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Oct. 8, 2020

Dear Legislators,

As we enter month seven of COVID 19 and the economic pain that has accompanied it, we write to urge your consideration of several legislative priorities for the business community.

The COVID-19 pandemic and state-mandated shutdown have devastated New Jersey's business community. Businesses face severe revenue losses, due to shutdowns and reduced operating capacity, and increased operating expenses due to implementation of public safety measures. A handful of programs have helped businesses weather these difficult times.

Further, the business community will now also shoulder addition costs and mandates stemming from the FY 2021 budget.

To move forward, businesses need direct financial assistance now, in addition to a "time out" on any further legislation that imposes additional expenses or inhibits operational abilities. Only in this manner can the critical role that the business community plays in driving economic growth and restoring the state's prosperity be acknowledged.

We ask that you now take up the following issues that, if addressed, will bring certain relief to our job creators and our economy:

### **Structural Reform**

Structural reform must be a priority. Senate President Sweeney expressed that structural reform will be a priority moving forward, and for good reason. Pre COVID-19, New Jersey already faced a severe affordability crisis. This pandemic, economic downturn, and excessive budget have exacerbated the financial struggles New Jersey businesses and residents face every day. The time for action is now.

The Path to Progress reforms offer a bi-partisan, holistic approach to addressing affordability by going upstream and addressing the problem at its root. These reforms are a sustainable way to improve affordability and enhance our regional competitiveness by addressing our underfunded pensions and health benefit costs, verses continued annual tax increases.

### **Unemployment Insurance**

On top of the tax increases enacted in the FY 2021 budget, New Jersey employers are expecting to pay nearly \$1 billion in taxes this coming year due to the low balance in the Unemployment Trust Fund (UTF). This tax increase is likely inevitable, meaning that there is little you can do as legislators to alleviate the strain this tax increase will cause.

As the length of this economic downturn and the trajectory of the state's unemployment crisis is not predetermined, the Legislature must act now to assist businesses in reopening, driving economic activity, and rehiring workers so that we can reduce the historic level of UI benefits being claimed by

destitute residents. Otherwise, New Jersey's UTF balance will dwindle further, triggering several years of high tax rates for New Jersey employers.

Legislators must also take action to reduce the massive tax increase the businesses will face next year. The Legislature could exclude COVID-19-related layoffs in employers' experience ratings. Federal monies could also be allocated to replenish the UI fund, repay UI advances that have already been received, or directly cover the cost of UI benefits. The Legislature could also consider spreading out the 2021 tax increase over several years to avoid a short-term massive tax increase.

These actions can provide real and practical relief from the expected \$1 billion tax increase on our job creators.

### **Business Liability Protections**

It is imperative that the Legislature address COVID-19 liability protections for our businesses who properly adhere to all applicable health standards. Such legislation would shield businesses and nonprofits from meritless lawsuits, allowing them to focus their efforts on safely driving the economic recovery.

Appropriate legislation would ensure that public health authorities are the sole actors determining the proper safety standards for businesses to practice, rather than leaving it to the judicial system to create a complicated set of rules that businesses, nonprofits, and governmental entities will find difficult to understand and follow. Enacting safe harbor liability protections makes it simple: those who follow all applicable standards will have liability protections, others will not.

Effectuating business liability protections will result in businesses not being afraid to further invest in their business and will give them confidence that they will be protected for taking the proper safeguards to protect their workforce and their consumers.

### **Financial Assistance to Businesses**

As this pandemic continues and businesses remain operating with only partial capacity, the Legislature needs to provide businesses with direct financial assistance. The NJEDA Small Business Emergency Assistance Grant has been extremely effective, but also needs to be replenished. By allocating more funding to the program, small businesses will have access to needed funding that will help them operate after months of revenue losses.

### **Work Force Issues**

We urge you to reconsider work force legislation that will increase costs for New Jersey businesses when already faced with historic revenue losses and increased expenses.

For example, the impending minimum wage increase to \$12 per hour on January 1, 2021. Employers who were already struggling to adjust to the annual increase in minimum wage rates, are exactly the job creators who are most affected by the fiscal impacts of COVID. The Legislature should delay the

impending minimum wage increase, at least until the end of the public health emergency, to ensure that businesses are back on stable financial footing before they are forced to increase their wages.

Another critical issue is the burdensome COVID-19 Worker's Compensation bill that was recently passed. While it is important to protect frontline workers, this law unfairly presumes that COVID-19 was contracted at work at a time when individuals are more likely to contract the virus in unregulated environments such as house parties or vacations to hot spots. At the very least, we urge you to revise the protections created by the bill to apply to the period of time before Governor Murphy lifted the stay at home order, when spread of the illness was much more likely to occur while in the workplace. Absent this relief, businesses will be obligated to pay for a ballooning worker's compensation system.

