



## FOR IMMEDIATE RELEASE

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### **ASSOCIATED BUILDERS AND CONTRACTORS NJ AND AFRICAN AMERICAN CHAMBER OF COMMERCE OF NJ CALL ON LEGISLATORS TO REJECT LEGISLATION THAT DISCRIMINATES AGAINST MERIT SHOP CONTRACTORS AND SMALL BUSINESSES**

*Proposed legislation would eliminate merit shop contractors from public works*

**TRENTON, NJ - DECEMBER 16, 2021:** In a lame-duck session of the legislature, the New Jersey Senate and Assembly are trying to move legislation that would completely upend apprenticeship training programs in the state. Supporters claim it will strengthen provisions of the "Public Works Contractor Registration Act" and require certification of compliance with federal requirements for apprenticeship programs. But what it really does is penalize New Jersey merit shop contractors who do public works.

Currently, construction apprenticeship programs in New Jersey are registered and overseen by the U.S. Department of Labor (USDOL). Just days before Thanksgiving, outgoing Senate President Steve Sweeney and allies in the Assembly proposed Senate Bill 4207 and Assembly Bill 6119, which if passed, would raise registration fees, increase fines, add criminal penalties for violations of the Act, and allow the NJ Department of Labor (NJDOL) to supersede federal apprenticeship rules. Punishment includes fines up to \$25,000, disqualification from bidding on public contracts, and even possible prison time.

“A law was passed in New Jersey in 2019 that requires workers who are subject to ‘The Public Works Contractor Registration Act’ to have completed or be actively participating in a registered apprenticeship program; an apprenticeship program that is registered with and approved by the United States Department of Labor and provides the trainee with combined classroom and on-the-job training in an occupation recognized as a trade and meets the program standards of enrollment and graduation under the Code of Federal Regulations. Under the law, all contractors signatory to a collective bargaining agreement for all trades employed are compliant. Therefore, a union contractor, would never be required to employ an apprentice, but was compliant with the law by paying into the union’s apprenticeship training and education program through their dues.

When the legislation passed, Associated Builders and Contractors New Jersey (ABC-NJ) and other merit shop contractors petitioned the NJDOL for an equal opportunity and asked that regulations be promulgated that provided for the same compliance on the merit shop side. Those that cannot employ an apprentice, can comply with the law by paying into an ERISA apprenticeship training and education trust fund. The trust fund is highly regulated, and the funds can only be used to train and recruit apprentices into the workforce and support the training and education program," said Samantha DeAlmeida, President of ABC-NJ. "ABC-NJ has worked closely with the USDOL over the last three years to create a registered apprenticeship program that currently meets their standards in 12 trades. These bills are clearly aimed at further boxing out merit shop contractors, from bidding on public works contracts by giving the state unprecedented oversight and enforcement powers over USDOL registered apprenticeship programs."

"The proposed legislation is a direct attack on the merit shop construction industry and our ABC-NJ apprenticeship training program. It seeks to unlevel the field and give unequal advantages to union contractors," DeAlmeida continued. "This legislation also seeks to levy draconian criminal penalties and hefty fines for what in many cases are simply honest clerical and accounting errors. The mistakes happen to both union and merit shop contractors. This legislation will also raise taxes on New Jersey families by increasing the cost of all public works projects by excluding competition from less expensive merit shop contractors."

Merit shop contractors account for more than 78% of the construction workforce in New Jersey, and 98% of African American and Hispanic construction companies are non-union. Diversity was brought to the forefront in the Assembly Labor Committee meeting on December 13th, as committee members clapped back in their closing statements at testimony from many individuals that "painted" the legislation as anti-diversity, anti-veteran, and a doomsday for family businesses. The African American Chamber of Commerce has vocally opposed this piece of legislation for its exclusionary effects.

"The truth is that this legislation isn't being "painted" in any way, rather it is a fact that this legislation will directly and negatively impact minority businesses and their workforce," said John E. Harmon, Sr., IOM, Founder, President, and CEO of the African American Chamber of Commerce of New Jersey. "My team and I are not puppets, and we speak about legislation that impacts our members and the Black community in New Jersey. Construction unions have a long track record of not helping to develop the workforce from within minority communities."

"The ABC-NJ merit shop apprenticeship training program has been an example of inclusivity and has seen tremendous growth even throughout the course of the pandemic," continued Harmon. "Our organization's goal is to advocate for minority- and small-business development, job retention, and program creation, and to support entrepreneurship and free enterprise. This legislation is a direct attack on our vision and the goals for which we advocate on behalf of our members."

**About Associated Builders and Contractors:** ABC is a national association representing 21,000 merit shop construction and construction-related firms in 69 Chapters across the United States. Our membership represents all specialties within the U.S. construction industry and is comprised primarily of firms that perform work in the industrial and commercial sectors of the industry. ABC NJ is the industry's liaison to federal, state, and local governments and the public at large. For more information, please visit our website at [www.abcnjc.org](http://www.abcnjc.org).

**About the African American Chamber of Commerce of New Jersey:** Founded in 2007, the African American Chamber of Commerce of New Jersey (AACCNJ) is a 501(c)(3) organization dedicated to economically empowering and sustaining African-American communities through entrepreneurship and capitalistic activities within the state of New Jersey and via interaction with the National Black Chamber of Commerce, Inc. The AACCNJ serves 800+ members and has 10,000+ contacts in its database. Among its many goals, the AACCNJ seeks to enhance its ability to be a critical source of information, inspiration, knowledge, and resources for the 80,000+ African-American businesses and the more than 1.2 million Black residents throughout New Jersey. The AACCNJ joins the top three percent of all chambers nationwide that are accredited by the United States Chamber of Commerce. The AACCNJ is the only accredited chamber in New Jersey and the only African-American chamber in the United States to hold this distinction. The AACCNJ's reach extends statewide and nationally via radio, television, and social media (Facebook, Twitter, LinkedIn, and Instagram). Its weekly radio show, *Empowerment Hour*, has more than 2,000 listeners. Its monthly television show, *Pathway to Success*, airs on NJTV and NJTVonline.org, garnering 1.6 million viewers, and on PBS.org, attracting an audience of more than 28 million viewers. For more information, please visit [www.aaccnj.com](http://www.aaccnj.com).

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