To: **Governor Murphy & Members of New Jersey Legislature**

From: **New Jersey Business Coalition**

African American Chamber of Commerce of New Jersey, Inc.
American Council of Engineering Companies of New Jersey
American Physical Therapy Association of New Jersey
Bernards Township Regional Chamber of Commerce
BioNJ
Cape May County Chamber of Commerce
Capital Region Minority Chamber of Commerce
Chamber of Commerce Southern New Jersey
Chemistry Council of New Jersey
Commerce and Industry Association of New Jersey
CrossState Credit Union Association
Early Childhood Education Advocates
Employers Association of NJ Fuel
Merchants Association of NJ 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
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
International Health, Racquet & Sportsclub Association
Mahwah Regional Chamber of Commerce
Marine Trades Association of New Jersey
Meadowlands Chamber
Middlesex County Regional Chamber of Commerce
Monmouth-Ocean Development Council
NAIOP - NJ
New Jersey Apartment Association
New Jersey Asphalt Pavement Association
New Jersey Association of Mental Health and Addiction Agencies
New Jersey Association of Osteopathic Physicians and Surgeons
New Jersey Builders Association

New Jersey Business & Industry Association
New Jersey Campground Owners and Outdoor Lodging Association
New Jersey Child Care Association
New Jersey Civil Justice Institute
New Jersey Coalition of Automotive Retailers
New Jersey Concrete and Aggregate Association
New Jersey Dental Association
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 LGBT Chamber of Commerce
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 Society of Certified Public Accountants
New Jersey State Funeral Directors Association
New Jersey Tech Council
New Jersey Tourism Industry Association
New Jersey Utilities Association
NJ State Veterans Chamber of Commerce
New Jersey Warehousemen & Movers Association New York Shipping Association, Inc.
Newark Regional Business Partnership
NFIB
North Jersey Jewish Business Alliance
Ocean City Chamber of Commerce
Princeton Mercer Regional Chamber of Commerce
Professional Insurance Agents of New Jersey
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 New Jersey
Sussex County Chamber of Commerce
Union Township Chamber of Commerce
United Way of Northern New Jersey
Utility & Transportation Contractors Association

Date: May 2, 2020

Re: The New Jersey Recovery and Reinvention Framework

New Jersey's recovery effort from the COVID-19 public health crisis is going to require a comprehensive and collaborative approach between government (state, county and local) and the business community. We are proposing a four-prong approach which focuses on the specific needs of various vertical sectors and geographic regions, recognizing that a one-size-fits-all approach may not be appropriate. It must evaluate the immediate, near-term and long-term needs, while also balancing budgetary needs and resources.

Recognizing that so much is still unknown, this framework is a dynamic document that will be updated as further information that could influence the reopening process becomes available. This first iteration is a "best guestimate."

This framework is meant to inform a ***state roadmap for re-opening the economy that is detailed, transparent, driven by health data and focused on business recovery.*** It is based on flattening the curve and ensuring that businesses, their employees, clients, patrons, vendors and supply chain can feel confident about returning to work.

On April 27, 2020 Governor Murphy announced "The Road Back: Restoring Economic Health through Public Health," which outlined six key principles and benchmarks to guide the process for restoring New Jersey's economic health by ensuring public health. The six principles are:

- **Sustained reductions in new cases:** The governor said state officials will look for a 14-day trend showing sustained drops in new cases, hospitalizations and other metrics.
- **Expand testing in the state:** The governor said he wants to at least double the level of testing in the state. Health care workers and first responders will still be prioritized, but the governor wants the ability for all residents to be tested.
- **Robust contact tracing:** The governor said he wants an "army" of people to perform contact tracing so new cases or outbreaks could be immediately tracked and mitigated.
- **Safe places for isolation:** People who test positive need to have proper contacts with officials so they can get needed support service so they can remain in quarantine.
- **An economic restart:** The governor announced he created a commission to advise on the process of reopening.
- **Resiliency:** Officials need to prepare for the possibility of a resurgence.

