



www.njbia.org/recovery

April 20, 2020

Senator Robert Menendez
528 Hart Senate Office Building
Washington, DC 20510

Congressman Frank Pallone
2107 Rayburn House Office Building
Washington, DC 20515

Senator Cory Booker
717 Hart Senate Office Building
Washington, DC 20510

Congressman Tom Malinowski
426 Cannon House Office Building
Washington, DC 20515

Congressman Donald Norcross
2437 Rayburn House Office Building
Washington, DC 20515

Congressman Albio Sires
2268 Rayburn House Office Building
Washington, DC 20515

Congressman Jeff Van Drew
331 Cannon House Office Building
Washington, DC 20515

Congressman Bill Pascrell
2409 Rayburn House Office Building
Washington, DC 20515

Congressman Andy Kim
1516 Longworth House Office Building
Washington, DC 20515

Congressman Donald Payne
103 Cannon House Office Building
Washington, DC 20515

Congressman Christopher Smith
2373 Rayburn House Office Building
Washington, DC 20515

Congresswoman Mikie Sherrill
1208 Longworth House Office Building
Washington, DC 20515

Congressman Josh Gottheimer
213 Cannon House Office Building
Washington, DC 20515

Congresswoman Bonnie Watson Coleman
2442 Rayburn Office Building,
Washington, DC 20515

RE: Additional Federal Funding for New Jersey's Businesses and Non-Profits

Dear New Jersey Congressional Delegation Members,

As the leaders of the Garden State's major business associations, we believe that the health, welfare and safety of New Jersey residents and the American people are the No. 1 priority during this unprecedented public health crisis. We are committed to doing our part to help "flatten the curve," support our members, and provide essential information that our elected officials need to respond to this emergency.

On behalf of the millions of New Jersey residents that our members collectively employ, who have all been impacted by the necessity to close or limit business operations, we want to say thank you for your recent congressional action that begins to address the impacts of COVID-19 and provide needed relief to employees and employers across the State. We write to you requesting additional federal funding for New Jersey's business and non-profit communities.

Time is of the essence, which is why we are asking that you act expeditiously to address additional funding needs, the shortfalls of the CARES Act, and to take action on new measures that will assist in our recovery efforts. The immediate closure of large parts of our economy by this pandemic has resulted in unprecedented hardships. We are calling on our congressional leaders to take additional action as soon as possible to help us survive and recover.

With the second most cases of COVID-19 in the country, nearly 695,000 New Jerseyans have filed for unemployment insurance benefits since March 7th, with total unemployment now exceeding 868,000 individuals, or 19% of our civilian labor force. In addition, over 34,000 small employers (1-10 employees) applied for the New Jersey Economic Development Agency's (NJEDA) \$5 million dollar grant program and about 2,500 businesses applied for its \$10 million dollar loan program in just one day. As NJEDA CEO Tim Sullivan has stated numerous times, the programs are widely oversubscribed and most of the businesses that applied will not receive funding. We respectfully request funding to the State be commensurate with the proportional impact that COVID-19 has had on New Jersey residents compared to the overall impact of COVID-19 across the country.

Additionally, the Paycheck Protection Program (PPP) was a start to preserving our job creators. But the program has now run out of funds and needs to be expeditiously replenished. Even when it was operating, the PPP had serious flaws. The funds needed to be expended in the 8-week period once the loan was received and was to be used primarily to retain payroll.

While a laudable program, many New Jersey companies had to lay off or furlough their employees weeks ago as the state mandated the closure of their business operations. Thus, employees will not be able to come back to work within the 8-week timeframe and the businesses will lose the ability for loan forgiveness. As Congress replenishes this fund, we believe certain program changes are essential if its intent to help small businesses is to be realized. We request the following:

- Greater flexibility in the permitted use of the funding by modifying the requirement that 75% of the monies be spent on payroll costs in order to receive loan forgiveness;
- An expanded timeframe to begin the loan forgiveness period greater than 8 weeks, or allowing the forgiveness period to begin at a later date;

- Additional start-up funding to allow businesses to resume operations when the economy is reopened;
- Extension of the June 30th deadline;
- Distribution of funding directly to the business community, in addition to the banking community;
- Revaluation of the affiliation rules so that additional businesses which have multiple locations can qualify for the program; and
- Expanded eligibility to more organizations, such as the 501(c)6 non-profits, micro-businesses and sole proprietors.

The Economic Injury Disaster Loan (EIDL) provides grants of up to \$10,000 within 3 days and loans up to \$2 million per business in emergency relief. As with the PPP program, we have heard concerns that the employers are not receiving the \$10,000 emergency relief in a timely manner. We request that the process be improved so that businesses can access these funds more quickly. This loan program is also out of money.

We also appeal for additional federal aid that can be used to fill the state budget deficit due to COVID-19's impact on the economy and tax revenues. New Jersey is expected to be short billions of dollars in state revenues for FY20 through declines in income, sales, and fuel taxes and is also slated to have a multi-billion shortfall in the FY21 budget as well. All states in our nation will need similar state budget support, and if funds are not allocated for this purpose, harmful cuts and taxes will be imposed upon our already strapped business community.

Many in our non-profit community are also struggling with the burden of having to fund 50% of the unemployment claim reimbursement. While major employers in our economy, many non-profits cannot pay these additional costs with their budgets and limited revenue stream. We request that Congress consider some relief for this problem.

