July 14, 2021

Dear Senators Sarlo, Weinberg and Oroho and Assemblymembers Pintor Marin, Burzichelli and Wirths,

As leaders of the Garden State’s major business associations, the New Jersey Business Coalition writes to you regarding the allocation of the $6.4 billion which New Jersey received pursuant to the American Rescue Plan Act. We appreciate the release of some of these funds through FY22 budget language, but the responsible allocation of the rest of these funds is essential to the state’s economic recovery. To that end, we request that you, the members of the Joint Budget Oversight Committee (JBOC) exercise your authority over the use of these funds in a way to best protect our taxpayers and bolster our state’s economy that will enable a rapid recovery from the pandemic.

The lifting of the COVID-19 restrictions due to the state’s successful vaccination campaign has and will continue to allow for New Jersey businesses to return to conducting business as usual. In addition, the passing of the FY 2022 Appropriations Act, with increased investment in infrastructure and reduction in debt, will help kickstart the state’s economic recovery. However, the number of small businesses open was down 45.5% as of June 21, 2021 relative to January 2020, and small business revenue decreased 39% in the same period – indicating they are still in need of further help to recover from the pandemic's devastation.

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

1) Transparent Coordination & Collaboration – In addition to the more than $6 billion received by the State through the American Rescue Plan Act, New Jersey’s counties, municipalities, school districts, government agencies, and higher education institutions will also receive billions of dollars in direct assistance. To ensure the most effective expenditure of these funds, New Jersey must develop a coordinated plan to avoid redundant spending and facilitate collaboration where necessary. NJBC recommends there be a central point in the Governor’s Office to coordinate, with legislative and public input, a comprehensive pandemic rescue and recovery plan for the whole state.

2) Stimulate the Economy – Federal funds should be spent to maximize return on investment and economic growth to generate more tax revenues without increasing taxes. First, the State must provide more direct aid to small businesses and prioritize keeping as many open as possible as they recover losses sustained during the pandemic. In addition, NJBC believes the state should focus on the following pro-growth spending, which would provide both immediate and long-term support to our economy:

   o Replenish the UI Fund – Helping cover the UI liability employers will face in the coming years will provide them direct relief, freeing up money which can be used 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.

- **Support Immediate Hiring Through Assistance to Businesses Providing Signing Bonuses** - Businesses across the state are struggling to bring back the workforce they need to operate at full 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 afford to do this after the COVID-19 revenue loss. Funds or tax incentives should be provided to help more businesses provide signing bonuses to incentivize individuals to return to work. Toward that end, we support the passage of Congresswoman Sherrill’s recently introduced Support for New Workers Act in the US House of Representatives, which provides those who re-enter the workforce weekly payments equal to 60% of what they received from federal benefits. Also, currently pending in the state Legislature is S-3759/A-5735, introduced by Senator Gopal and Assemblyman Mazzeo, which provides tax credits for small businesses paying low-wage workers. We urge the passage of this bill in order to get more funding to employers paying low-wage workers and even providing additional relief to employers in counties which face disproportionally higher unemployment from the pandemic. These bills will enable businesses to pay employees more to incentivize their return to work. We also support an educational campaign to promote the return to work and the limits of UI benefits.

- **Workforce Development** – The business community appreciates the workforce development funding increases in the FY22 state budget, especially the county college training programs. However, with a historic number of displaced workers, the State should provide further training opportunities to prepare workers for the economic opportunities which will emerge in the post-pandemic economy. These investments can support Workforce Investment Boards, training grants, private career schools, county vocational-technical schools, workforce programs at 4-year colleges and further support for county colleges.

- **Infrastructure** – The budget’s infrastructure investments are a great start, especially on offshore wind and the $1.2 billion capital construction fund. However, further investment in infrastructure that will stimulate the economy, such as transportation, higher education facilities, school buildings, clean water, energy, and telecommunications, creates jobs and supports a pro-growth environment. Investments in schools are especially necessary to provide students with a safe learning environment to allow New Jersey’s working parents to return and remain at work.

- **Innovation** – The Coalition appreciates the increase in investments in New Jersey’s innovation ecosystem in the FY22 budget which will make our state a destination that attracts further talent, research, development, STEM investments and high-paying jobs.
However, more is always needed in the quest to have New Jersey reclaim its stature as the Innovation State. Innovation infrastructure such as broadband, college laboratories and other research and development infrastructure would enable this.

4. No Permanent & Recurring Use – Spending should be focused on non-recurring items that fill an urgent need and/or stimulate the economy but will not need ongoing funding through new line-item expenditures in future state budgets.

5. Reduce Debt – The Coalition appreciates the $2.5 billion put aside for debt defeasance, and we understand there are limitations to federal funds being uses to pay down debt. However, anything further that can be done with our surplus or federal funds to address current and future liabilities is critical to avoid a fiscal cliff when this money has been used up.

6. 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 drawn over multiple budgets to stabilize future revenue and spending needs. This will allow for natural revenue growth to catch up to state spending to create a smooth landing without needing tax increases.

New Jersey is at an inflection point in its recovery right now, whereby we could either accelerate or stagnate. The Legislature and your JBOC Committee needs to act now to ensure that this critical federal assistance is invested strategically to benefit our state. If you have any questions, please contact NJBIA Chief Government Affairs Officer Chrissy Buteas at cbuteas@njbia.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 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  
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  
Union Township Chamber of Commerce  
Washington Borough BID  

Cc:  Governor Murphy  

Members of the NJ Legislature