This framework promotes the need for a regional approach to reopening given "hotspots" and healthcare capacity to address ongoing needs, as well as the potential for a rebound effect. Governor Murphy should be commended for his multi-state approach because this pandemic's impact crosses state borders and has hit the northeast harder. Equally important is recognition of the unique needs of certain regions within New Jersey, especially those shore regions that drive

statewide economic stimulus through tourism, which in 2018 generated $5 billion in state and local taxes, and comprised 9.8% of all jobs in New Jersey according to Tourism Economics. See attached. The seasonality of this sector's ability to generate revenue must be considered

Finally, this framework recognizes that any plan that is developed must be a resilient one; it must be developed through the lens of sustainability; people, economy, and the environment, and evaluate the immediate, near-term and long-term needs, while also understanding and responsibly balancing budgetary demands and resources. This resiliency must extend into New Jersey's public health system and economy to better prepare our state for crises like this in the future. Further, this resiliency must include structural reforms to make New Jersey government more efficient and position our State's budget to better weather future economic downturns, ensure affordability and advance regional economic competitiveness.

A. <u>Determining the timing and phasing of reopening:</u>

1. Specific metrics will determine reopening, with the appropriate balance being struck among the following:

    a. Data-driven testing and tracing
    b. Establish a risk assessment tool that can marry the health data to the economic data - the Wisconsin plan at https://www.wmc.org/backtobusiness/ could be a model.
    c. Ability to safely operate with ***ongoing CDC guidance, other industry specific guidance*** and/or social distancing opportunities known to mitigate exposure, such as:
        i. A person who is positive or living with someone who has tested positive for COVID-19, even if not showing symptoms, should not return to work until tested negative;
        ii. The elderly and/or those with significant health concerns, should continue to stay sheltered until it is deemed safe for them to do otherwise;
        iii. Continue to maintain social distancing parameters of six feet clearance while at work, in public or completing transactions;
        iv. Continue to maintain smaller gatherings of up to 10 persons for at least another month or until the active threat of virus spread has subsided;
        v. Customers and shoppers should be encouraged to wear masks;
        vi. Continue to protect our most vulnerable population in nursing homes by preventing in-person visits until the threat of virus spread has subsided.
    d. Prioritize industries that are deemed more ***essential*** (health, safety, supply chain).
    e. Prioritize all businesses that can ***operate safely***: under CDC or other industry specific guidance, where appropriate, and with occupancy considerations as appropriate to the facility.
    f. Prioritize industries/regions that will ***quickly stimulate the economy*** and ***drive job creation***

g. Recognition of the ***practical effect of the timing*** of the federal CARES Act relief to businesses that require certain activities and expenditures to be made in a designated time frame in order to receive loan forgiveness. (June 30)
h. ***Industry experts*** should be relied on for the reopening guidelines of their businesses and a one-size-fits-all strategy should be avoided. This could include an approval system of industry standard practices for a safe reopening.

2. Other policy considerations that will position New Jersey for Rapid Economic Recovery:

    a. Infrastructure investment must be prioritized because of the immediate and long-term benefits to the economy and our competitive position moving forward. When those dollars flow back to New Jersey, rapid and efficient delivery of infrastructure projects (transportation, energy, digital, water, wastewater, storm water) is essential. The New Jersey Infrastructure Bank (NJIB) should be leveraged to the extent practical to deploy these dollars. The NJIB has the scope, capabilities and a proven track record serving this role while working closely with relevant State Agencies that will set project priorities. New Jersey must implement policies that expedite project delivery at all levels of government, including streamlining reviews, building efficiencies into business practices and procurement processes, and prioritizing public infrastructure investment based on project need and not simply what is "shovel ready."
    b. Provide a ***good faith safe harbor*** for employers who reopen and are doing their best to protect their employees and patrons. We want people to swiftly and safely return to work, consistent with public health guidance. A safe harbor for employers who are complying with guidance from the CDC and other policy makers, and that prioritizes the ongoing safety of employees and patrons, would allow employers to follow that guidance with confidence and resume business activity once the crisis has passed.
    c. Develop a ***workforce development*** program paid for by federal funds to train displaced workers with skills that will be more necessary (IT, manufacturing, public health) in the new normal so workers who are unemployed or being paid and cannot work will have improved skills when the economy recovers. This should include using displaced workers to build up the contract tracing personnel that will assist our State in recovery.
    d. Foster a ***public-private partnership (P3s)*** approach similar to Maryland to address COVID-19 problems such as:
        - Providing grants to New Jersey manufacturers that can produce what governments need, like PPE or cleaning supplies;
        - Incentivizing research and its commercialization at New Jersey higher education institutions, such as the COVID-19 testing work being done at Rutgers;
        - Use a combination of public and private workers who are both displaced and still employed to build New Jersey's contact tracing team.

