is, they will not adjust the contract to recognize the fact that these people have organized to improve their standard of living. In fact, the Port Authority hides behind those contracts and says, not our job, we've contracted it out and if that subcontractor was fool enough to let his people join a union and negotiate a contract, they're stuck with it.

This also takes place in Human Services. Contracts that are directly -- that by the State. And when I say I'm not able to talk about the parameters of it -- I think it's way beyond time that we start to look at how many contracts are out there from the State of New Jersey. How many contracts are there? How many employees are affected by this? And what is

there in the procurement process and in the way these contracts are led that basically freezes people who work in those industries into the working poor?

So I would like to ask your help to just -- I mean there are many ways once we know the scope of the problem that we can address. And ultimately the best way to address it would be to demand that the State assume its responsible status as coemployer of all these employees. Let us bargain with you once we organize them. But they are a ways short of that to accomplish the same thing. We can talk about prevailing wages not just for craft workers but for -- what I'm talking about are mainly service employees, semiskilled, unskilled workers who come from all across the State. And they're not just workers that come in and work 30 days and then leave. At the Port Authority we have people who work 20, 25, 30 years in this system and never earn a pension, never able to provide health benefits for their families. They rely on charity care and never make very much more than minimum wage.

So, as a first start, I'd like to ask the Committee to somehow make it possible for the State to actually do a study of how many contract employees there are that are contracted by the State and by its agencies, including the Port Authority. How many of them in each contract? What basically their average wage rate is? The level of health benefits as a starter? Make that information public. I think you're going to be surprised that there's a big sector of the economy out there who are comprised of the working poor in this State, and their status can be directly related to the fact that it's the State's contracting policies that have created these state of affairs.

I've talked to many subcontractors who say, look, I know I pay substandard wages and substandard benefits, but what can I do? If I give you

what you think is right and just for these employees, I'm out of business. And we have in fact put some of them out of business because we've insisted that they pay a living wage and paid benefits.

So that's what really I had to say. And I thank you very much for your time.

ASSEMBLYWOMAN FRISCIA: Thank you for your input, Jim. I really appreciate that.

Regan Almonor.

REGAN ALMONOR, ESQ.: (speaking from audience) Almonor. (indicates pronunciation)

ASSEMBLYWOMAN FRISCIA: Almonor. I'm sorry, Regan.

MR. ALMONOR: That's fine.

ASSEMBLYWOMAN FRISCIA: From Legal Services of New Jersey. Welcome.

MR. ALMONOR: Thank you, Chairwoman Friscia and to all members of the Committee. It is indeed my pleasure to be before you again today. As you mentioned, I'm from Legal Services of New Jersey. I'm an attorney there. We represent 14 offices statewide throughout New Jersey. We are the coordinating center for those offices that represent over 200 attorneys. In addition, we have Boards of Directors for each program that span major business and law firms throughout the State of New Jersey. And of course we have clients, in tens of thousands of clients, that we represent.

I personally have litigated in the areas of welfare reform, employment law, and unemployment law. Having started with the welfare reform cases, mainly my tasks dealt with challenging some aspects of our laws

that were unconstitutional. We were successful, for instance, in overturning the residency requirement. In New Jersey, it's unconstitutional, and other aspects including the child care -- not child care, but the limitation on benefits to children outside a fifth degree relationship.

So that has fed some of my perspective on unemployment. I'd like to focus just a couple of our areas of advocacy -- areas, if you will, for this year in unemployment law. I think that one thing that can be stated coming out of the boom of the '90s that's pretty clear to me and my representation of clients in this State is that really this boom was borne on the backs of many of our low-wage workers. And right now what we find is that construction that's really been put in place by these workers is eroding some. The challenge is to provide the necessary bridges for those who have labored so hard to create this economy and not to leave them stranded.

I think that it's really ironic that in the light of the current economic climate, we need to push from some of our colleagues -- is to say that that means we need to retract as far as the workers are concerned. But look at unemployment. It was born in the Great Depression. It was born out of that. This is a program that's meant to address crisis, and it's not supposed to disappear when crisis comes. And really what we're looking at is, of course -- we're very thankful we're nowhere near the Great Depression right now; however, the same analogy applies. We shouldn't be looking to get rid of or not to apply unemployment. So just a couple of points.

One is in our economy, especially here in New Jersey. The New Jersey Department of Labor has projected that in 2006, 41.6 percent, four out

of ten jobs, will be in the low-wage areas. So these are your nurses' aides, your home health aide workers, your janitors, etc. Four out of ten jobs.

In addition, we know that we have a large, large and burgeoning temporary work population here in New Jersey and nationwide. That was also some of the spurring of the economy and the boom. A lot of that -- we have a multibillion dollar temporary help agency, health services industry, in the nation. And that was in great part -- so we have sacrifices by workers.

In the unemployment system, specifically, we have -- again I'll analogize prior, you pay your premiums, you get insurance, you expect to get a return for your dollar. What we have in New Jersey is shameful in that you have a system where the employees pay as well as the employers. And they're not getting any bang for their buck. What they're getting is above 40 percent, well above. Those who are unemployed are, for various reasons, not getting unemployment insurance now. And this -- excuse me, this is in the boom so you could imagine what the figures would be now that we're facing crisis. So again these are benefits that your constituency paid for as employees. They paid into the system, and they're not getting the bang for their buck. And this is the crisis time when they're supposed to get the bang for their buck. That's the purpose of the system.

