

PUBLIC POLICY

PRINCIPLES & PRIORITIES

2008 - 2009



New Jersey Business & Industry Association



New Jersey Business & Industry Association

ABOUT THE NJBIA PUBLIC POLICY PRINCIPLES AND PRIORITIES

The New Jersey Business & Industry Association's *Public Policy Principles and Priorities* is a blueprint for building a strong private-sector economy in New Jersey, creating jobs, strengthening the State's business climate, and improving its economic competitiveness. This booklet outlines the public policy principles that will guide NJBIA's advocacy on behalf of its member companies. It also details many of NJBIA's high-priority legislative initiatives.

ABOUT NJBIA

NJBIA is the nation's largest State-level employer association, representing 23,000 member companies that employ an estimated 1.2 million New Jersey workers.

THANK YOU

NJBIA wishes to thank the hundreds of members of its 11 policy committees for taking time away from their businesses to review legislation and analyze how it will impact their operations. NJBIA also thanks the thousands of employers who have participated in its annual Business Outlook and Health Benefits surveys. These principles are based on the input we received from our policy-committee members and participants in our surveys.

PUBLIC POLICY

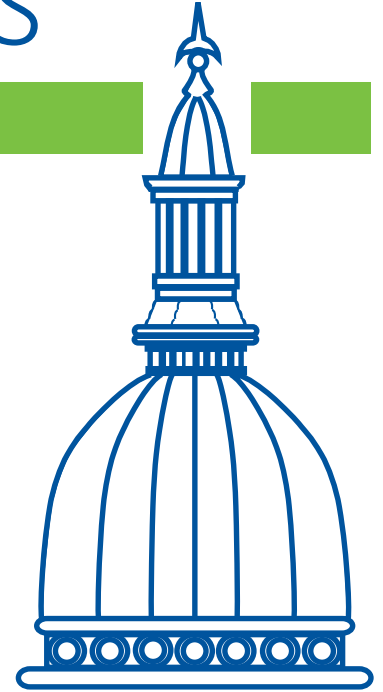
PRINCIPLES & PRIORITIES

OVERVIEW

NJBIA's Agenda for Legislative and Regulatory Action

WHAT WE'RE FIGHTING FOR:

- A **HEALTHCARE SYSTEM** that emphasizes affordability, quality, transparency and accessibility.
- A **BUSINESS TAX STRUCTURE** that is fair and competitive with other states.
- **LIMITED SPENDING** of State resources with an emphasis on eliminating redundant and ineffective programs.
- An annual **CAP ON SPENDING INCREASES** so those increases do not exceed recurring annual revenue growth.
- **ELIMINATE STATE-MANDATED EMPLOYEE BENEFIT PROGRAMS** that exceed those imposed by competing states.
- **COST-EFFECTIVE ENVIRONMENTAL REGULATIONS** and programs that are consistent, flexible and balanced, and do not discourage job creation.
- A **COMPETITIVE ENERGY MARKET** that produces reliable, affordable energy and balances conservation, renewable energy and current sources of energy.
- **ECONOMIC DEVELOPMENT** programs that meet employers' needs, and complement and supplement job creation and retention efforts.
- **UNEMPLOYMENT COMPENSATION** and **WORKERS' COMPENSATION** systems that are fair, reasonable and competitive with other states.
- A **PUBLIC EDUCATION SYSTEM** that establishes clear accountability and provides every child with the opportunity to receive a quality education at reasonable cost to taxpayers.
- A **LEGAL SYSTEM** that promotes fairness, common sense and personal responsibility.
- More **ETHICS REFORMS** to ensure that government is conducted in a transparent and open process, and that contracts are provided on the basis of merit.



PUBLIC POLICY PRINCIPLES & PRIORITIES

These principles will be applied by NJBIA in analyzing and evaluating legislation throughout the 2008 - 2009 legislative session, while the legislative priorities will serve as NJBIA's proactive agenda for the session. These principles and priorities have been communicated to the Governor and the Legislature.

New Jersey's private-sector employers are the State's main engine of economic growth and prosperity. Increasingly, they are challenged by fierce domestic and global competition, rising production costs, a growing burden of State and federal regulations, and some of the highest costs of doing business in the nation. At the same time other states are aggressively courting our businesses, sometimes successfully taking our jobs. To keep our economy strong and create new jobs, government at all levels must seek to reduce business costs, avoid costly mandates and offer incentives for business retention and expansion.



