

# B U S I N E S S V O I C E



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March 2008

## NJBIA Members Meet the Governor's Key Staff

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## Paid Leave Mandate Passes Assembly but Procedural Snafu Delays Final Senate Vote

The final vote on legislation mandating six weeks of paid family leave for employees at all businesses has been delayed. The Senate was expected to take final action on March 17, but a constitutional requirement that revenue raising bills originate in the Assembly derailed the schedule.

NJBIA strongly opposes the measure. Employers should contact their State Senator and tell them to vote no on S-786 (Sweeney, Buono)/A-873 (Albano, Oliver). To use NJBIA's online system, go to [www.njbia.org](http://www.njbia.org) and click on the Membership Alert.

On March 13, the bill passed the Assembly in a 46 to 30 vote despite fierce opposition from NJBIA and thousands of its member businesses.

"It is incredible that legislators voted for a huge new mandate that only one other state has, especially during a recession," NJBIA President Philip Kirschner said. "This is going to make doing business in New Jersey that much harder. It's the wrong bill at the wrong time."

NJBIA fought the bill every step of the way, testifying before legislative committees and communicating directly with each and every legislator about the impact this job-killing mandate will have on business, especially small businesses.

NJBIA members did their part as well. Responding to NJBIA's Membership Alert, member companies have sent over 40,000 e-mails since January asking their legislators to vote against the paid leave bill.

Many local and State organizations and

#### State Senators who voted **against business** by supporting paid leave are:

Adler (D-6)	Baroni (R-14)	Buono (D-18)
Codey (D-27)	Cunningham (D-31)	Gordon (D-38)
Gill (D-34)	Girgenti (D-35)	Lesniak (D-20)
Madden (D-4)	Redd (D-5)	Ruiz (D-29)
Sacco (D-32)	Sarlo (D-36)	Smith (D-17)
Scutari (D-22)	Stack (D-33)	Sweeney (D-3)
Van Drew (D-1)	Vitale (D-19)	Weinberg (D-37)
Whelan (D-2)		

#### NJBIA wishes to thank those Senators who **stood up for businesses** by not voting for paid leave. They are:

Allen (R-7)	Bateman (R-16)	Beck (R-12)
Bucco (R-25)	Cardinale (R-39)	Ciesla (R-10)
Connors (R-9)	Haines (R-8)	Kean, S. (R-11)
Kean, T. (R-21)	Kyrillos (R-13)	Lance (R-23)
O'Toole (R-40)	Oroho (R-24)	Pennacchio (R-26)
Rice (D-28)	Singer (R-30)	Turner (D-15)

businesses joined NJBIA's coalition against the bill. As part of the group, members received almost daily updates on what was happening with paid leave and what action they could take.

NJBIA staff arranged personal meetings to meet with nearly every State legislator individually and testified at all four legislative hearings on the bill, often bringing member business owners who told legislators the real negative impact the mandate would have on their businesses. Because of these collaborative efforts, NJBIA and its 23,000 member companies successfully prevented paid leave from passing in New

(cont'd on page 5)

## Legislative Update

### Assembly Committee Adopts Amendments to Mental Health Bill

The Assembly Appropriations Committee on March 3 adopted amendments to control costs created by a mental health coverage expansion bill providing insurance coverage for behavioral problems and substance abuse. NJBIA supported the amendments to A-2077 (Gordon, Vainieri-Huttle).

The issue is how to require small-business health plans to provide coverage for mental health problems on par with coverage for other conditions without incurring cost increases. As originally written, the bill would have provided virtually unlimited coverage without the checks and balances used to control costs in treating other diseases.

The committee amendments provide for independent confirmation that treatment is necessary, better define the mental illnesses and substance abuse conditions that will be covered, and apply the same coverage limits and financial requirements (co-payments, deductibles, etc.) that apply to the plans' medical and surgical benefits.

In a related development, the US House of Representatives recently passed a bill to expand mental health coverage. It will now be reconciled with the bill passed by the US Senate that also expanded coverage. For more information, contact Christine Stearns at [cstearns@njbja.org](mailto:cstearns@njbja.org).