So we would just advocate three main areas of what we might call the larger bridges, or the more major bridges. And then, from my perspective, as an attorney who represents these clients, I also kind of see the nook and crannies of the system that need tinkering. I'm not going to go through all of the list now. We will submit, by mid this month, a fuller, comprehensive

listing of some of these points. But just in brevity, I will mention some of the key --

One has been mentioned earlier by my colleague and that is dealing with paid family leave. Of course, we strongly advocate for that. And enough said with that. I will stress however that figures have been run. OLS has run figures. Various figures have been run. There are ways to cap the costs. There are ways to limit the costs. And you, of course, are very well versed in the various methods of doing that. But even the studies that have been done have shown that we can clearly cap the costs. And the benefit far outweighs the cost. I think the arguments that have been made against are really the same we've heard against unpaid leave back in -- when New Jersey was the forerunner to the country in unpaid leave. They were saying the same things then. Clearly, the parade of horrors have not come past and neither will they with paid leave. The simple truth is that people have not been able to afford unpaid leave. So great intentions notwithstanding, many of the aims have not been fulfilled, and so we need to go to the next level. Enough said on that.

We also have among the three -- real UI reform. We need real UI reform in the State. It really needs to include -- it needs to include part-time and short-term workers. Again what we're talking about right now is people are paying into a system. It's supposed to be a bridge to prevent them from falling in the abyss as they're in between jobs. And we all know right now everybody is a free agent. Nobody's within the same job forever. And so we need real bridges. What we're finding is well in excess of 40 percent are not

being caught by the bridge, even though they paid their premiums into the system. Something is wrong.

So we need real reform. Part of it, again, is the boom has ridden on the backs of those who are in part-time labor, who are temporary workers. They should be falling within the system. They're not right now.

And lastly, among the three, we would stress that, again, there is a need for some real work supports. One thing I found in my workings with the Department of Labor, State and Federal, is that real work supports, such as transportation tied into low wage workers -- such as child care. We have right now New Jersey Cares for Kids, where Federal moneys are paid into that, and it is woefully underfunded. There is a waiting list in every county just about now. There's some real need because, again, it's an investment there that pays in many folds as we prevent people from being lost. And once you -- the retention is so key as any employer will tell you. If you lose the employee and have to retrain someone else, having to start all over again, it really is a net loss to everyone when we don't retain our workers.

So those are the big three. I would just quickly just note some of the other things and I'll move out of your way. Again from my perspective, litigating these cases, there are many problems with the system as it exists now in benefitting claims. So not only do we need to fine-tune some of these bigger bridges to make sure we address the needs -- something like paid leave, etc. -- but we need to fix some of the problems with it now.

What do I mean? For instance, we need to clarify that there's a clear right to a live, in person hearing for someone who has a grievance, who has an appeal, dealing with unemployment. Right now, especially South

Jersey, it has not been well respected. And it's been a fight, often times, for someone to have an in person hearing as opposed to a telephone hearing when they need to present evidence, they need to have witnesses present, etc.

We need to refer all medically denied unemployment insurance claimants to TDI and DDU. In other words, if someone is denied unemployment because they say you are unable to work -- look you're hurt, you're perhaps -- they say you're not able to work because of medical conditions. Clearly, that's what temporary disability is for. That's what disability during unemployment is for and perhaps worker's comp. What's happening now is, often times, people just get thrown out the door. They don't refer them to the proper other division within the DOL. Left hand, right hand, they're not talking. And that's what is going on right now.

As we mentioned prior, we need to pass the UI bill for emergency extension. And we propose that the bill be proposed by the Chairwoman. And just a few others here: good cause for late firing. Often times, we have some things in the books that just don't have teeth. The employer is supposed to tell the employee, listen you have a right to file for unemployment now that you are being terminated. That doesn't happen. A lot of employees don't know, and they forego possible benefits for months, weeks. What happens? They're penalized because now their base year is being lost as they fail to file. And what happened? The employer never told them. So we propose that there be a totaling of their base year until such time as they're notified of their right to apply for unemployment.

And just a few others here. We need to establish that the claimant has the highest yielding base year, not just the first one. And again this will be

elucidated in our papers, but clearly you have a number of base years within the current system that -- different tests you can meet to receive benefits. What happens now is, you know, the first test among the sequence that you fit into, that you may have the minimum number of weeks. Bam! That's where you go. What happens if a later test actually gives you a lot more earnings and potential for getting benefits? Tough. And that shouldn't be the case. The highest yielding base year should be the one chosen.

Also the five-week penalty for misconduct. What happens now is there is a five-week penalty if you're terminated because of misconduct. There is a five-week penalty of course. Often times, that five-week penalty becomes a six-week penalty, seven-, ten-week penalty. Why? Because it's not an automatic -- it's not automatically self -- it doesn't happen that you automatically get your benefits at the end of the five weeks. It's just not self-effective in that way. And so what we're asking is that that be made law. And that it's clear once your five weeks is up, you get your benefits. Even if you're still challenging it in court, you want to clear the record, etc. It should be a moot point. You should be getting your benefits. That is not the case.

And just lastly here, there's this phenomenon called constructive quit. What we have there in unemployment is you have an individual who didn't quit the job, but perhaps due to different circumstances or beyond their control, beyond the employer's control, quite frankly, they cannot do the job. And the first one was one in which they lost their license and they needed it for the job as a driver. So the law in these areas say, well, it's just like you quit the job, so you don't get unemployment.

And there are a number of these areas that are creeping out. The law says that misconduct is a five-week penalty. It is not a complete disqualification. And what we're finding is these -- where these should be misconduct penalties for five weeks, they're being treated like gross misconduct. They're being treated like criminal conduct, because they're being called quits, and they're not. So constructive quit needs to be done away with. It needs to be codified. What we should have is misconduct. They should call it what it is. And it should get its five-week penalty, not a permanent disqualification.

There are others. I will not go through all of them with you. I will note, however, that we will be submitting papers. And one other larger bridge, of course, we do support minimum wage increase to at least \$8 an hour. Our living wage -- our living study shows that really you need at least \$12 to even approach living in New Jersey, let alone the \$5.15 it is currently.

Thank you for your time.

ASSEMBLYWOMAN FRISCIA: Thank you, very much Regan.
Jeanne Otersen.

We're coming down to the last five or six people. I'm sorry for the delay for all of those who've been waiting patiently.

J E A N N E O T E R S E N: No, no not at all. Thank you.

