



www.njbia.org/recovery

November 16, 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: Additional Federal Assistance Requested

Dear New Jersey Congressional Delegation Members,

As the leaders of the Garden State's major business associations, as we move through the current lame-duck session and into the next term, we strongly urge you to prioritize additional federal assistance for states. The CARES Act provided key support to New Jersey families and businesses, but many programs have already expired and at the end of 2020 all Coronavirus Relief Funds (CRF) will expire. Without further assistance, New Jersey will struggle to weather the public health and economic crisis in the short-term and face a much slower economic recovery in the long term.

FEDERAL COVID-19 SUPPORT FOR BUSINESSES REMAINS CRUCIAL:

Federal State Budget Assistance & General State Support: We thank you for all your efforts which have channeled restorative CARES Act money to the Garden State during this crisis. While this additional funding will certainly help our struggling business community, New Jersey, like many other states, resorted to drastic measures to account for unprecedented budget shortfalls.

The COVID-19 Emergency Bond Act, which led to \$4.5 billion in borrowing for FY2021, means we could be servicing debt in each and every state budget for decades. With this in mind, ***we urge you to support legislation such as, or similar to, the bipartisan State and Municipal Assistance for Recovery and Transition (SMART) Act.*** The SMART Act would allocate \$500 billion in federal funding to state and local governments, which will reduce the need for drastic and damaging fiscal measures in the future. Federal relief, such as that in the SMART Act, could be used for needed relief. This includes more small business grants, childcare, K-12 education, workforce training and money to avoid borrowing and debt service burdens that will crowd out important investments benefiting the people of New Jersey. Additional federal support will also help facilitate distribution of funds to health care providers who did not receive CRF but need assistance to address the care needs of our residents amidst this pandemic.

After the state labor force recovered some of its pandemic decline by July, it fell again in August and September to its lowest level during the pandemic and lowest rate since 1976, decreasing by nearly 240,000 in just two months. There is a strong correlation between the number of businesses that have closed and the number of individuals who have given up looking for work altogether and, thus, are no longer in the labor force. Given the massive decrease in the labor force, the current decrease in the unemployment rate to 6.7% is misleading and should not be celebrated, as it largely reflects the 230,000 NJ residents who have given up. More federal assistance is needed for them.

Finally, Personal Protective Equipment (PPE) is imperative for all residents, regardless of occupation. While our frontline workers need the protection necessary to keep themselves safe while providing essential care and services, PPE has become a part of everyday life no matter what you do. To that end, we urge Congress to work to accelerate production of PPE so that we can keep ourselves, and each other, safe.

Replenishing Unemployment Insurance Trust Fund: We also urge you to support any legislation that would ***allocate federal funds to replenish state Unemployment Insurance Trust Funds.*** Replenishing the Unemployment Insurance Trust Fund is critical to New Jersey's financial well-being. Since the end of March, over 35% of New Jersey's pre-pandemic workforce (1.7 million people) have filed for unemployment benefits. This historic breakdown in the labor market was reflected in our peak unemployment rate of nearly 17% in June 2020. To put this in perspective, during the Great Recession, our unemployment rate never surpassed 10%. Federal funding of state UI funds could avoid massive payroll tax increases on all employers.

PPP Reform Is Still Needed: Small businesses across New Jersey have exhausted their PPP loans attempting to restart our state and local economies. ***We continue to urge you to support H.R. 7777/S. 4117,*** which would provide loan forgiveness for businesses which borrowed \$150,000 or less if they submitted a one-page attestation to their lender, stating that funds were used properly. Loans of \$150,000 or less make up approximately 87% of all PPP loans, but only 28% of the dollars were awarded. Additionally, the legislation would protect lenders from enforcement action if the borrower's one-page

attestation contained falsehoods. This reform would be crucial, as the number of small businesses that are open according to data from September 29, 2020, is down by 22.7% relative to the beginning of the year.