### State Unveils New Guidelines for UEZ Sales Tax Rebates

Urban Enterprise Zone (UEZ) businesses seeking sales tax rebates on their purchases no longer have to provide documentation with their applications, according to new NJ Division of Taxation guidelines.

The change took effect February 1. Businesses must retain documentation of the sales for a minimum of four years and must be able to produce it at the request of the division. Additionally, thanks to a new law, businesses with annual gross receipts of \$3 million will get the tax exemption without applying for a rebate. Previously, only businesses with less than \$1 million in annual gross receipts were exempt.

The new rules concern one of the UEZ benefits available to qualified businesses—a sales-tax exemption for goods purchased for use in the business. Previously, UEZ businesses received the sales tax exemption when they bought their products. In 2006, the Legislature changed the law to require businesses to first pay the sales tax and then apply for a tax rebate. The program has been fraught with delays.

While the changes initiated by the division are welcome, NJBIA maintains that the rebate program is unnecessary and the point-of-sales exemption should be restored. For more information, call 973-648-3900 and ask for the UEZ office.

### NJBIA Thanks Its Premier Sponsor NJM Insurance Group

### Regulatory Flexibility Act Expansion Clears Assembly

Small businesses that believe they are economically harmed by government regulations would be able to take their case to court under NJBIA-backed legislation, A-832 (Chivukula, Schaer), that passed the Assembly on March 13.

The bill would expand New Jersey's Regulatory Flexibility Act to allow businesses with fewer than 100 employees to appeal to the courts if they have been economically harmed by the actions of a government agency. The bill would also require government agencies to simplify and consolidate reporting requirements for small businesses. For more information, contact David Brogan at ext. 236, or [dbrogan@njbja.org](mailto:dbrogan@njbja.org).

### Quote of the Month

**“This is the wrong bill at the wrong time.”**

—NJBIA President Philip Kirschner said talking to the Assembly Labor Committee about paid family leave

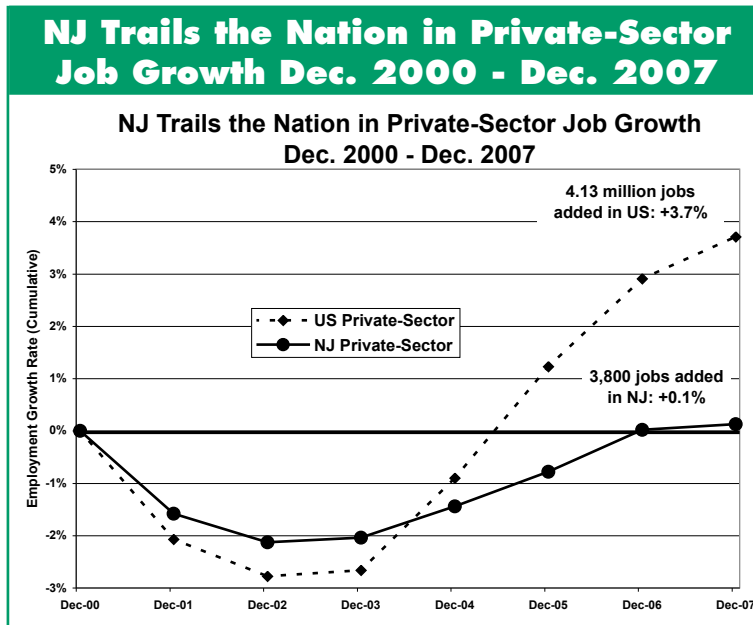
# NJ Job Growth Comes to Standstill in 2007 and Collapses with Loss of 9,200 Jobs in January

Private-sector employment growth came to a virtual standstill in New Jersey last year, expanding by a mere 3,700 jobs or just 0.1 percent, making 2007 the weakest year for employment growth since 2003.

The data was released February 27 by the NJ Department of Labor as part of its annual data revision process. The department's original employment estimate, based on a monthly survey of employers, showed the State adding 23,600 private-sector jobs last year.

Although it is normal for State and federal employment data to change when revised, this year's downward revision is dramatic.