Again, my name is Jeanne Otersen. I'm the Policy Director for the Health Professionals and Allied Employees. Thank you for the opportunity to speak before you.

And I think normally we do our work, most of our work, in the Health Committees. We've worked with some of the members here on

different issues, since we represent 8500 registered nurses, technicians, pharmacists, social workers throughout hospital systems and nursing homes in New Jersey.

But some of the issues we've been taking to the Health Committee I think also belong here, or there ought to be more collaborative work, because we are in a crisis, both in terms of the quality of patient care that we're delivering in our systems and the quantity of health care workers that we have dwindling very rapidly before our eyes in the health care system. I'm sure you know, and there has been much written about, the nursing shortage, which is actually a very wide and deep shortage of everything from nurses to nurses' aides to pharmacists to technologists. And it's due -- it's not an accident. It's not that we woke up one day -- the way in fact, I think, the Hospital Association would have you believe -- and said, oh my God, the nurses went. Where did they go? They've really been driven out of the profession by a series of downsizing and deliberate cost cutting by HMOs and hospitals that's now left behind a very embattled, exhausted, stressed, small group of people taking care of increasingly complex and larger numbers of patients. What has happened as a result is that -- I think it's pretty obvious the quality of patient care -- and it's one of the reasons that the AFL-CIO talked about staff ratios. Now that's a bill we expect to wind up in the Health Committees, but we'd certainly want your active support for -- California has just enacted it, and it's really time that we look at establishing some baseline numbers of safety to guarantee the safety of both the patient and the health care worker.

But what I wanted to talk a little bit more here are some issues about what happens when nurses and their health care colleagues try to do

something about the conditions in the hospitals. In the last five or six years, as this kind of spiraling downward has taken effect, we've seen a lot of unionization efforts. That's how people feel they have a voice because they feel on top of what kind of deteriorating working conditions, the exhausting hours. They have little respect. They have little voice in how things get made, when cuts are made and ancillary staff and equipment. Units are closed. Their voices aren't heard. They just have to still try their best to provide patient care in impossible situations.

And so the two things that I think this Committee could really look at and perhaps hold hearings on is what happens to people when they're going through unionization or contract fights with their hospitals. And I'll tell you two quick examples. The lightest heart of it I think of is -- and is at the expense of the public -- and in one recent unionizing campaign the nurses one day were given a box of crayons. The next day they were given fortune cookies. These were not ten cent box of crayons, but this was million dollar consultant's ideas of how to teach nurses to "be creative in providing patient care." So they're were given crayons. Now I'm not sure I can imagine any other professional, accountant, doctor, or lawyer getting crayons in an attempt to teach them to be more creative and doing more with less.

The next day they were given fortune cookies. And inside it had a little saying, and they were supposed to say that through the day to their patients, like, "Have a nice day. Have we done everything we can for you?" The answer is no. There aren't enough of us to do everything that you need doing anymore. But the point there is that what hospitals are engaging in and spending taxpayer public funds to keep nurses from exhibiting and working

and getting their democratic rights, the right to unionize. They're sending out expensive videos to nurses. And all the way from what is not lighthearted, they're firing those people that, in fact, form union committees to try and schedule to vote. I think that we need to look more at what's happening in nursing home settings and hospital settings to intimidate people from their exercising their democratic rights.

I'd also like to see us look at what we can do about public funds being expended. Those are not their private slush funds. Maybe in some cases they are, but when they hire these million dollars consultants, and they are millions of dollars, to come in and tell the managers how to convince people not to join a union, to do these videos, to do these fortune cookies. They're spending yours and my money doing it. I think that should be against the law.

One other story, quickly, is during a recent contract negotiation up in a northern New Jersey hospital, ten days before the contract deadline, the union, my union in this case, issued what we would legally have to do: a ten-day notice of intent to strike, in this case, for one day when and if the contract expired. In health care you must do that. You cannot call a strike overnight. You must give a ten-day notice to protect patients. The hospital, instead of continuing to bargain, went out and hired a Colorado-California based company. They're called US Nursing Corp Travel Nurse. They're known throughout the country. They specialize in hiring replacement workers. They cost a hospital anywhere from half a million to \$3 million, depending on the length of the strike. They bring in nurses from all over the country. Sometimes they're licensed. Sometimes they're not. And that's the threat to

the nurses. You know, you either bargain and get a contract that we the management can live with, or there are 500 nurses parked here in the hospital.

In this Bergen county situation, the agency they hired was not registered in New Jersey as is now required by law. They came in anyway. That's how they're used to doing it. The hospital gave them what we believe was more than \$500,000 as a deposit, even if the nurses never worked a day. And they applied for about 40 or 50 out-of-state nurses to get their Jersey licenses. They housed them in a hotel around the corner. And then they ended negotiations, saying we don't need to negotiate any more. Monday morning we will be locked out and the replacement workers will come in. That is not a level playing field. That is not fair bargaining. They ended the bargaining process.

Because we had three really wonderful legislators, Loretta Weinberg, Charlotte Vandervalk, and Rose Heck, who went to the hospital and said, if you think you're going to open your doors with unlicensed nurses and an unlicensed agency, think again. Get back to the table. They, in fact, came back to the bargaining table, and we reached a contract about eight minutes before the deadline. But we reached a contract. We bargained all weekend long. That's how it works.

The point is that, again, as I said earlier, those are Medicare and Medicaid dollars. In this case, it was Bergen Regional Medical Center, which is getting charity care dollars on top of that, is getting State funding on top of that. They're spending that -- not even hiring nurses, but threatening to hire nurses who either had no licenses, hadn't got their Jersey license, with really an outlaw agency. Only because we had the legislators did we manage to forestall

that situation, but it is something that I would really like -- I don't have -- I didn't come here with a specific answer. But I think two things are to strengthen the law, require outside agencies to uphold a higher standard of conduct, of disclosure of how much money they spend; and a prohibition that they could spend money that comes from charity care, Medicare, Medicaid, and minimum, we should not allow our State dollars and taxpayer dollars to be used in that way.

