May 19, 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: Comments on Paycheck Protection Program

Dear New Jersey Congressional Delegation Members,

As the leaders of the Garden State’s major business associations, we write to you requesting your support of changes the New Jersey Business and Industry Association (NJBIA) submitted to the Small Business Administration (SBA) on the Paycheck Protection Program (PPP), as well as to reiterate our request for additional funding for New Jersey’s business community. As you are aware, New Jersey has the second most cases of COVID-19 in the country with over 1,061,000
New Jerseyans having filed for unemployment insurance benefits since March 7, with total unemployment now exceeding 1,235,000 individuals, or 27% of our civilian labor force.

On May 14, NJBIA submitted the attached comment letter to the SBA requesting the following changes be incorporated and/or clarified in the PPP program. The comment letter stressed the fact that many employees will not be able to come back to work within the eight-week time frame required by the law, and businesses that took PPP loans will lose the ability to apply for loan forgiveness. The PPP program needs to recognize the reality on the ground. To the extent that the original intent of the PPP was to keep these employees on the payroll and off unemployment, it has largely failed for those businesses that were forced to close. The 75% payroll requirement and eight-week expenditure from the receipt of money needs to be changed in light of current circumstances. The PPP should be refocused on the needs of small businesses that cannot reopen until governments allow, such as New Jersey.

As certain program changes are essential to help small businesses, we requested 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, expanding the types of business costs to be allowed for expenditure and forgiveness, and clarification that failure to meet the payroll cost levels should result in prorated reductions of forgivable amounts, not a complete denial. By design, every loan will fail the 75% payroll cost spend rule due to a mismatch of the costs that went into the loan amount calculation vs. the loan forgiveness calculation. Example: $100,000 salaried employee’s average monthly salary in loan base is $8,333.33 multiplied by 2.5 = $20,833.33 loan. Same employee receives $1,923.07 per week for 8 weeks or $15,384.56 for the 8-week spend period. The payroll costs in the 8-week spend period are 73.85% of the loan;
- An expanded timeframe to begin the loan forgiveness period beyond eight weeks, and allowing the forgiveness period to begin at a later date chosen by the small business;
- Additional startup funding to allow businesses to resume operations when the economy is reopened;
- Relax the requirement that an employer must maintain 100% of prior FTE level in order to receive full loan forgiveness;
- Extension of the June 30 deadline;
- Distribution of funding directly to the business community, in addition to the banking community;
- Re-evaluation of the affiliation rules so that additional businesses which have multiple locations can qualify for the program;
• Additional guidance on what makes up payroll costs included in forgiveness (75%/25% forgiveness and prorated amounts need more clarity);
• With the additional guidance issued, employers may find the loan they received is too large, as the original calculations issued were not as specific as they are now, specifically for the payroll for employees earning over $100,000 a year. Therefore, the 75% to be spent on payroll may not be reachable and the loan should be allowed to be partially returned in order to adjust the amount subject to the payroll limits;
• Additional guidance is needed regarding how to determine what portion of allowable expenses are includable for purposes of the forgiveness calculations with respect to the “incurred and paid” language as it relates to the covered period; and
• Currently, recipients of the PPP are not permitted to deduct business expenses. We request future consideration of such a provision.

Additionally, as Congress is considering another COVID-19 relief package, we respectfully want to reiterate our request that 501(c)(6) organizations be included in the next round of funding. 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@njbia.org or 908-447-3466.

African American Chamber of Commerce of New Jersey, Inc.
American Camp Association NY/NJ
American Council of Engineering Companies of New Jersey
American Physical Therapy Association of New Jersey
Bernards Township Regional Chamber of Commerce
BioNJ
Burlington County Regional Chamber of Commerce
Bus Association of New Jersey
Cape May County Chamber of Commerce
Capital Region Minority Chamber of Commerce
Chamber of Commerce of Greater Philadelphia
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.
Global Business Alliance
Gloucester County Chamber of Commerce
Greater Atlantic City Chamber of Commerce
Greater Toms River Chamber of Commerce
Greater Westfield Area Chamber of Commerce
HealthCare Institute of New Jersey
Health Care Association of New Jersey
Hoboken Chamber of Commerce
Home Care & Hospice Association of New Jersey
Home Health Services Association of New Jersey
Hudson County Chamber of Commerce
Hunterdon County Chamber of Commerce
Insurance Council of New Jersey
International Health, Racquet and Sportsclub Association
Mahwah Regional Chamber of Commerce
Marine Trades Association of New Jersey
Meadowlands Chamber
Medical Society of New Jersey
Middlesex County Regional Chamber of Commerce
Monmouth-Ocean Development Council
Morris County Chamber of Commerce
NAIOP - NJ
National Federation of Independent Business
New Jersey Apartment Association
New Jersey Asphalt Pavement Association
New Jersey Association of Mental Health and Addiction Agencies
New Jersey Association of Osteopathic Physicians and Surgeons
New Jersey Bankers Association
New Jersey Builders Association
New Jersey Business & Industry Association
New Jersey Campground Owners and Outdoor Lodging Association
New Jersey Chamber of Commerce
New Jersey Child Care Association
New Jersey Coalition of Automotive Retailers
New Jersey Concrete and Aggregate Association
New Jersey Council of County Colleges
New Jersey Dental Association
New Jersey Food Council
New Jersey Gasoline-Convenience-Automotive Association
New Jersey Hotel and Lodging Industry Association
New Jersey Independent Electrical Contractors Association
New Jersey LGBT Chamber of Commerce


cc: Governor Phil Murphy
    New Jersey Legislature