The department's report also



showed that New Jersey got off to a terrible start in 2008, losing 9,200 private-sector jobs in January, according to preliminary data, the single largest one-month decline in almost five years. This compares with a gain of 1,000 private-sector jobs for the nation as a whole.

"This dismal performance

cannot be blamed solely on the national economic slowdown," said NJBIA President Philip Kirschner. "This is clearly a consequence of the State's failure to address the root causes of the State's poor business climate, the high cost of doing business in New Jersey—from excessive regulations and mandates to high taxes."

New Jersey's job growth has been weak over the last several years, when compared with that of the nation.

The nation added a net 4.1 million private-sector jobs, a gain of 3.7 percent, over the last seven years (Dec. 2000-Dec. 2007). Over this same period, New Jersey added a net 3,800 jobs, a gain of 0.1 percent.

## Corzine Proposes Big Budget Cuts, Spending Reforms

State government would become smaller, spend less and not borrow for operating expenses under a \$33 billion budget proposed February 26 by Governor Jon Corzine.

Corzine has proposed cutting 3,000 State jobs, eliminating three agencies (Commerce, Agriculture and Personnel), and enacting long-term reforms to limit future spending to available revenues.

NJBIA President Philip Kirschner said NJBIA supports the core principles contained in the proposed budget, namely

cutting spending and limiting future spending to recurring revenues. Senior Vice President Melanie Willoughby pointed out that the Governor is not proposing any tax increases and has drastically limited the use of one-time funding sources. "We look at this as a solid step toward getting the State's fiscal house in order," she said.

The proposed budget also includes incentives for towns to merge and share services. It would reduce aid to municipalities with fewer than 10,000 residents while

giving them priority in funding for consolidation and sharing services.

The budget also increases school aid by over \$500 million, most of which would go to increased funding for suburban school districts. Property tax rebates would be eliminated for homeowners making more than \$150,000 per year and reduced for those making between \$100,000 and \$150,000. For more information, contact Art Maurice at 609-393-7707, ext. 247.

## Meet the Decision Makers

# Chief of Staff Abelow Says Budget Cuts May Change, But Not the Budget Amount

Bradley Abelow, Governor Jon Corzine's chief of staff, said February 29 that the administration was willing to discuss changes to the budget the Governor has proposed as long as spending is not increased further. Abelow, along with Governor's Counsel

question- and-answer period, they talked about the Administration's financial restructuring plans and fielded questions on paid family leave, healthcare reform and other issues.

While most people have focused on the Governor's plan to raise tolls to pay down State debt, Abelow said the financial restructuring plan involved a great deal more. The State would not spend more than the recurring revenues it takes in, for instance, and any new borrowing would have to be approved by voters. As a down payment, Abelow said, the Administration's proposed budget would spend \$500 million less next year than it does this year.

"It may not sound like a lot in the context of a \$33 billion budget," he said, "but I will tell you that we had to cut \$2.7 billion to achieve that reduction." He said the Administration is willing to discuss changes in the budget, but "we cannot afford a bigger government than what we have proposed. We're willing to talk, but this is the size budget we expect to have."



Edward McBride, new Chief Counsel to the Governor, stops to talk with NJBIA members.



Wendy Lazarus, Director of Government Relations & Public Affairs at Pfizer, Inc., greets new Policy Director Adam Zellner.

Ed McBride and Policy Director Adam Zellner, spoke to about 160 NJBIA members at the first NJBIA Meet the Decision Makers program. Through the course of an hour-long presentation and

On paid family leave, Abelow acknowledged that despite widespread opposition among businesses, the Administration supports legislation mandating paid family leave, but added that it is still committed to growing the



President of Leading Edge, LLC Kevin Monaco (left) with Governor Corzine's new Chief of Staff Bradley Abelow at NJBIA's Meet the Decision Makers breakfast briefing, February 29.

economy. "We feel strongly that paid family leave is important for our citizens," Abelow said. "We understand and fully respect the view that many of you in this room have."



(Left to right) Governor Corzine's new Chief Counsel Edward McBride, Fred Brody of Brody, Inc., and Governor Corzine's new Chief of Staff Bradley Abelow share a laugh.