ECONOMIC DEVELOPMENT

PRINCIPLES

NJBIA advocates a strong focus on business retention and economic development. This is key to New Jersey's future and its ability to create new jobs.

State government should devote as much time and resources to keeping existing companies in New Jersey and having them expand here as it does to attracting out-of-state companies. This should include aggressive strategies to eliminate impediments to development and redevelopment.

New Jersey should use targeted incentives to encourage business investment and job creation in vital sectors that are struggling, such as manufacturing, as well as in promising growth industries.

New Jersey should develop a reasonable funding plan to maintain and strengthen its infrastructure.

Improving the State's business climate requires a strong commitment from State government. State investments in economic development will pay off many times over in higher employment, greater economic vitality, and higher tax revenues without the need to raise tax rates.

PRIORITIES

NJBIA SUPPORTS

Establishment of a purchasing preference for New Jersey manufacturers – Currently, New Jersey State and local governments have allocated contract set asides for small businesses. However, there are no specific contract preferences for New Jersey manufacturers. Half of the states provide a limited government purchasing preference for certain in-state manufactured goods, including Pennsylvania, New York, Maryland, Massachusetts and Connecticut. Creating a New Jersey government purchasing preference for the State's manufacturing community would be an important benefit to our manufacturers.

Reform of the Business Employment Incentive Program (BEIP) – The BEIP is the most successful job creation and economic stimulus program in New Jersey history. Since its inception in 1996,

the BEIP has stimulated 369 businesses to directly create 70,116 jobs and indirectly create another 75,000 jobs. It has also generated \$11.9 billion in public/private investment. Recent program changes have limited the program's stimulus capacity and should be eliminated. Specifically, caps on new employee salaries (approximately \$160,000) and excess job creation (limited to 120 percent of the original job creation goal) should be rescinded for urban businesses. Additionally, the 10-year term limit on participation should be extended, at the discretion of the New Jersey Economic Development Authority, with lower grant amounts and increased job-retention mandates.

NJBIA OPPOSES

Overly punitive and bureaucratic economic development assistance rules – Businesses receiving government assistance should be accountable for its use. However, rules that bind employers to unrealistic long-term employment guarantees, wage and benefit mandates, and redundant bookkeeping requirements effectively kill assistance programs.



EDUCATION AND WORKFORCE DEVELOPMENT

PRINCIPLES

New Jersey spends more on public education than most other states, yet New Jersey employers struggle to find workers with the skills necessary to succeed. NJBIA supports reforms that improve education quality and control education costs.

New Jersey must have high expectations for its students and educators. The State should increase its academic standards and demand more rigorous course work.

To best prepare the State for the changing economy, New Jersey must increase education options for students and employees, and maintain flexibility within the State's workforce development systems. Such systems should be adaptable to rapid and dramatic changes in the labor market and meet the specialized needs of the State's employers. They should also foster the integration of technology business

skills into classrooms and curricula to help the future workforce meet the demands of tomorrow's workplace.

New Jersey must control the rising cost of education so that it does not overburden its taxpayers. Existing accountability measures must be more thoroughly enforced. Better accountability measures should be implemented to track progress towards improving quality and to ensure that public funds are spent conscientiously.

PRIORITIES

NJBIA SUPPORTS

More stringent high school standards – NJBIA supports legislation and regulations that demand more of New Jersey's students, educators and schools. The State should require greater academic achievement for high school diplomas, including more high-level coursework and the reduced use of alternative high school exams like the Special Review Assessment (SRA), which currently allows too many students to graduate who otherwise would not.

NJBIA advocates a strong focus on business retention and economic development. This is key to New Jersey's future and its ability to create new jobs.

More school choice – The State should eliminate the burdensome requirements that limit the development of nontraditional schools like charter, vocational and private schools. These schooling options should be promoted because their specialized education programs often better prepare students for real jobs that are in demand. Charter and vocational schools should receive more support from the State for their facilities and their funding, especially in low-income communities.

Business-education partnerships – New Jersey should have more programs that link classroom learning with the business world. It should promote internships and other types of partnerships between business and education so that students can build an understanding of the critical connection between the learning that occurs in school and the knowledge and skills required in the workplace.

School consolidation and shared services – New Jersey should provide guidance and incentives to promote consolidation and greater sharing of programs and services among school districts and local governments. For example, the State has more than 600 school districts, several with fewer than 100 students and some with no students at all. Consolidating many of these school districts would reduce administrative costs and allow more tax dollars to be spent on activities that directly benefit students' education.

