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To: Chair Pou, Vice Chair Cryan and Members of the Senate Commerce Committee

From: Althea D. Ford, NJBIA Vice President of Government Affairs (aford@njbia.org)

Date: October 10, 2024

RE: NJBIA Testimony Supporting S-3051 (Singer, Pou, Beach) - Legislation to Require the Division of Consumer Affairs to hire staff to alleviate professional license application backlog; appropriates \$10,000,000 in fiscal years 2024, 2025, and 2026.

On behalf of our member companies that make NJBIA the largest, most impactful association representing business in New Jersey, we strongly support S-3051, which will codify financial investment to the Division of Consumer Affairs to hire staff to alleviate license application backlog for fiscal years 2024, 2025, and 2026. Additionally, we support the amendment to adjust the fiscal years to reflect 2025, 2026, and 2027.

Operating procedures within the Division of Consumer Affairs have long been a challenge for the business community. The pandemic further exposed and exacerbated many of the broken systems within the Division that need to be resolved to mitigate hindrances to business and professional growth in our state. Adequate staffing of the Division's boards is one such hindrance.

In 2022, NJBIA sent a <u>coalition letter</u> with nearly 40 signatories representing licensed professionals across various industries to the Attorney General highlighting the systemic challenges professionals face when dealing with the Division. Many of these challenges still exist and though the Legislature passed legislation to address some of these concerns, these bills were vetoed by the Governor (See A-4621/S-3156 and A-5283/S-3939 from the 2022-2023 Legislative Session).

We are pleased that S-3051 is being considered to specifically address financial investment for the hiring of staff to process license applications. This legislation will greatly enhance the ability of professionals to get licensed and begin working in our state and better serve the consumers of our state.

Unacceptable Consequences of Fund Diversion

For decades, revenue generated by the Division from licensing fees has been diverted from the Division to other agencies and departments across state

government. This diversion of funds has left the Division under-resourced despite its standing as a large revenue generator in the state.

Delays in the approval of professional and occupational credentials contribute to the existing staffing shortage experienced by many industries in the State. Additionally, delays have a significantly negative impact on economic development. Having to wait months for professional and occupational boards to schedule practical examinations required for licensure or to review and process submitted applications only to determine more information is needed by the applicant sends a message that the individuals seeking to enter New Jersey's workforce and answer the call to our industry shortages are not a priority.

Re-invest in the Regulated Professional Community

This legislation prioritizes the investment of funds to the regulated professional community, a community that contributes immensely to the State through the payment of license application and renewal fees, as well as through their active participation in the workforce and economy. Passage of this bill demonstrates a commitment to ensuring our regulated professional community can continue to serve consumers and our State.

We urge your support of S-3051.

NJBIA thanks you all for consideration of our perspective on this bill. Please feel free to email me at aford@njbia.org if you have any questions about our position on this or any piece of legislation.