### **Reopening Framework**

Finally, the business community needs a reliable and predictable reopening framework strategy. The process, thus far, has been convoluted and volatile, leading to confusion and, in some cases, financial loss among businesses.

Moving forward, we ask that you advocate for a revision of previous Executive Orders (EO) that limit operational capacities for businesses. Our concern is that the COVID-19 pandemic is a constantly evolving crisis, requiring fluid decision-making that EOs cannot provide. On the one hand, EOs allow the governor to update the framework how he sees fit every 30 days. On the other hand, they nullify decision making by regional and local stakeholders who, as those on the ground in their communities, know best how their community is being impacted. A regional approach to decision making will avoid a de novo statewide shutdown in the event of spikes, while also affording local communities the ability to expand capacity as appropriate.

To that end, we also request that the Legislature take steps to create a formal plan that articulates specific metrics to be used and specific thresholds that will determine whether a region or industry should be expanding, pausing, or reversing reopening efforts. Given the state's transparency with public health data, a clearly articulated framework would allow New Jersey businesses to effectively utilize that data to enhance decision-making as it relates to rehiring, making targeted investments, and making financial decisions.

It has been a devastating year for New Jersey's business community. We cannot absorb cost increases and we cannot afford to stay afloat without more assistance. The Legislature needs to act now on the issues outlined above so that we can begin our recovery and restore the state's economy.

Sincerely,

African American Chamber of Commerce of New Jersey, Inc.  
American Camp Association NY/NJ  
New Jersey Camps Government Affairs Project  
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  
Center for Non Profits  
Chamber of Commerce of Greater Philadelphia  
Chamber of Commerce Southern New Jersey  
CLB NJ  
Commerce and Industry Association of New Jersey  
CrossState Credit Union Association  
Downtown New Jersey  
Early Childhood Education Advocates  
Eastern Monmouth Area Chamber of Commerce  
Employers Association of NJ  
Fuel Merchants Associates of NJ  
Garden State Initiative  
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  
Health Care Association of NJ  
Healthcare Institute of NJ  
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  
Independent Insurance Agents & Brokers of NJ  
Insurance Council of New Jersey  
International Health, Racquet and Sportsclub Association  
Jersey Shore Partnershi  
Mahwah Regional Chamber of Commerce  
Marine Trades Association of New Jersey  
Medical Society of New Jersey  
Middlesex County Regional Chamber of Commerce  
Meadowlands Chamber  
Monmouth Ocean Development Council  
Morris County Chamber of Commerce  
NAIOP-NJ  
National Federation of Independent Business (NFIB)  
Newark Venture Partners  
Newark Alliance

Newark Regional Business Partnership  
New Jersey Apartment Association  
New Jersey Asphalt Pavement Association  
New Jersey Association of Osteopathic Physicians and Surgeons  
New Jersey Association of Mental Health & Addiction Agencies  
New Jersey Bankers Association  
New Jersey Builders Association  
New Jersey Business & Industry Association  
New Jersey Campground Owners and Outdoor Lodging Association  
New Jersey Chemistry Council  
New Jersey Civil Justice Institute  
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 Hospital Association  
New Jersey Hotel and Lodging Industry Association  
New Jersey Independent Electrical Contractors Association  
New Jersey LGBT Chamber of Commerce  
New Jersey Liquor Store Alliance  
New Jersey Manufacturing Extension Program, Inc.  
New Jersey Motor Truck Association  
New Jersey Pharmacists Association  
New Jersey Podiatric Medical Society  
New Jersey Realtors  
New Jersey Restaurant & Hospitality Association  
New Jersey Retail Merchants Association  
New Jersey Salon and Spa Coalition  
New Jersey Self Insurers Association  
New Jersey Society of Certified Public Accountants  
NJ Society of Optometric Physicians (NJSOP)  
New Jersey State Chamber of Commerce  
New Jersey State Funeral Directors Association  
New Jersey State Veterans Chamber of Commerce  
New Jersey Tourism Industry Association  
New Jersey Utilities Association  
New Jersey YMCA State Alliance  
New Jersey Warehousemen & Movers Association  
New Jersey Utilities Association  
New York Shipping Association, Inc.  
North Jersey Jewish Business Alliance  
Ocean City Chamber of Commerce  
Princeton Mercer Regional Chamber of Commerce

Professional Insurance Agents of New Jersey (PIANJ)  
Recreational Fishing Alliance  
Salem County Chamber of Commerce  
Somerset County Business Partnership  
Southern NJ Development Council  
Southern Ocean County Chamber of Commerce  
Statewide Hispanic Chamber of Commerce of NJ  
Sussex County Chamber of Commerce  
TechUnited:NJ  
The New Jersey Leadership Council of the National Association of Professional Employer Organizations  
The United Boatmen of N.J.  
Union Township Chamber of Commerce  
United Way of Northern New Jersey  
Utility & Transportation Contractors Association  
Washington Borough BiD