NJBIA OPPOSES

Lowering standards for students to succeed – New Jersey should not lower academic expectations for its students. Allowing lower standards for high school graduation, promotions to the next grade level and standardized tests does a disservice to the State's students by not adequately preparing them for the business world.

Increasing mandates and fixed costs for school districts – The State should not impose costly mandates on school districts or increase salaries and

benefits for staff. Instead of receiving mandatory salary and benefit increases, teachers should be rewarded for performance, student achievement, improvement in effective practice, and knowledge of the subject they teach. Public-sector wage, health and retirement benefits must be brought into line with the jobs that taxpayers hold in the private sector.

Eliminating contracted services – The State should not limit the ability of public schools to contract with private companies. These public-private partnerships have helped school boards provide quality services at competitive prices, thereby reducing district costs without hurting the quality of education.



ENERGY

PRINCIPLES

New Jersey needs to develop comprehensive energy policies that take into account all of the components of a sound State-wide approach. Balancing economic impacts with environmental benefits are necessary as the State considers expanding energy efficiency, renewable energy and new sources of generation beyond our existing capacity.

New Jersey receives its electricity from the PJM power grid that also services Pennsylvania, Delaware and Maryland. PJM is one of the most reliable power grids in the nation, but New Jersey power rates are among the highest within PJM due to the costs of generating electricity, transmitting it to the State, and paying State-imposed surcharges. New Jersey must not enact policies that put our State at a competitive disadvantage to states in other electric grids.

New Jersey businesses need a reliable and affordable energy supply. NJBIA supports competitive energy markets to reduce high costs.

Energy prices should be determined by the competitive market. Consumers should be able to choose between competitive suppliers for energy and other services.

Commercial and industrial consumers should not subsidize residential consumers in electricity, natural gas or telecommunications.

Public utility regulations should encourage public utilities to keep costs as low as possible while maintaining quality service and investing in infrastructure for growth.

The NJ Board of Public Utilities (BPU) should ensure public participation in rule development by making the processes by which the Board operates more open, transparent and inclusive of ratepayers.

PRIORITIES

NJBIA SUPPORTS

Lower energy taxes – With escalating energy prices, the State needs to help commercial and industrial customers by eliminating the Transitional Energy Facility Assessment (TEFA) surcharge, reducing the Societal Benefits Charge (SBC) surcharge, and exempting manufacturers from the sales tax on energy. This would save manufacturers over 10 percent on their electric and gas bills.

Energy deregulation that promotes competition – Commercial and industrial energy rates must not be used to subsidize residential rates. Competition has allowed high-volume electric and gas consumers to use their buying power to reduce energy rates.

Elimination of the utility tax on business – The BPU has collected over \$90 million in retail-margin-adder funds, which were designed to spur competition after the State deregulated its electricity market by penalizing large customers that failed to shop for third-party electric power supplies. This

is no longer a mechanism to spur competition because the rate of customers switching has basically remained flat over the past several years. This provision should be eliminated, and a rebate should be given to this class of customer.

Development of renewable technology on the industrial level – The BPU has spent hundreds of millions of dollars to install renewable-energy units in homes over the past five years but has failed to meet its renewable power goals. With commercial and industrial users consuming 64 percent of all of the State’s electricity, the State can achieve greater use of renewable energy by focusing on these consumers. Caps on the amount of money that is spent for renewable energy rebates should be eliminated, and grants to commercial and industrial customers should be expanded.

Support voluntary energy efficiency measures for commercial and industrial ratepayers – Businesses that undertake energy efficiency initiatives generate more energy savings per dollar than homeowners. The State should support greater energy efficiency in business by increasing the use of energy audits to the commercial and industrial sectors funded through retail-adder taxes. The State should also offer businesses that undertake efficiency programs a credit against the Societal Benefits Charge, which in part pays for Clean Energy programs. Tax incentives, such as removing the sales tax for energy efficiency-related purchases, would encourage more companies to improve the efficiency of their facilities.

Fast-track permitting for PJM’s Demand Side Response program – The NJ Department of Environmental Protection (DEP) should adopt a fast-track permitting procedure for companies joining PJM’s Demand Side Response program. The program allows companies to use alternative sources of electricity, such as on-site generation, during peak demand times like the summer. Demand Side Response reduces energy costs at times when energy is most expensive and

helps protect the stability of the power grid. To participate, companies must obtain a new permit from the DEP because they must raise their annual limit for on-site generation. The DEP should not penalize companies with existing permits because they participate in PJM's demand-side management programs or approved BPU pilot projects to reduce consumption. Companies should also be allowed to change permits without excessive costs or being required to resubmit applications.