Lastly -- and not really lastly, but what you'll see I gave a long background to all of you on the nursing shortage itself, and a survey we did of nurses and health care workers around the State, and why they're leaving the industry. And as I've said earlier, it's a combination of deteriorating staffing, forced overtime -- which hopefully we're addressing in the coming year -- declining working conditions, health, and safety.

One of the issues that came up is obviously back injuries. Nurses don't make it to retirement. Our big concern is that we have an aging work force. They're in their 40s. Everyone thinks that's old, but they don't make it to 65. They leave much earlier than that because they can't physically do the work anymore. We have to address the issue of ergonomics, and we can do that through this Committee and through Health and Safety.

They also have no incentives to stay because they have no pensions. So when you look at the nursing shortage, everyone is focused on enrollments. How do we bring more nurses into the system. What we really have to worry about is how to keep them in the system, because as soon as they get in they literally are walking in the door and saying to the older nurses, "Are you kidding me? This is what you do everyday? I'm out of here." Or

they get into their 30s and 40s and their wages aren't much better than when they started. They have minimal pensions. There's no incentives. So we would ask also if you look at the material I gave you, there's a lot on what we think could be done.

We have a model program in one hospital where they're going to pay the nurses -- the techs who go to their nursing school full time, to work part-time, and go to school part-time. And that is a major obstacle. If you look at where we could get new health care workers from, a lot of them are in the system already at lower skilled jobs, lower paying jobs. If we could provide, at our own expense, State expense, hospital and nursing schools, in a collaborative effort -- if we could pay them to go on with their educations while they still have a paycheck, because they can't afford to quit their jobs to go back to school. They can't afford to work full-time and go to school when they have children. We need to find some way to accommodate it.

This one model we have in Bayonne, I think, is something we'd like to see the State replicate and find other ways to support, I think, with minimal funding. But pay people already in the system making \$8 or \$10 an hour to go on for their education into nursing so they can make \$20 or \$25 an hour. So a lot of that is spelled out on Issues in the Nursing Shortage. We would just encourage you to work with the Health Committees and design in some collaborative ways so that we can address this, because if we don't, as you'll see from some of the figures, this is a major crisis coming our way.

Thank you, very much for your time.

ASSEMBLYWOMAN FRISCIA: Thank you, Jeanne.

Very interesting.

Yes. I'm sorry.

ASSEMBLYMAN GEIST: Thank you.

Just a quick follow-up. What's the latest at Cooper Hospital? This ties in with what's been presented to the Committee, but this is a real example of a real hospital and a real situation involving your nurses.

MS. OTERSEN: I'm not sure if you're referring to anything specific, but three years ago we had an organizing drive there, and we also ran into some major stumbling blocks from their management at that point. Assemblyman Geist was among those who supported us and helped us out. We were facing court battles and lots of delays. They have a contract there. It's actually up in three months. It would be the first renewal of that contract, and while there have been problems with what we've been able to do at Cooper, it has worked out.

For example, really minimizing mandatory overtime at a time when other hospitals were doing it more, because we worked out little incentive programs for voluntary overtime. We were able to have input from the nurses to design new orientation and mentoring programs. Another reason for the shortage is that nurses come right out of school, hit the floors, and they've got 10, 12, 15 patients, and they are overwhelmed. And again they leave. We used to have much more of a base of orientation and mentoring programs in time for nurses to work their way into taking on full assignments. A lot of that got cut because of the cost cutting. We've been able to reinitiate a lot of those programs there. So I think we are doing a good job of working collaboratively with the hospital. We'll see, come contract time, if that's what you're --

ASSEMBLYMAN GEIST: Thank you.

ASSEMBLYMAN SMITH: Madam Chairwoman, I just have one brief question.

I don't want to get into a lot of time or an extensive explanation, because we plan on doing that in the future, but the one thing that really sticks out, as I review your handout, on Page 4, it says that nurses responded, that because of the shortage, 40 percent believe that there are more medical errors occurring.

I guess my question is twofold. One is, obviously that affects the patients as individuals. But number two, what has been the bottom-line effect when it comes to liability and malpractice payouts and so on and so forth?

MS. OTERSEN: You know, you might have to ask a hospital more of that, and I may need to get back to you. I think our anecdotal evidence mirrors the National Institute of Medicine that there's a climbing number of medical errors. It depends on the reporting system. One of the things that I do think needs to be addressed in New Jersey is a better reporting system. I know there was legislation last year. I don't know if it actually came forward this year.

What we think, beyond reporting, is some better system in hospitals of not just looking to assign shame and blame, because what happens, and I'm trying to get to the point a little more quickly, is no one really knows. So, many of these things, unless there's severe errors that results in a patient death, a patient injury, a lot of them will go unreported.

And one of the bills we're also pushing is a public disclosure right to know so that more incident reports, even near misses, are more reportable

because that also is an indication of what's happening with staff. But certainly

--

ASSEMBLYMAN SMITH: Near misses?

MS. OTERSEN: Near misses. Certainly when you see errors rise, near misses, minor incidences, patient falls, things like that, that tells you very clearly that you're understaffed. You have a problem. And I don't think anyone is looking at it. Once the Institute of Medicine came out, they had recommendations that fit very much with what we're saying, but I haven't seen anybody move on them.

The hospitals talk about liability and risk. We are set to go to them. A lot of that is in their risk management departments, and if you think they'd let us anywhere near that information -- all we have is the nurses. What I can bring you in the future is -- we asked nurses to fill out their own short staffing forms, their own incidence reports, to protect themselves as well as their patients. We compiled those on our own so that we can capture those, especially if they relate to staffing, because what happens is the nurse would be blamed and if he or she was the only one on the floor, that is relevant. But the hospitals won't agree with us that that's relevant. And you wind up where the nurse could lose his or her license.

