



[www.njbia.org/recovery](http://www.njbia.org/recovery)

June 8, 2021

Dear Members of the New Jersey Legislature,

As leaders of the Garden State's major business associations, the New Jersey Business Coalition writes to you regarding the \$6.4 billion New Jersey received pursuant to the American Rescue Plan Act. The expenditure of these funds will largely determine the trajectory of our state's economic recovery. To that end, it is essential that the State Legislature have oversight over the expenditure of these funds to ensure that there is a comprehensive plan to assist those who need it and position our state to recover expeditiously from the pandemic. Moreover, we request that the Legislature act immediately to start using these funds to address current weaknesses in our economy that are threatening to derail New Jersey's economic recovery.

The State Legislature was left out of the process for spending the Coronavirus Relief Fund monies allocated through the CARES Act. While several initiatives funded through the CRF have been helpful and effective, we are concerned about the lack of coordination. Going forward, the process must be inclusive of the Legislature, which can ensure a multi-year plan, coordinated across all branches of government.

With COVID-19 restrictions on our businesses being lifted due to our state's successful vaccination rollout, New Jersey is in a new reality compared to just a few months ago. However, our economy remains fragile: businesses are struggling to find workers, the number of small business open was down 38% on May 12 relative to January 2020, and New Jersey's unemployment rate was 7.5%, the seventh highest in the nation. While the NJBC is advocating for a long-term comprehensive strategy, the state needs to also fund current priority needs in order to stimulate the economy.

To ensure sustained improvement in our economy, the New Jersey Business Coalition recommends the following themes to guide expenditures:

1. **Coordination & Collaboration** – In addition to the \$6.4 billion that the State will receive, New Jersey's counties, municipalities, school districts and other government agencies like NJ TRANSIT and public higher education institutions will also be receiving billions of dollars in direct assistance. In addition, the federal government already provided billions in COVID-19 relief in 2020 and is currently discussing the idea of billions more for transportation infrastructure. To ensure the most effective expenditure of these funds, New Jersey must develop a coordinated plan, bringing together all levels of government to avoid redundant spending, allow collaboration where appropriate, and ensure the money has the greatest reach. NJBC recommends there be a central point in the Governor's Office to coordinate, with legislative input, a comprehensive pandemic rescue and recovery plan for the whole state.
2. **NO Permanent & Recurring Use** – Spending should be focused on non-recurring items that fill a need now but will not need ongoing funding through new line-item expenditures in future state budgets. Spending for items that will continue to fill long-term needs, such as expanded mental

health and addiction services may need to be considered in a different manner as those needs will continue into the future.

3. **Multi-year Approach** – The federal funds must not be depleted in one year and, while ensuring that any expenditures do not become permanently recurring, the state should take a multi-year approach through 2024 to ensure their best use. These monies should be considered additional surplus to our state budget that could be drawn over multiple budgets to stabilize future revenue and spending needs. This will create a smooth landing without needing tax increases to support spending in our state budget.
4. **Stimulate Economy** – Federal funds should be spent to maximize return on investment and economic growth so that New Jersey’s economy is in a better position to generate more tax revenues without increasing taxes. First, the State must provide more direct aid to its small businesses that support the whole economy by keeping as many open as possible as they try to recover losses sustained during the pandemic. In addition, NJBC believes the state should focus on the following pro-growth spending for most of these federal dollars, which would provide both immediate and long-term support to our economy:
  - a. **Replenish the UI Fund** – Helping cover the UI liability employers will face in the coming years will provide direct relief to employers, freeing up money that they can use to rehire, increase wages, and invest in their operations. Otherwise, employers will have to divert substantial resources to cover the UI benefits that were necessary for workers due to state-mandated COVID-19 restrictions on businesses.
  - b. **Support the Childcare Industry** - Working families need access to reliable childcare services. However, this industry is experiencing severe financial strain due to pandemic restrictions. The funding already provided through the American Rescue Plan and the elimination of group size limits will help. However, the industry still needs additional assistance in order to stay open and provide the services that parents need in order to return to work.
  - c. **Assistance to Businesses to Provide Signing Bonuses** - Businesses across the state are struggling to bring back the workforce they need to operate at fully capacity. This threatens to undermine New Jersey’s economic recovery and needs to be addressed immediately. Several businesses are offering signing bonuses or higher wages to bring workers back, however not all can do this. The state should allocate funds to help more businesses provide signing bonuses that will incentivize individuals to return to work.
  - d. **Workforce Development** – At a time when we have a historic number of displaced workers, the state must provide training opportunities to prepare workers for the economy that is emerging from the pandemic. Investing in training, such as the “Basic Skills Program,” which has trained over 180,000 workers via 11,000 employers, is critically important. Through reskilling, upskilling, K-12 education, higher education, apprenticeships, and other programs our workers will be able to take advantage of the new post-pandemic economic opportunities available to them.
  - e. **Infrastructure** – Investing in transportation, school buildings, clean water, energy, and telecommunications creates jobs and a pro-growth environment. As to investments in schools, without students in a safe learning environment, New Jersey’s working parents cannot get back to work.

- f. **Innovation** – Strengthening New Jersey’s innovation ecosystem will make our state a destination that attracts further talent, research and development, STEM investments and high-paying jobs, all of which will spur continued growth.

New Jersey is at an inflection point in its recovery right now, whereby we could either accelerate or stagnate. The Legislature needs to act now to ensure that this crucial federal assistance is invested strategically in our state. If you have any questions, please contact NJBIA Chief Government Affairs Officer Chrissy Buteas at [cbuteas@njbias.org](mailto:cbuteas@njbias.org).

Sincerely,

American Camp Association NY/NJ  
American Institute of Architects/ NJ Chapter  
American Council of Engineering Companies of New Jersey  
American Physical Therapy Association of New Jersey  
Big I New Jersey  
Burlington County Regional Chamber of Commerce  
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  
Downtown New Jersey  
Early Childhood Education Advocates  
Eastern Monmouth Area Chamber of Commerce  
Employers Association of NJ  
Fuel Merchants Associates of NJ  
Garden State Pharmacy Owners, Inc  
Greater Atlantic City Chamber of Commerce  
Greater Lehigh Valley Chamber of Commerce  
Greater NJ MotorCoach Association  
Greater Toms River Chamber of Commerce  
Greater Westfield Area Chamber of Commerce  
HealthCare Institute 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  
Jersey Shore Partnership  
Mahwah Regional Chamber of Commerce  
Marine Trades Association 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 Alliance  
Newark Regional Business Partnership  
New Jersey Asphalt Pavement Association  
New Jersey Association of Mental Health & 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 Camps Government Affairs Project  
New Jersey Campground Owners and Outdoor Lodging Association  
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 Fitness Alliance  
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 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 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  
New Jersey State Funeral Directors Association  
New Jersey State Chamber of Commerce  
New Jersey State Veterans Chamber of Commerce  
New Jersey Tourism Industry Association  
New Jersey Warehousemen & Movers Association  
New Jersey YMCA State Alliance  
New York Shipping Association, Inc.  
NJ Society of Optometric Physicians (NJSOP)  
North Jersey Jewish Business Alliance

Ocean City Chamber of Commerce  
Phillipsburg Chamber of Commerce  
Princeton Mercer Regional Chamber of Commerce  
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 Greater NJ Motorcoach Association  
The United Boatmen of N.J.  
Union Township Chamber of Commerce  
Washington Borough BID