



by Philip Kirschner
President

Report TO MEMBERS

Trenton Fiddles with Mandates As State Economy Weakens

What in the world are they thinking about in Trenton? While the rest of the nation is creating jobs, we're losing jobs here in New Jersey. But the Legislature, instead of looking for ways to improve our economy, is considering new laws, like paid family leave, that would make it even more difficult and costly to run a business in New Jersey. If enacted, these laws will stunt already weak job growth.

Doesn't the economy matter?

According to the state's official employment data, New Jersey actually lost 1,000 private-sector jobs in the first four months of this year. That's right — LOST 1,000 jobs.

While the nation as a whole was creating 412,000 private-sector jobs, New Jersey was moving backwards. This is particularly discouraging because it follows three years of weak job growth in New Jersey. Jobs have been growing twice as quickly in the nation as a whole, and the gap is widening.

Shouldn't the Legislature be looking for ways to strengthen the state economy and help employers? Wouldn't this make more sense than imposing additional job-strangling mandates on employers?

Let's take a look at two of the most onerous job killers that are currently making their way through the Legislature.

The first is a proposed paid family leave mandate that would require all New Jersey employers, even those with only two employees, to give their employees 10 weeks of paid leave. S-2249, sponsored by Senators Stephen Sweeney and Barbara Buono, has been approved by the Senate Budget Committee. It could see a final Senate vote at any time.

If the law is enacted, New Jersey would become only the second state in the nation to adopt paid leave.

The paid leave mandate would impose an enormous burden on employers. Businesses would lose key employees for almost three months. They would be forced to pay overtime to other employees or hire temporary workers, if they can even find them, to pick up the slack. In some cases, work simply would not get done. Deadlines would be missed. Productivity would suffer. Customers would be upset. Business would be lost.

NJBIA members are so upset with this proposed mandate that they have sent a record high 14,000 messages to their legislators!

The second job killer is a vastly expanded mental health insurance mandate, S-807 (Vitale, Buono)/ A-2512 (Gordon, Johnson), which, as of early June, was one Assembly floor vote away from being sent to the Governor.

The legislation would impose a sweeping mandate on employers. It would require them to pay for unlimited treatment of virtually all behavioral disorders and substance abuse.

Small employers' health insurance plans already cover treatment of most serious mental illnesses like depression. They also cover treatment of substance abuse, but this coverage is subject to reasonable limits.

By mandating unlimited coverage of every mental disorder, this legislation would drive up health insurance costs that have already soared by a compound 80 percent over the last five years.

New Jersey already has the highest health insurance costs in the nation. Does the Legislature believe that even higher costs will encourage businesses to move to New Jersey or to stay and expand here?

It's time the Legislature made the promotion of a strong economy its top priority. Our lawmakers must resist efforts to impose additional costly mandates on an already struggling business community. 📌