And I'm sorry that wasn't shorter.

ASSEMBLYMAN SMITH: No, that's all right. I mean, we want to look into it further, I'm sure.

MS. OTERSEN: Good.

ASSEMBLYWOMAN FRISCIA: Thank you, very much.

MS. OTERSEN: Thanks for taking so much time.

ASSEMBLYWOMAN FRISCIA: Ira Stern from UNITE.

I R A S T E R N: Madam Chair, members of the Committee, it's good to see you all again. UNITE -- I'm Ira Stern from the New Jersey State Council of UNITE. We've, in New Jersey, represent approximately 20,000 members in traditional areas of garment manufacturing and also distribution, trucking, textiles, dyeing, and finishing. We also represent workers in laundries and health care products and other various types of manufacturing, other jobs throughout the State. So we're not just garment production anymore.

Nevertheless, I want to talk about a few things that are of concern to us. There are some issues. First of all, I want to get to the issue of unemployment -- the unemployment extension of unemployment reform. We fully support Senator Turner's Unemployment Insurance Bill, S-958. We believe that it would provide an extension for unemployment benefits. Many of our members are suffering. They're on unemployment due to a number of reasons. The first being, obviously, garment production is a seasonal industry. There are also fluctuations due to dislocations. One big warehouse distribution center that just laid off and closed in northern New Jersey has been the Kmart North Bergen Distribution Facility, where 600 workers lost their jobs.

We also are seeing dislocations as a result of failed trade policies on the part of the Federal government. And in addition, also the slowing economy prior to 9/11 and then the acceleration of the slowing economy after September 11th.

So anyway, we, you know, support S-958 for 13 weeks extension. This bill would provide for more than \$250 million extra funding to the Unemployment Insurance Trust Fund. It would provide for adjusting or

taking away of the one-week waiting period and provide for adjustments for part-time workers with children, which is so surely needed, and it adopts the Federal triggers for unemployment, making Federal funds for extended benefits available. All these are good things and really should be enacted as soon as possible.

In addition, we support a living wage resolution such as Assemblywoman Friscia has proposed A-212. And I want to get to that in the context of the company that already came from -- the Industrial Union Council brought up a company called Douglas Steven's Plastics. We're in the process of putting together a report on that. We'll get this to every member of the Committee when we have that finalized.

But this company received public funding to the tune of \$3 million-plus in tax abatements and financing to locate in Paterson and then to provide what turns out to be low wage, poverty level jobs. Then when the workers tried to gain a voice at work and better their lot through organizing, they fired 19 workers and began a vicious antiunion campaign -- all we feel at the public's expense.

Let me just read a little bit from the introduction of this report about that because it brings it into context. "Old industrial towns would go to great lengths to attract jobs and industry. Publicly funded industrial development, using low interest government loans, tax breaks, direct public investment and infrastructure, are commonly used to solve the related problems of job loss and industrial retention, but sometimes the results don't quite measure up to the hopes.

“New development is supposed to bring social and economic revitalization. But how many development projects truly pass the smell test? How many are thinly disguised boondoggles promoting some entrepreneur’s private gain at the public’s expense? And how often are deals struck behind tightly closed doors subject to little, if any, public scrutiny and accountability?”

This is what we feel happened in Paterson, and it goes on to happen throughout the State. And we feel that a living wage, whether it be in a living wage legislation, such as you proposed, or some other legislation that directly attacks this, should be brought up -- and brought this into law so that the public isn’t subsidizing illegal goings on or creation of minimum wage jobs without any accountability.

Also, we support procurement, as my brothers from the AFL-CIO brought up. Procurement means not using, again, taxpayer’s money in order to buy things with -- that the State purchases made in sweatshops, made by child labor, made by prison labor, made overseas, or maybe even in New York or New Jersey in sweatshops. We don’t want to foster that kind of industry. We want the industry healthy. There are people here that could do those jobs, that make decent money, not great money, but it’s enough to keep you afloat. And there’s no reason, you know, to promote sweatshops through the use of State funding when it comes to purchases by the State.

These basically are our concerns along with paid family leave. We believe that the paid family leave bill, as proposed, isn’t a burden to employees. It doesn’t take money out of the employees. They don’t have to pay for the paid family leaves. There are, as was mentioned, ways of capping it and so that it doesn’t go overboard. We don’t think it will go overboard. People, up until

now, and we represent many women workers, can't afford to take unpaid family leave. And that's why it's not taking advantage of to a large extent. And the family suffers. And workers suffer for it. We need something better than that.

Thank you.

ASSEMBLYWOMAN FRISCIA: Thank you, Ira.

Is Craig Livingston here? (no response)

Oh, I'm sorry. I'm not looking at this. I'm looking at the list.

Sorry.

ARTHUR KRAVITZ, ESQ.: Thank you, Madam Chair. My name is Arthur Kravitz. I'm an attorney. I represent injured working people. I'm here today on behalf of the New Jersey Advisory Council on Safety and Health, which is an organization representing labor as well as representatives of injured workers.

I'd like to speak on a package of bills that I know the AFL-CIO is presently working on. They're designed to help the victims of occupational diseases within the Worker's Compensation system. The first and perhaps the most critical of this at this time is the repeal of Section 33 of the Worker's Compensation Act, which provides for a 90-day notice to an employer of an occupational disease claim. Under the current law, recently upheld and enforced by the Supreme Court, employees are required to provide notice to their employers 90 days from the time that they knew or ought to have known the nature of their disability and the extent and its relation to the work.

You can imagine in the case of a worker, who contracts a cancer 20 years after he was working, to try to track down that worker -- to try to

track down that employer and provide notice to him -- imagine even further someone, for example, like a union pipe fitter, who may have had hundreds of employments over his lifetime, being required to provide notice to each and every one of them within 90 days at the time that he contracts cancer. To have to go through and track down the list, track down the employers, it's impossible. It is something that absolutely needs to be changed right away.