NJBIA OPPOSES

Policies that put New Jersey at a competitive disadvantage with neighboring states

– New Jersey needs to balance environmental policies, rules and regulations with our economic conditions. New Jersey has a shortage of electric generation. Aggressive environmental policies could increase electricity prices as well as stall the development of future electricity generation. Our State cannot afford to be out of sync with other states in our region and on the electric grid. Forward-thinking policies need to help, not hurt, industry.



ENVIRONMENT

PRINCIPLES

Over the past 20 years, New Jersey industries have dramatically reduced the amount of air pollutants emitted and water pollutants discharged. Even so, New Jersey businesses pay some of the highest air permitting fees and water permitting fees in the nation, and must cope with one of the largest and most cumbersome environmental

bureaucracies in the nation. Paying extra fees, taxes and bureaucratic penalties for environmentally unnecessary regulations adds to the cost of doing business in New Jersey.

State permitting procedures should be efficient and effective to ensure the timely issuance of permits.

All new laws and regulations should result in a measurable and meaningful improvement to the environment.

Environmental regulations should be formulated through an open and transparent process, and the DEP should seek input from the regulated community.

Environmental laws and regulations should provide a level of certainty to the regulated community by establishing standards that are appropriate and based on the most up-to-date data.

Proposed laws and rules should strike a balance between environmental protection and economic growth.

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The regulated community should be given the flexibility to achieve environmental protection goals through performance-based standards and alternative compliance programs.

If proposed State standards are to exceed federal standards, a compelling benefit must be demonstrated. Forcing businesses to comply with two sets of standards greatly increases their compliance burden. Separate standards, therefore, should face a more rigorous cost-benefit analysis.

Environmental laws should utilize unambiguous language that clearly defines the regulatory requirements and limitations to be placed on the DEP.

PRIORITIES

NJBIA SUPPORTS

Eliminating red tape and paperwork – The DEP should issue more general permits, or eliminate permits altogether, for routine activities that have little environmental impact. General permits reduce paperwork and red tape while providing the same level of environmental protection.

Greater communication – There is a lack of communication between the various program areas within the department as it pertains to environmental regulation. Redundancies and inconsistencies of regulatory initiatives only cause confusion and increase costs for the regulated community. There is also a lack of communication between the DEP and other departments, such as DOT and DCA, which causes conflicts with Administration policy goals, such as the desire to create more affordable housing. In many cases, there is a lack of communication between the DEP and the business community. The DEP should utilize the hands-on expertise of the regulated community to vet regulations in an effort to make them more practical and effective before they propose them.

Cooperation and self-disclosure – The DEP has initiated limited self-disclosure policies for business and should work with the Legislature to expand this cooperative relationship. It should also work with business to improve environmental quality. Businesses that conduct environmental audits and disclose their own environmental problems should not be penalized with fines or sanctions. The DEP should not punish companies for doing the right thing. Rather, they should encourage and reward such behavior. The Legislature should approve a system of self-disclosure or self-auditing that removes mandatory sanctions against companies that have a good environmental record.

Uniform methods of applying discretion for noncompliance – Enforcement of air and water pollution rules should be more equitable. The DEP Commissioner should apply discretion

in issuing penalties to differentiate between paperwork violations and violations that cause real environmental harm. This would help small businesses avoid expending great amounts of money and effort just to comply with reporting requirements to avoid penalties.

Greater electronic communication – The DEP has made great progress in the use of electronic communications to help small businesses comply with complex DEP rules. NJBIA supports the continued expansion of the publishing of rules and regulations on the DEP Web site so that non-environmental professionals in small businesses can easily access them.

Adequate compensation – The State has a number of tools it uses for “public purposes” which constitute a taking or devaluing of property. Eminent Domain is a clear example of a taking, but the value of property can also be affected by regulatory changes, such as the Public Access rules, or changes in statutes, such as the Highlands Act or Pinelands Act. Regardless of what “tool” the State uses, adequate compensation must be provided to business owners.

NJBIA OPPOSES

Providing the DEP with unlimited regulatory authority – It is essential that the Legislature put restrictions on the regulatory authority given to the DEP. Legislative initiatives must set strict boundaries and utilize clear, unambiguous language to ensure that the intent of the legislation is not misinterpreted or misconstrued at the expense of business.