Many New Jersey residents continue to struggle to make their monthly rent payments and this will continue for some time. Failure to make these payments directly impacts owners and their ability to operate their properties. It also has a significant impact on banks and ancillary businesses that feed the multi-family industry. We therefore ask that you take additional measures to fund rental assistance programs which will directly benefit renters and will also reinforce a significant segment of the nation's economy.

In the spirit of recovery, we also support the creation of a federal "Business Continuity Protection Recovery Fund," which would provide direct grants to businesses suffering from corona virus-related losses. A federal program would be preferable to avoid disparate treatment of businesses from state-to-state.

This Recovery Fund is supported by a wide coalition of business and insurance trades, all of whom signed a letter to the White House and congressional leaders. Recently, the New Jersey Senate passed a resolution calling for a federal program such as this that would help with costs such as rent and the ability to hit the ground running once the economy is reopened.

Additionally, we believe one of the best ways for an economy to recover is through investment in infrastructure. Infrastructure investment not only ensures that there will be well-paying jobs for many of our displaced workers, but it is an investment in the economic future of our nation and essential to our sustainability and resiliency as a nation. We request your continued support of funding for the Gateway Project, as well as energy, digital, water, wastewater, and other transportation funding. We all know an investment in infrastructure equates to immediate stimulus to the economy.

There will undoubtedly be a need to provide litigation protection for employers and healthcare providers who acted in good faith, following public health guidance. If any lawsuits should be allowed to proceed at all, a plaintiff should at least have to show a minimum of gross negligence to recover for a COVID-19-related injury. No business or healthcare provider knows all the right answers in this unprecedented public health emergency. Public health guidance has evolved significantly over the course of this crisis and reliance on that advice should be protected. Liability protection would also give employers the confidence to rehire workers and resume economic activity once the crisis has passed. These protections are essential if we are to reopen our economy and move forward to a full recovery.

We also impress upon Congress to quickly identify and establish a national testing and tracing system that will build confidence among consumers and lead to economic resurrection. Our residents need to feel comfortable taking mass transit and going to retail establishments.

It cannot be emphasized enough that time is of the essence and we ask that perfection not be the enemy of the good when crafting future legislative relief. Thank you for your consideration and continued support of New Jersey residents during this unprecedented health crisis. If you have questions, please contact Chrissy Buteas, NJBIA Chief Government Affairs Officer, at cbuteas@njbja.org or 908-447-3466.

Sincerely,

African American Chamber of Commerce of New Jersey, Inc.
American Physical Therapy Association of New Jersey
BioNJ
Cape May County Chamber of Commerce
Capital Region Minority Chamber of Commerce
Center for Non-Profits

Chamber of Commerce Southern New Jersey
Chemistry Council of New Jersey
Commerce and Industry Association of New Jersey
CrossState Credit Union Association
Early Childhood Education Advocates
Employers Association of NJ
Fuel Merchants Association of NJ
Garden State Pharmacy Owners, Inc.
Gloucester County Chamber of Commerce
Greater Atlantic City Chamber of Commerce
Greater Toms River Chamber of Commerce
Greater Westfield Area Chamber of Commerce
Health Care Association of NJ
Healthcare Institute of NJ
Home Care & Hospice Association of New Jersey
Hudson County Chamber of Commerce
Hunterdon County Chamber of Commerce
Insurance Council of New Jersey
Mahwah Regional Chamber of Commerce
Marine Trades Association of New Jersey
Meadowlands Chamber
Monmouth-Ocean Development Council
NAIOP - NJ
Newark Regional Business Partnership
New Jersey Apartment Association
New Jersey Association of Mental Health and Addiction Agencies
New Jersey Association of Osteopathic Physicians and Surgeons
New Jersey Builders Association
New Jersey Business & Industry Association
New Jersey Campground Owners and Outdoor Lodging Association
New Jersey Child Care Association
New Jersey Civil Justice Institute
New Jersey Concrete and Aggregate Association
New Jersey Dental Association
New Jersey Hotel and Lodging Industry Association
New Jersey Food Council
New Jersey Gasoline-Convenience-Automotive Association
New Jersey Independent Electrical Contractors Association
New Jersey LGBT Chamber of Commerce
New Jersey Manufacturing Extension Program, Inc.
New Jersey Motor Truck Association

New Jersey Pharmacists Association
New Jersey Podiatric Medical Society
New Jersey Restaurant & Hospitality Association
New Jersey Realtors
New Jersey Retail Merchants Association
New Jersey Society of Certified Public Accountants
New Jersey State Funeral Directors Association
New Jersey Tech Council
New Jersey Tourism Industry Association
New Jersey Utilities Association
NJ State Veterans Chamber of Commerce
NFIB
New York Shipping Association, Inc.
Ocean City Chamber of Commerce
Princeton Mercer Regional Chamber of Commerce
Professional Insurance Agents of New Jersey
Salem County Chamber of Commerce
Somerset County Business Partnership
Southern Ocean County Chamber of Commerce
Statewide Hispanic Chamber of Commerce of New Jersey
Union Township Chamber of Commerce
United Way of Northern New Jersey
Utility & Transportation Contractors of NJ

Cc: Governor Phil Murphy
New Jersey Legislature
Tim Sullivan, NJEDA