The decision of *Brock v. PSE&G* came down last year, and since that time many injured workers who have cases for occupational diseases in New Jersey have had their cases dismissed on the grounds of lack of notice because -- and again the technical requirement that they haven't been able to have their cases heard on the merits. And we think it needs to be changed.

Second, many of the diseases that develop over many years, these diseases can develop many years after the worker was exposed to the offending substances. This latency period can vary to such an extreme that pinpointing an actual moment of exposure is medically impossible. The Supreme Court solved the problem, in part, many years ago in the case of *Bond v. Rose Ribbon*, which holds that the last employer to which the worker was exposed to the toxic substance will be responsible. This goes a long way towards helping an injured worker obtain compensation for his injuries where it cannot be proven exactly where he received the actual exposure that caused the actual disease at that moment. But it leaves with us the problems of what to do 20 years later, for example, if an employer is long gone and there is no one to obtain compensation from, or that the latency period is considered inadequate, as has been raised by some insurance companies in defending these cases. So we consider these to be necessary changes in the Compensation Act.

Next, we believe that there should be changes made in the dependency rates. At this time, members of a family of a worker who dies in the course of his employment receive compensation on a sliding scale from 50 percent to 70 percent, depending upon the number of dependents. If there's one dependent, it's 50. If there's two dependents, it goes all the way to 55 percent. We believe that the simplest solution to the problem is to simply set the dependency rate at 70 percent.

There's also a provision that might raise permanent total disability rates for victims of occupational diseases. We believe that that has merit and should be studied.

Lastly, what I would like to discuss is a bill that Assemblyman Cohen put in to the last Legislature, which was known back then as A-1127, which was designed to amend Section 64 to raise the medical fees allowed to a petitioner to hire doctors to prove his case. At the present time, there is a limit of \$250 in the amount of money that can be paid to a medical witness in support of an injured worker's case in the Worker's Compensation report -- for the examination and report. Insurance companies have no such limit. They can and do at times spend thousands of dollars to hire medical experts in order to just prove and defend a case.

At the rate of \$250, it is becoming near impossible for an injured worker to hire these experts, to get someone to work for that amount of money, and that has tilted the balance away from the injured worker and in favor of the insurance companies. Many of the occupational diseases that we're seeing now are the result of medical science, and the advances in medical science that are resulting in a requirement from the part of the injured worker

that the science that they use to prove their cases be better. And better science requires better experts, and those experts will not work for the amounts of money that the statute provides for.

The bill, 1127, would raise that up to \$400. We would suggest also that there be a provision in that bill that the matter of medical fees simply be left to the discretion of the Division of Worker's Compensation, which is in a better place to deal with this issue, rather than to have to come to the Legislature, hat in hand, every ten years or so, to try to get a small increase, to try to keep the doctors working for the injured workers.

The effectiveness and the credibility of our Worker's Compensation system depends upon maintaining a level playing field for the injured workers so that they can receive compensation for their injury. These bills that are going to come across are critical to restoring that balance.

And with that I thank you.

ASSEMBLYWOMAN FRISCIA: Thank you, very much, Arthur.

P.J. Coffey from the Hotel Employees and Restaurant Employees, Local 54. Welcome again, P.J.

PATRICIA JEAN COFFEY: Yes, thank you.

Madam Chairwoman, I just want to say, too, that when I sat down to write my testimony, I had to think about what I was going to call you, because this is the first time I ever had to address a woman. So congratulations.

ASSEMBLYWOMAN FRISCIA: Thank you.

MS. COFFEY: Madam Chairwoman and members of the Assembly Labor Committee, my name is Patricia Jean Coffey. I'm the

Legislative Director for the Hotel Employees and Restaurant Employees International Union, Local 54.

I appreciate the opportunity to speak to you today. The hospitality industry has become the leading employer of Welfare to Work participants, single mothers, and new Americans. I look forward to working with this Committee on issues important to all of labor and working families.

But today, Local 54 has a priority issue. It's the Marriott Conference Hotel at Lafayette Yard here in Trenton. You may be aware that the State of New Jersey is a direct partner in this project, as well as the city of Trenton. The financing for this project included substantial capital contributions by State and local agencies, a long-term State lease in an adjacent parking garage, and a low interest financing for the hotel and the attached parking garage.

Marriott International Corporation, the parent company of Sodexo-Marriott, is listed as one of New Jersey's largest employers and has revenues in the billions. They have a reputation for deterring workers from exercising their rights to join a union. In fact, they have a labor relations training manual, which I have a copy for you, where they state, under Union Avoidance, "Sodexo-Marriott will oppose any outside interference in the direct relationship with its employees and will use every reasonable legal and ethical means available when that relationship is challenged by any outside organization."

Now I just want to bring to your attention that that's the corporate philosophy of the entity that the State of New Jersey and the city of Trenton has chosen to be their partner.

Now H.E.R.E., Local 54 is not anti-Marriott. We have four contracts with Marriott properties, two are Sodexo and two are Marriott hotels: The Marriott Fairfield Inn, in Absecon; the Marriott Seaview Resort, also in Absecon; the McGraw-Hill cafeteria workers; and the College of New Jersey, right here in Trenton.

If Marriott is willing to do business, union business, with us, elsewhere in the State, we can't understand why they're resisting us here in the State Capital. After 18 months of effort, we are not even close to securing a contract, a neutrality agreement, a card check. In fact, we've never had a dialogue directly with Marriott on this issue. They are avoiding us. So I guess they're using their manual.

And at H.E.R.E. we have supported our brothers and sisters in the building trades and on picket lines and on issues that don't directly affect our membership, like prevailing wage enforcement. We have supported the public employee unions on many issues, and we have even supported the business lobby when we feel it would be beneficial to our members and to our community. I feel comfortable knowing that we have a lot of friends in this room. And I know we can count on our friends in the labor community to support our actions if this issue is not resolved. The question here today is can we count on you?

