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Codey Signs Bill to Protect New Jersey Jobs from Offshore Outsourcing

(TRENTON) – Acting Governor Richard J. Codey today signed Senate bill 494 to protect New Jersey jobs from being outsourced to foreign countries by requiring that all services under state contract or subcontract must be performed within the United States.

“Today New Jersey is taking an important step to protect our workers and keep jobs from going overseas,” Codey said. “With this bill, we are sending a clear message that if a company wants to take jobs from our hard working families and send them overseas, then it will not do business with the state.”

“It is shameful some companies have sought to profit off of shipping jobs across the Atlantic,” said Department of Labor and Workforce Development Commissioner Thomas D. Carver. “The practice of outsourcing deteriorates the very fabric of our workforce in New Jersey. I applaud Acting Governor Codey for doing what is right – protecting New Jersey jobs from going overseas.”

Senators Shirley K. Turner and Joseph Coniglio, along with Assembly members Reed Gusciora, Louis Manzo, Robert Gordon, Jeff Van Drew and Bonnie Watson Coleman are the prime sponsors of this bill.

“Every day, hundreds of thousands of New Jersey residents are desperately seeking employment in order to support their families,” said Turner (D-Mercer). “It is foolish for the state to send taxpayer dollars abroad to hire workers in India, China or Indonesia when these same jobs can be performed by the unemployed here in the United States. Not only are we losing the benefits those jobs bring to the individual, but we also lose the tax and economic growth benefits those jobs bring to the state.”

The bill requires that only American citizens and persons authorized to work in the United States shall provide services under a state contract or subcontract. Only when it can be certified that a service cannot be performed within the United States will an exemption be made. This bill applies to the Executive Branch of state government, the Legislature, and any independent state authority, commission or agency authorized to enter into a contract on behalf of the state. It does not cover county, municipal or school district contracts.

The bill also requires the Treasurer to review all ongoing state contracts to determine whether any existing state services are being performed outside the United States and

report his findings within nine months.

As the state and the nation have grown reluctantly accustomed to the disappearance of manufacturing jobs, the new reality is that “knowledge jobs” are just as susceptible. The sectors being hit by outsourcing have been the main engine of job growth. With the growing trend of outsourcing becoming more commonplace, the largest occupational groups at risk include administrative support services, information technology, business and financial operations and healthcare.

New Jersey is the fifth state in the nation to enact legislation or executive action on outsourcing. As of March 2005, there were 112 bills introduced in 40 states to restrict outsourcing.

“New Jersey should not do business with companies that move quality jobs abroad, plain and simple,” explained Congilio (D-Bergen). “Saving a few dollars is not worth the costs to New Jersey families when they see their highly skilled job move halfway around the globe for the benefit of corporate profits. For almost a half-million families, the threat of seeing their livelihood moved to Asia or South America is very real and they need to know that the state is doing everything possible to keep their jobs on U.S. soil.”

Gusciora (D-Mercer), a primary sponsor in the Assembly, said, “Companies that receive multi-million-dollar state contracts should not have the option of outsourcing jobs at the expense of the economic viability of the hard-working people of New Jersey. The costs saved by businesses that outsource pale in comparison to the residual cost to the state in terms of job losses and economic deterioration.”

“Outsourcing displaces hard-working New Jersey residents. New Jersey should not be in the business of putting our own residents out of work. What better way to support our local workforce than to make as many jobs as possible available to them,” added Manzo (D-Hudson), a member of the Assembly Commerce and Economic Development Committee.

“New Jersey has long been a progressive leader on the labor front,” stated Gordon (D-Bergen). “This bill would send the message that if you want to do business with the State of New Jersey, you must provide decent wages and health care coverage to your workforce.”

Van Drew (D-Atlantic, Cape May, Cumberland), vice chair of the Assembly Labor Committee, said, “The state may not be able to solve the problems created by corporate outsourcing, but we can make sure that our tax dollars don’t pay for it.”

“Our hard-earned tax dollars must not be used to push Americans out of jobs,” echoed Watson Coleman (D-Mercer).