e. Support small businesses that need ***additional resources*** including reopening startup costs to attain PPE, sanitizing materials and other supplies with the use of federal funds.
f. Ensure with the use of federal funds that adequate ***child care*** facilities are able to operate with necessary resources and without burdensome restrictions so that the workforce can return to their jobsites. This should also include an effort to reopen schools and camps.
g. Make sure that ***mass transit*** options, both public and private, are back to full schedule, accommodating as many riders as possible wearing masks or making other public health accommodations as appropriate. This is necessary to get the workforce to their job sites and it requires the use of the federal funds that New Jersey has already received for mass transit.
h. ***Adjust traditional rules, regulations, mandates, code, permitting, licensing and statutory requirements*** where appropriate and not related to COVID-19 safeguards to help businesses and governments transition to reopening such as:
    i. Treatment of customers and employees in terms of prioritization, shifts, breaks and hours;
    ii. In-person/physical requirements;
    iii. Rigid frequency of visits, inspections, check-ins;
    iv. Health precautions that could be considered intrusive;
    v. Continuing education requirements;
    vi. Signage;
    vii. Permits already granted by government;
    viii. Professional license due dates;
    ix. Other flexibilities that specific industry groups feel appropriate;
    x. Local zoning and reopening of office space;
    xi. Allowing affidavits where appropriate to replace government inspections/checks that may be understandably delayed;
    xii. Real estate transactions;
    xiii. Employment mandates.
i. Allow more ***advanced payments*** as reopening transition begins for medical and social service providers.
j. Support the ***health industry*** and the many jobs it supports outside of just the essential workers fighting the COVID-19 crisis by safely reopening elective procedures and medical offices.
k. Monitor the ***supply chain*** as more businesses reopen to ensure there are no unforeseen disruptions and no one is taken advantage of such, as with price gouging.

B. <u>Business Needs and Best practices</u>

1. In an effort to gather the necessary information to lead our small and mid-size businesses to recovery, a Recovery Survey was conducted to gauge the "across the board" needs,

resources and capabilities of our business community in order to reopen and reinvent themselves in what we perceive to be a new business model. The top line observations note that the majority of our businesses can reopen utilizing CDC guidelines and social distancing. However, a majority of these businesses also need to open at greater than a 50% capacity in order to ensure that their revenue can meet their expenses. In some instances, it may take businesses a year or more to break even and turn a profit. See the survey results attached.

2. **Vertical sector best practices:**
   As noted, this framework is a dynamic document meant to be updated as new information becomes available. As of this May 1, 2020 version, the following sectors have provided best practice documents (attached or by link) to guide the responsible and sustained recovery, reopening and operations of their sector:

   a. BioNJ Recovery Plan (See Attached)
   b. Commercial Real Estate - Building Owners and Managers Association (BOMA) (Attached)
   c. New Jersey Child Care Association (See attached)
   d. Construction
      i. COVID-19 Construction Checklist for Employers and Employees Page 1
      ii. COVID-19 Construction Checklist for Employers and Employees Page 2
      iii. COVID-19 Toolbox Talk
      iv. COVID-19 Exposure Prevention, Preparedness and Response Plan for Construction
   e. NJ Dental Association (See attached)
   f. Allied Golf Associations of New Jersey (See attached)
   g. New Jersey Association of Mental Health and Addiction Agencies, Inc. (See attached)
   h. New Jersey CAR (See attached)
   i. New Jersey Restaurant and Hospitality Association
      i. Restaurants (See attached)
      ii. Hotels (See attached)
   j. New Jersey Manufacturing Extension Program (See attached)
   k. New Jersey Retail Merchants Association (See attached)
   l. National Association of Home Builders (See attached)

3. **Macro view:**
   Assemble thought leaders from New Jersey's business community and industry giants to discuss what near- and long-term recovery looks like from their vantage point and what can they do from their company or industry perspective to stimulate a sustainable and resilient economic recovery.

C. <u>Municipalities/Counties:</u>

1. Government also needs a strategy to recover and how can it assist the business community towards a swift recovery as well.

    a. What does government need to bring back workers and how long?
    b. What budget implications exist that would impact local services that could hinder economic recovery, for example waste hauling, inspectors.
    c. We will look to the NJLOM and NJAC for this information.