As representatives of the State of New Jersey, and a partner in this project, I was wondering if you could convince your other partner that when they enter into a partnership with the State of New Jersey and accept public moneys, that we expect them to pay us back. Not monetarily, but ethically, by ensuring that their future employees receive decent wages and benefits, secure

employment, safe working conditions, and respect on the job. Convince them that we expect strict adherence to fair labor practices, OSHA regulations, and Health and Safety regulations.

Can you help us to persuade them to negotiate an agreement with us? If this issue remains unresolved and we end up taking it to the streets, just remember, friends don't let friends cross picket lines.

And along with this union avoidance manual, which I have -- there are excerpts in it. This is what they give their managers. There's also four pages of employment related lawsuits, mostly civil and -- they're still pending. Employment discrimination, sex, civil, Americans with Disability Act, there are four pages and three of them did occur in New Jersey. There are OSHA violations: thirty-nine inspections, thirty-nine citations, twelve of them serious.

There was an NLRB settlement that says that "under the terms of the settlement, Sodexho-Marriott agreed to drop illegal work rules prohibiting employees from talking to outsiders about their working conditions or talking to each other at the work site before or after their shifts." And that was in February of 2000. They had to stop that practice.

The last one is the food safety issue. Apparently, Sodexho has gotten some rather high profile food safety incidences. One here, Barnstable High School, February 2001, "Student Finds Thumb in Turkey Sandwich." Then Johns Hopkins University, "Student Column: Would you like a side of mice droppings with that?" So they're not exactly playing by the rules.

I just want to say that I did hear a recurring theme here today with the other people that spoke. It seems to be public moneys and who are we

trusting these moneys to and what sort of ethics do these companies have. These are our moneys that we're spending.

So, are there any questions?

ASSEMBLYWOMAN FRISCIA: I guess the Marriott never heard that most elected officials are very sensitive to patronizing establishments that are union establishments.

MS. COFFEY: Apparently not.

ASSEMBLYWOMAN FRISCIA: They're in the wrong location if they're going to ignore that.

MS. COFFEY: And also I just -- for the record, they have six nonunion contracts with colleges here in New Jersey that are up for renewal this year. So we appreciate that.

And we appreciate your help.

ASSEMBLYWOMAN FRISCIA: Thank you, P.J.

ASSEMBLYMAN GREGG: Madam Chair.

ASSEMBLYWOMAN FRISCIA: Yes, go right ahead, Assemblyman.

ASSEMBLYMAN GREGG: Just through the Chair, is this the complete manual?

MS. COFFEY: No, it's excerpts.

ASSEMBLYMAN GREGG: And if not, could you provide the Committee a complete copy of the manual if you have it?

MS. COFFEY: I don't have it, but I'll certainly try.

ASSEMBLYMAN GREGG: Okay. Thank you.

Thank you, Madam Chair.

ASSEMBLYMAN GEIST: Chairwoman, if I could interject?

ASSEMBLYWOMAN FRISCIA: Sure.

ASSEMBLYMAN GEIST: The last time I checked, this is Trenton City and the Mayor is Mayor Palmer, and the County Executive is Prunetti. I've always known that both of them as being labor friendly, and, candidly, this is surprising to me.

Perhaps the Committee can do outreach to Mayor Palmer and the County Executive to see what we can do about it together. I am shocked that in this city, in this State, on this day, you're here about this issue.

So, there's certainly a spirit of enthusiasm on my part, and I'm sure others here to try and say enough is enough.

ASSEMBLYWOMAN FRISCIA: Thank you, Assemblyman. You are absolutely right. And we will see what we can do to rectify this situation.

MS. COFFEY: Okay. Thank you, very much.

ASSEMBLYWOMAN FRISCIA: Thank you.

Jon Erickson and Bennett Muraskin, Council of New Jersey State College Locals, AFT.

JON ERICKSON: Thank you, Madam Chair. I'm Jon Erickson, and I'm the Legislative Action Coordinator for the State Council of College Locals and also the head of the Legislative Action Committee at Kean University. I teach at Kean.

We represent the nine State colleges and universities not affiliated with Rutgers, the Medical School, or NJIT, and we represent over 5000 faculty, professional staff, and librarians, both full and part-time, at those

institutions. Bennett Muraskin is a staff member at the AFT, and he's with me today.

Most of the testimony that has come before has addressed a number of the legislative priorities that we have. Specifically, we're concerned with eliminating the imposition of new contracts after negotiation. We're interested in pursuing the use of binding arbitration and labor contracts at the State for nonpublic safety employees. We're concerned about subcontracting of union jobs to private sector outfits and also the problem of privatization. We also strongly endorse family leave, and I will not -- paid family leave, and I'm not going to go into a great deal -- bit of detail given the late hour. But I would like to talk about two specific items that have not been covered thus far.

One is that over the years we've and other public sector unions have had a great deal of difficulty with the Public Employees Relation Commission: PERC. I think at some point it may behoove this Committee to examine the role of PERC and how it could be strengthened as an independent body as opposed to an arm of the Department of Personnel or the Office of Employee Relations.

And secondly, at colleges and universities in New Jersey and throughout the country, because of cost pressures, increasing tuition, and declining public funding, there has been a gradual shift, and in some cases a not so gradual shift, from full-time faculty to adjunct and part-time instructors. And although much of the work of adjuncts will be covered in the Education Committees, I think there's a serious question about working conditions, benefits, and salary -- actual hour -- what people get paid per hour for adjuncts at public institutions and at private institutions. The Committee may, and

over the course of next year, want to look at what adjuncts have to put up with to be at public institutions.

That's all I have to say. Thank you.

ASSEMBLYWOMAN FRISCIA: Thank you, very much.

MR. ERICKSON: I look forward to working with you.

ASSEMBLYWOMAN FRISCIA: Thank you.

Gentlemen? (no response)

We have three more to go. Susan Sorbicki, Chamber of Commerce of Southern New Jersey. Welcome Susan.

S U S A N S O R B I C K I: Thank you.