## Revised Public Access Rules Present the Same Problems for Business, NJBIA tells DEP

Revised rules detailing the obligations of property owners to provide public access to tidal waterways present the same problems for business owners as the existing rule, NJBIA stated in recent comments to the NJ Department of Environmental Protection (DEP).

The DEP purportedly proposed the new rules to address objections and concerns raised more than a year ago. However, it proposes only minor changes that would be of little help to the hundreds of businesses with operations along the State's tidal waterways.

Under the rules, adopted by DEP on December 17, businesses are required to provide on-site waterway access and recreational facilities to the public or, where public access is not feasible, pay to create access and facilities elsewhere. NJBIA and other groups opposed the rule more than a year ago, arguing that it should focus on providing public access to beaches, not factories or utilities located along rivers and back bays.

The new rules were supposed to address these concerns, but as written would only revise some of the requirements for marinas and alter some of the obligations imposed on municipalities and the NJ Department of Transportation. Businesses would still be required to provide public access or pay whatever DEP requires. Security concerns prohibit large industrial facilities, power plants or ports from providing access, making this rule simply a money grab.

NJBIA also objected to the rule-making procedure under-

taken by DEP. The department adopted the existing rule without substantively addressing many of the concerns that were raised during the public comment period. It claimed, however, the revised proposal would fix the problems with the rule.

NJBIA contends the reason for having a comment period is to identify potential problems with proposed rules and fix them before the rule is adopted. For more information, contact David Brogan at [dbrogan@njbja.org](mailto:dbrogan@njbja.org).

### Paid Family Leave Advances *(from page 1)*

Jersey for over 12 years.

"Legislators cannot say they didn't hear from the business community on this issue," NJBIA Senior Vice President Melanie Willoughby said of the exhaustive campaign efforts. That makes it all the more frustrating that legislators did not heed businesses' opposition.

The bill would provide six weeks of paid leave at every business, regardless of size.

For more information, contact John Rogers at [jrogers@njbja.org](mailto:jrogers@njbja.org), or 609-393-7707, ext. 209.

Assembly members who voted **against business** by supporting a paid leave mandate are:

Albano (D-1)	Amodeo (R-2)	Barnes, Jr. (D-18)	Burzichelli (D-3)
Caputo (D-28)	Chiappone (D-31)	Chivukula (D-17)	Cohen (D-20)
Conaway (D-7)	Conners (D-7)	Coutinho (D-29)	Cruz-Perez (D-5)
Cryan (D-20)	Dancer (R-30)	DeAngelo (D-14)	Diegnan (D-18)
Egan (D-17)	Evans (D-35)	Fisher (D-3)	Giblin (D-34)
Green (D-22)	Greenstein (D-14)	Greenwald (D-6)	Gusciora (D-15)
Jasey (D-27)	Lampitt (D-6)	Love (D-4)	McKeon (D-27)
Oliver (D-34)	Pou (D-35)	Prieto (D-32)	Quigley (D-32)
Ramos (D-33)	Roberts (D-5)	Rodriguez (D-33)	Scalera (D-36)
Schaer (D-36)	Smith (D-31)	Spencer (D-29)	Stender (D-22)
Tucker (D-28)	Vainieri Huttle (D-37)	Vas (D-19)	Wagner (D-38)
Watson Coleman (D-15)	Wisniewski (D-19)		

NJBIA wishes to thank those Assembly members who **stood up for businesses** by not voting for paid leave. They are:

Addiego (R-8)	Angelini (R-11)	Biondi (R-16)	Bramnick (R-21)
Carroll (R-25)	Casagrande (R-12)	Chiusano (R-24)	Coyle (R-16)
DeCroce (R-26)	Doherty (R-23)	Handlin (R-13)	Holzapfel (R-10)
Karrow (R-23)	Malone (R-30)	McHose (R-24)	Merkt (R-25)
Milam (D-1)	Munoz (R-21)	O'Scanlon (R-12)	Polistina (R-2)
Rible (R-11)	Rooney (R-39)	Rudder (R-8)	Rumana (R-40)
Rumpf (R-9)	Russo (R-40)	Thompson (R-13)	Vandervalk (R-39)
Van Pelt (R-9)	Voss (D-38)	Webber (R-26)	Wolfe (R-10)



## Get Your Money's Worth

### *Cash in on a valuable NJBIA member benefit:*

the opportunity for personal auto insurance with NJM!

