



# BUILDING AMERICA

## THE MERIT SHOP SCORECARD

*A Review & Ranking of State Construction Environments*

### New Jersey

#### Project Labor Agreements

Allows government entities to implement a PLA mandate if conditions are appropriate on projects worth more than \$5 million. Projects built using a P3 must utilize a PLA.

#### Prevailing Wage

Yes; if the work is done for a municipality, then the threshold is \$16,263, but if the work is done for any other public entity, including boards of education and municipal utility authorities, the threshold is \$2,000.

#### Right to Work

No.

#### Public-Private Partnerships

Statute authorizes state and its subdivisions, including counties, municipalities and school districts, to enter into P3 agreements with private funding sources provided they follow additional mandates such as abiding by the state's prevailing wage law and utilizing a PLA for construction of the project. Unsolicited bids are allowed.

#### Workforce Development Incentives

Current labor supply satisfies 97% of peak labor demand.

State offered \$77,299,000 in grants and incentives for workforce preparation and development in 2020.

State has restrictive apprenticeship mandate policies for public construction projects.

#### Career and Technical Education

96% of CTE high school graduates are placed in colleges or careers.

**OVERALL RANK** 47

Project Labor Agreements F

Prevailing Wage F

Right to Work F

Public-Private Partnerships C

Workforce Development Incentives C

Career & Technical Education B

Job Growth Rate C

#### Compared to the National Average

NEW JERSEY		NATIONAL
F	PLA	B
C	PPP	C
C	WDI	C
B	CTE	B
C	JGR	C

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New Jersey recognizes NCCER as an approved curriculum for CTE programs.

## Job Growth Rate

2.5%.

## Industry Overview

Prompt Pay	<p><u>Private</u>: Owner must pay prime within 30 days after billing date.</p> <p><u>Public</u>: Owner must pay prime within 30 days after billing date.</p> <p><u>Subs</u>: For both public and private, the prime must pay the sub and the sub must pay lower tiers within 10 days of completion of work unless otherwise agreed.</p>
Immigration/E-Verify Mandate	No law in place.
Percentage of State GDP From Nonresidential Construction	3.1%.
Incidence Rate	2.3
Occupational Safety & Health Oversight (State vs. Federal)	State plan covers state and local government workplaces.
Percentage of Union Membership in Private Construction	17.8%
Marijuana Legalization Status	Fully legal.

## Business Facts

Minimum Wage	12.00
Percentage of Pensions Funded	36%
Effective Real-Estate Tax Rate	2.21%
Corporate Income Tax Rate(s)	10.5
State and Local Public Construction Expenditures (in millions)	\$5,666