Thank you, Chairwoman Friscia and members of the Assembly Labor Committee. As you mentioned, my name is Susan Sorbicki and I am the Director of Government Relations for the Chamber of Commerce Southern, New Jersey. I would like to thank you for the opportunity to be speak here today so that I can acquaint you with the Chamber and some of the concerns of the South Jersey business community.

By way of background, the Chamber of Commerce Southern New Jersey represents companies from the State's seven southern counties, as well as greater Philadelphia and northern Delaware. We estimate that our members employ over 325,000 people. Approximately 85 percent of our members are small business, that is, that they employ less than fifty people.

Our Chamber has a well-defined mission. First, we provide our members with opportunities to meet each other and do business. And to that end, we hold 150 events and meetings every year, including several with our legislators.

Second, we provide numerous resources that help our members enhance their position in the marketplace. And finally, we provide our members with a collective voice on public policy that impacts on their operations and profitability.

We are the South Jersey business community's voice in Trenton. We are very much looking forward to working with members of the Assembly Labor Committee, as well as the members of the 210th Legislature.

Through the work of our Human Resources Council, the Chamber has weighed in on several labor related issues. There are two issues today that are extremely important to our members. The first is paid family leave. This is the number one labor issue for our members, both large and small. Our main concern about paid family leave is that it would increase the cost of doing business by forcing employers to hire and train short-term or temporary employees, while at the same time dealing with the loss of productivity. Further, paid leave would be disruptive to the workplace, as employers and employees would have to deal with long-term absences.

We are also very concerned over the impact on small businesses, many of which could not sustain either the long-term loss of an employee or the costs associated with training of new workers and overtime payments to existing employees. Finally, we are concerned over the competitive disadvantage that paid family leave would place upon our State.

The second issue of concern for our members is the health of the Unemployment Insurance Trust Fund. The Chamber has consistently opposed the use of the Unemployment Insurance Trust Fund moneys to fund purposes other than unemployment insurance benefits for New Jersey residents. We're

concerned over the impact of any diversion from the Trust Fund on the Fund's balance and reserve, especially in these times of economic downturn.

We will have many opportunities to work together to maintain and create jobs in our State. We stand ready to work with the Committee, the Legislature, and the labor community on initiatives that will strengthen our State's economy.

I'd like to thank you again for the opportunity to speak today, and I would like to extend a special thank you to Assemblyman Geist, who has worked with our Chamber over the years on many issues.

Thank you, very much.

ASSEMBLYWOMAN FRISCIA: Thank you, very much.

ASSEMBLYMAN GEIST: Thank you, Susan.

ASSEMBLYWOMAN FRISCIA: Rob Tartaglia.

ROBERT TARTAGLIA: Madam Chairwoman and members of the Committee, I'd like to thank you very much for having me here today. This is a great forum to get out the issues, and I look forward to working with you in the future.

"Small business is essential to America. Free enterprise is essential to the startup and expansion of small business. Small business is always threatened by government intervention. An informed, educated, concerned, and involved public is the ultimate safeguard for small business. Members determine the public policy positions of the organization. Our employees collectively and individually determine the success of NFIB's endeavors, and each person has a valued contribution to make. Honesty, integrity, and respect

for human and spiritual values are important in all aspects of life and are essential to a sustaining work environment.”

What I’ve just read is the National Federation of Independent Business’ core values. They represent what everyone, of our more than 600,000 members nationwide, deeply believe. And it is what I hope this Committee will try to understand as we meet to discuss issues that can have a dramatic effect on the way small businesses operate in New Jersey.

NFIB New Jersey is one of the largest small business advocates in the State. Our 11,000 members are employers who carry about three to five employees. They are the garage owners, the florists, printing companies, restaurant owners, and so on. They survive by being at their place of business at the crack of dawn and do not return home until late in the evening. They are the backbone of the economy and can be affected by the slightest statutory change. To the small business owner, less government is good government.

As we move forward to debate issues such as paid family leave, minimum wage, project labor agreements, unemployment compensation, worker’s compensation, and occupational safety, please understand that a small business is a very fragile thing that can easily be forced out of business by the law of unintended consequences.

Madam Chairwoman and members of the Committee, I look forward to working with you in the future, and I wish you all the best in the upcoming year.

ASSEMBLYWOMAN FRISCIA: Thank you, Rob.

MR. TARTAGLIA: You’re welcome.

ASSEMBLYWOMAN FRISCIA: And our last speaker, Michael Calleo. Welcome, Michael.

MICHAEL P. CALLEO: Good afternoon, Chairwoman Friscia, members of the Committee. I want to thank you for this opportunity to speak. I will be brief.

I want to, first off, echo the concerns of many of the other public sector bargaining units that have been before you today. We definitely need a level playing field in negotiations with experienced -- long delays with management. And not to repeat what has been said before you, we do need a change in the Legislature to create that level playing field.

More specifically, 15 of our members retired during the elongated negotiation period that we just completed, and as a result of that, instead of them being made whole for the delay of our membership, these 15 people will be deprived -- God bless you (Madam Chairwoman sneezed).

ASSEMBLYWOMAN FRISCIA: Excuse me.

Thank you.

ASSEMBLYMAN GEIST: Bless you.

ASSEMBLYWOMAN FRISCIA: Thank you.

MR. CALLEO: -- of the benefits that others will enjoy those that in fact retire after June of 2001. So unfortunately we're forced to go before arbitration to resolve that issue. We are hoping that in the future, under the leadership of Governor McGreevey and the assistance of this Legislative body, that those endeavors would not be necessary, that things would be done in a more appropriate fashion.

Thank you.

ASSEMBLYWOMAN FRISCIA: Thank you, Michael.

And that concludes our long lineup of speakers, and I really appreciate everyone's patience and their input. I think it was invaluable and is certainly a good guide for this Committee to follow during the upcoming year. And I thank you, very much. Have a good day.

(MEETING CONCLUDED)