D. <u>Federal funding:</u>

1. ***Federal funding already provided, and to be provided, should be used to stimulate reopening.*** The survey results make it clear that there will be operational expenses upon reopening that will not have a revenue base to cover them. Businesses must be able to access restart funds in their early opening phase in order to ensure their sustainability over the long term. Further, it is imperative that any future rounds of stimulus include meaningful federal infrastructure investment. As noted above, the long-term impacts of this investment are significant for our economy.

    We must invest our federal money now to position our state economy for a quicker recovery. The key is to deploy such resources effectively.

    Funds directly appropriated to the state from the Coronavirus Relief Fund can broadly be used for "necessary expenditures" related to the coronavirus response. The legal use of this money includes providing relief to the business community and supporting economic recovery. As such, a portion of these funds can be used for, and appropriately should be used for, an appropriation to the NJ Economic Development Authority, in order to provide relief to small businesses to help them survive the COVID-19 shutdown and recover afterward.

    The following guidance was issued by Treasury and provides details on the economic usage, including examples (not exclusive):

    > "The requirement that expenditures be incurred "due to" the public health emergency means that expenditures must be used for actions taken to respond to the public health emergency. These may include expenditures incurred to allow the State, territorial, local, or Tribal government to respond directly to the emergency, such as by addressing medical or public health needs, as well as expenditures incurred to respond to second-order effects of the emergency, such as by providing economic support to those suffering from employment or business interruptions due to COVID-19-related business closures. Funds may not be used to fill shortfalls in government revenue to cover expenditures that would not otherwise qualify under the statute. Although a broad range of uses is allowed, revenue replacement is not a permissible use of Fund payments. The statute also specifies that expenditures using Fund payments must be "necessary." The

Department of the Treasury understands this term broadly to mean that the expenditure is reasonably necessary for its intended use in the reasonable judgment of the government officials responsible for spending Fund payments."

5. Expenses associated with the provision of economic support in connection with the COVID-19 public health emergency, such as:

- Expenditures related to the provision of grants to small businesses to reimburse the costs of business interruption caused by required closures.
- Expenditures related to a State, territorial, local, or Tribal government payroll support program.
- Unemployment insurance costs related to the COVID-19 public health emergency if such costs will not be reimbursed by the federal government pursuant to the CARES Act or otherwise."

2. There should also be a state plan to align the county and state spending of Federal resources to optimize its effectiveness for our State's public health system and economy. CARES Act funding of $3.44 Billion, with additional federal funds should be allocated to various sectors.

3. Federal Funding Stimulus from Senator Booker's Resource Guide

    a. For business resources, all funds should be appropriated to the NJEDA to supplement expanded grant and loan programs.
    b. As noted above, the I Bank (leverage x 5) should be utilized for a comprehensive infrastructure program.
    c. $1,250,000 in funding from the Manufacturing Extension Program to New Jersey small and medium-sized manufacturers
    d. $100,000,000,000 in national hospital and health facility funding that New Jersey hospitals will have access to
    e. $15,400,000 from the Centers for Disease Control and Prevention to New Jersey's health system
    f. $1,320,000,000 in national funding for Federally Qualified Health Centers which New Jersey will have access to
    g. $3,440,000,000 in funding to New Jersey Governments from the COVID state fund
    h. $1,760,000,000 in funding for NJ Transit
    i. $53,500,000 in Community Development Block Grants to New Jersey's Communities
    j. $10,200,000 in funding New Jersey's effort to prepare for the 2020 election
    k. $45,000,000,000 In national FEMA Disaster Relief Fund will be available to New Jersey
    l. $18,300,000 in Byrne-JAP grant funding to New Jersey
    m. $70,000,000 in added funding to the Supplemental Nutrition Assistance Program in New Jersey

n. $53,000,000 in Emergency Solutions Grants to help New Jerseyans experiencing homelessness
o. $12,400,000 in Low-Income Home Energy Assistance Program funding to New Jersey's low-income families and seniors
p. $1,700,000 in Housing Opportunities for Persons with AIDs grant to benefit low income New Jerseyans living with HIV/AIDS
q. $310,000,000 in funding to support New Jersey's K-12 education
r. $316,000,000 in direct grants to New Jersey institutions of higher education
s. $69,000,000 in funding to New Jersey through a Governor's Emergency Education Relief Fund
t. $1,150,000 in funding to New Jersey arts institutions
u. $62,600,000 in Child Care and Development Block Grants to New Jersey