Since 1913, New Jersey Manufacturers has provided Stewardship, Integrity and Service to employees of companies belonging to the New Jersey Business & Industry Association.

In keeping with that mandate of unparalleled service at a great price, ***NJM is lowering personal auto insurance rates by an average of 5%\**** for New Jersey policies that begin or renew on or after February 15, 2008.

That's on top of \$132 million in Special Dividends paid to policyholders in 2007 alone!

Qualified applicants can get a ***quick quote*** for personal auto insurance at **[www.NJM.com](http://www.NJM.com)** or by calling **1-800-232-6600 extension 4515.**

\*Impact to each policy will vary based on individual rating characteristics.

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Group

## ASK THE EXPERTS!

By Christopher Emigholz, Director of Education Policy



### **Q.** I have employees who need outside training to improve their basic skills or to learn new skills. What would you recommend?

**A.** NJBIA's Basic Skills Workforce Training Program, in conjunction with New Jersey's county colleges, provides great training. In addition, the customized training grants available through the NJ Department of Labor & Workforce Development (LWD) are a great resource. I would recommend exploring both.

There are a variety of ways to train your workforce. You should decide which method will best suit your company's and your employees' needs. It is important to consider:

- How much time you can give employees for training;
- Whether you have busy seasons not good for training;
- What types of training would be best for employees; and
- How the training can improve job retention and help employees advance their careers.

#### **Customized Training**

Customized training is generally sought by companies that can afford to pay a portion of the training cost. These grants can be used to help businesses upgrade the skills of higher-skill workers or to provide new-skills training for a new production process, to cite one example.

The Labor Department uses specific criteria to rate grant applications for customized training. Points are awarded for having fewer than 100 employees, being located in a community with high unemployment, and being an applicant that did not get a grant

the previous year.

A majority of points are given for the application's predicted outcomes in improving skill levels, minimizing job losses, increasing competitiveness, creating new jobs or increasing wages.

Twenty percent of customized-training rating points are determined by whether the applicant represents an industry targeted by the Governor's Economic Growth Strategy, which generally favors companies in healthcare and bio-science, energy research, advanced manufacturing, communications, finance, hospitality and tourism, logistics and professional, scientific and technical services.

Finally, applicants must obtain tax-clearance certification from the Division of Taxation as part of the application process. The program ensures that businesses receiving financial assistance have paid their taxes. You can learn more about this new form at <http://www.state.nj.us/treasury/taxation/index.html?busasst.htm~mainFrame>

NJBIA's training program partner, the NJ Community College Consortium, will help NJBIA members write their customized-training grant proposals. Call Bob Bowman at 609-393-9000.

#### **Basic Skills Training**

Customization of training programs is not limited to the customized training grant program. Within the basic skills training program, classes can be tailored to the specific needs of your business.

The basic-skills program is designed to improve your employees' skills in computer operation (Windows and Microsoft Office), mathematics and measurement, verbal and written communications, and English as a second language,

Through their partnership with NJBIA, the Consortium coordinates training schedules and classes for participating employers. The training is provided by local community colleges.

The training is free of charge (although you must pay your employees at their regular hourly rate while they are in training) and does not require a minimum number of participants. You can contact the Consortium's Bob Rosa at 609-393-9009 to get started. For more information, or for help with any workforce development issue, contact Christopher Emigholz, NJBIA's Director of Education & Workforce Policy at 609-393-7707 ext. 201, or [cemigholz@njbja.org](mailto:cemigholz@njbja.org).