Additionally, as a result of public health mandates, such as new COVID-19 screening requirements and sanitization standards, businesses are continuing to see their operating costs rise. With this in mind, ***we continue to urge you to support the reforms in S. 4321, the Continuing Small Business Recovery and Paycheck Protection Program Act***, that would provide the hardest hit small businesses access to a second PPP loan, expand eligibility for PPP loans to 501(c)6 organizations, and allow funds to be used for operating expenses including sanitization and PPE. In addition to including 501(c)6 organizations, the 'lobbying' disqualified also needs to be eliminated as it will prevent several important organizations in NJ from receiving assistance due to their lobbying activity.

Finally, we urge that entities, who borrowed over \$2 million, not be required to prove they did not mislead lenders if their financial performance is better in 2020 relative to 2019. Our concern is that this provision will lead to much lower rates of forgiveness for entities. Moreover, it does not make sense to determine a business acted in bad faith in April when the first wave of COVID-19 was creating immense uncertainty nationwide, simply because they wound up having positive financial performance months later.

Business Safe Harbor/Liability Protection: Businesses, higher education institutions, and nonprofits which follow all applicable health guidelines need liability protections from COVID-19 related litigation. Entities which continue to take the time to adhere to all relevant state and federal health standards and guidance simply cannot afford to be caught up in a meritless lawsuit. The protections we seek would not protect businesses that operate in bad faith or disregard guidance on reducing the spread of COVID-19. ***We urge you to continue to support federal liability protections*** so that our businesses can continue to focus on restoring our economy.

Reform for PUA Program Needed: We urge you to consider reforming the Pandemic Unemployment Assistance (PUA) program. PUA has been effective in assisting those who do not typically qualify for Unemployment Insurance (UI) and who are experiencing financial strain through no fault of their own. However, certain eligibility criteria have wrongly excluded some independent contractors, self-employed, and gig workers who were intended to be served by the program. The issue is that some of these workers started working part-time for other businesses during the pandemic as their normal business activity dried up. If their part-time work makes them eligible for regular UI, they automatically become ineligible for PUA since one must be denied regular UI to receive PUA. The biggest issue with this is that the UI benefits individuals are receiving, in coordination with their part-time work, are often far less than the PUA benefits they would receive in coordination with the income they earned through self-employment or gig work.

The current rules for PUA eligibility need to be revised to accommodate this type of situation and we encourage you to support any reforms that are proposed. Ideally, the existing legislation would be amended to allow individuals to collect the benefits they are eligible for under PUA, in relation to the income they earned when they were self-employed or an independent contractor, and then collect any

additional benefits they are eligible for as part-time workers from the regular UI fund up to each state's respective weekly benefit cap. In New Jersey, that cap is \$713/week.

This reform is essential so that those who deserve and need these benefits will be given access. This is crucial at present, but especially important if Congress considers renewing PUA.

OTHER FEDERAL PRIORITIES TO SUPPORT NEW JERSEY BUSINESSES BEYOND COVID-19:

Outside of the pandemic, but even more important due to the pandemic's devastation of the economy, we want to highlight the importance of continuing to invest in crucial infrastructure during this crisis by urging support for federal funding for the **Gateway Program**. This trans-Hudson tunnel project is crucial to the long-term sustainability of the regional economy in the Northeast United States and should not be delayed any longer.

Also to stimulate the New Jersey economy when we need it most, we ask you to continue to support any tax relief legislation that comes before you, including **eliminating the \$10,000 cap for the State and Local Tax (SALT) deduction**. Without additional relief for New Jersey's struggling families and businesses, we will never see a strong economy in our state after we recover from the pandemic.

Thank you for your consideration and continued support of New Jerseyans during these historically difficult times. If you have any questions, please contact Chrissy Buteas, NJBIA Chief Government Affairs Officer, at cbuteas@njbja.org or 908-447-3466.

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
Big I New Jersey
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 Automative 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