## **GET STARTED**

### **Learn More About Basic Skills Training**

You can learn more about the basic skills and customized training programs by calling 609-393-9000 or visiting <http://www.njbja.org/resources/worktrain.asp>

## NJBIA Programs & Benefits

Visit [www.njbia.org/events](http://www.njbia.org/events)  
to register online

### **FRIDAY, MAY 2** **Developing Employee** **Handbooks & Policies**

Properly written employee handbooks and policies are an essential tool for managing your workforce, but only if they are prepared properly. At this seminar, top NJ employment attorneys will explain what your company needs to do to bring your employment policies and handbooks in line with State and federal laws. The seminar will be held at the Sheraton at Woodbridge Place in Iselin, starting with registration and continental breakfast at 8:30 a.m. and ending at 12:30 p.m. The cost to attend is \$119 per person for NJBIA members, \$149 for nonmembers. To register online, visit [www.njbia.org/events](http://www.njbia.org/events). For more information or to become a sponsor, contact Sherry Esteves at 609-393-7707, ext. 219.

### **WEDNESDAY, MAY 21** **NJBIA-Fidelity Invest-** **ments Economic Forum**

*"Surviving the Slowdown: Managing Costs in Tough Times, Sizing up New Jersey's Economy"* will bring together some of the State's leading business executives to discuss proven cost-cutting strategies to lower your health and other employee benefit costs, personnel and administrative costs. Sponsored by Fidelity Investments, the Forum will be held at the Sheraton in Eatontown (Garden State Parkway, Exit 105). The program begins with registration and continental breakfast at 8:30 a.m. and ends at 11:00 a.m. The cost to attend is \$69 per person for NJBIA members and \$105 for nonmembers. To register, contact Stacy Wichner at 609-393-7707, ext. 213.

### **MEET THE DECISION MAKERS SERIES 2008**

Hear directly from the cabinet officials and legislative leaders who make decisions on issues like taxes, spending, healthcare reform, energy policy and environmental regulation. NJBIA will bring together top Administration officials, along with legislative leaders, for insightful briefings on some of the biggest issues facing your business.

#### **Wednesday, April 2: Taxes and Spending**

Get the inside story on the State budget from the new State Treasurer, **David Rousseau**, Senate Budget and Appropriations Committee Chair **Barbara Buono**, Assembly Budget Committee Chairman **Louis Greenwald**, Senate Republican Budget Officer **Leonard Lance**, and Assembly Republican Budget Officer **Joe Malone**.

#### **Tuesday, April 15: Meet New Jersey Legislature's Majority and Minority Leaders**

Like it or not, what happens in Trenton impacts your business. Don't wait until a new law is passed to make your voice heard. Meet Senate Majority Leader **Stephen Sweeney**, Senate Republican Leader **Tom Kean**, Assembly Majority Leader **Bonnie Watson Coleman**, and Assembly Republican Leader **Alex DeCroce**.

#### **Tuesday, April 22: Healthcare Reform**

Find out what the State is planning for New Jersey's healthcare system from Commissioner **Heather Howard**, NJ Department of Health and Senior Services; Senate Health Committee Chairman **Joseph Vitale**; Assembly Budget Committee Chairman **Louis Greenwald**; and other legislative leaders.

#### **Friday, May 16: Energy**

Find out what the State plans to do about energy policy and the regulation of greenhouse gases from NJ Board of Public Utilities Commissioner **Joseph Fiordaliso**; Assemblyman **Upendra Chivukula**, chairman of the Assembly Telecommunications and Utilities Committee; and members of the Senate and Assembly energy-related committees.

#### **Friday, October 17: Environmental Regulation**

Meet NJ Department of Environmental Protection Commissioner **Lisa Jackson**, Senate Environment Committee Chairman **Bob Smith**, and other members of the Senate and Assembly Environment Committees, who will discuss State environmental policy.

All briefings will be held at Forsgate Country Club, Monroe Township (NJ Turnpike, Exit 8A). Registration and a buffet breakfast begin at 7:45 a.m. The briefing ends at 10:00 a.m. The cost to attend is \$69 per person for NJBIA members and \$105 per person for nonmembers. **To register, or to become a high-visibility sponsor, contact Sherry Esteves at 609-393-7707, ext. 219.**