Allowing the DEP to keep money derived through fines – Allowing the DEP to keep the money it collects in fines would only serve as an incentive to impose the largest fines allowed under the law. Rather, these funds should go directly into the State’s General Fund. The DEP’s success or failure should not be measured by the amount of fines imposed or collected. Rather, it should be measured by overall environmental quality in our State.

Expanding reporting requirements – Legislators and the DEP should not expand the reach of existing paperwork and analysis-laden regulatory programs by expanding reporting requirements to more employers. New Jersey already has one of the most onerous environmental bureaucracies in the nation. Adding to the paperwork and red tape will cost business more time and money to comply with regulations but will do little to improve New Jersey’s environment.



HEALTHCARE

PRINCIPLES

New Jersey employers provide health insurance coverage for the majority of New Jersey workers, but rapidly rising insurance premiums are making it increasingly difficult to maintain current levels of coverage. Government should make insurance more affordable and accessible, while taking steps to encourage a high quality of medical care.

The cost of purchasing health insurance continues to spiral out of control. In the last five years, health insurance costs have increased by about 80 percent. Fewer employers are offering coverage to their employees. Clearly, any effort to reform the health insurance system should focus on reducing costs.

Health insurance laws should give employers the flexibility they need to respond to rapid changes in the healthcare marketplace.

State government should put more emphasis on controlling costs by carefully reviewing all proposed measures that affect the healthcare system and their impact on health insurance premiums. In particular, costly healthcare coverage mandates drive up the price of already expensive health insurance premiums.

PRIORITIES

NJBIA SUPPORTS

Reform of the Small Employer Market – The State-regulated health insurance market—where most small employers (2–50 employees) purchase health coverage for their workers—is in crisis. If costs continue to explode in New Jersey, many small employers will be priced out of coverage, causing the number of uninsured New Jerseyans

to grow. A revamping of the marketplace is necessary to ensure that employers have access to affordable coverage.

Development of a basic health insurance plan – The State should offer a basic, affordable insurance product to allow those who have been priced out of the health insurance market to obtain quality health plans.

More flexibility for small employers – The Small Employer Market should allow small businesses more

flexibility in designing health plans that fit the needs of their employees, while excluding expensive coverage they do not want. Not only would more small businesses have access to health insurance plans, but younger, healthier workers would be more likely to enroll in a health benefit plan that keeps their out-of-pocket costs to a minimum.

Implementation of a reinsurance pool for health insurance – Reinsurance has been used successfully for other insurance products. It would lower health insurance premiums for small employers.

Review of all existing healthcare coverage mandates – The State Legislature has passed 31 health insurance coverage mandates since 1977, yet no comprehensive review of their impact has been conducted. Enacting additional healthcare mandates will put more cost pressure on small businesses—the group most at risk for dropping coverage for their employees. The Legislature should block the passage of any new healthcare mandate that would increase the already high cost of health insurance; support the State’s Mandated Health Benefits Advisory Commission, which reviews proposed mandates to provide an objective analysis for legislators; and expand the Advisory Commission’s mission to include the review of existing mandate laws.

Full State tax deduction of health insurance premiums – One way to assist employers and their employees to afford coverage is to make the full cost of their healthcare premium deductible from State taxes.

Use of health information technology – The use of electronic health records is an essential component of health insurance reform. A more efficient method of keeping records would dramatically reduce the incidence of medical errors and duplicative procedures, and lower costs while increasing the quality of care. Medical mistakes not only harm patients, but they also drive up legal costs and medical malpractice insurance premiums, which get passed on to consumers in the form of higher medical charges. The State, along with the rest of the nation, should keep health records electronically. While this shift may be expensive initially, it will pay big dividends in the long run.



LEGAL SYSTEM

PRINCIPLES

New Jersey’s laws and legal system must permit employers to compete effectively with businesses in other states.

Civil justice policies must discourage the use of the court system to harass employers or pursue repetitive or frivolous claims against them.

Penalties, fines and costs should be proportionate to the level of harm and not be duplicative.

Civil penalties should be premised upon fairness and constitutional protections.

New Jersey’s laws and regulations should be clear, consistent and easily accessible to businesses.

PRIORITIES

NJBIA SUPPORTS

Creation of a business court – A business court division specializing in the complex business issues that are currently handled in regular court would save time and money for both the legal system and employers. By focusing on one area of the law, judges would develop an expertise that would allow cases to move faster. Specialization in the judicial system has been successfully implemented elsewhere, such as tax courts.

NJBIA OPPOSES

Expansion of the Wrongful Death Act – New Jersey’s existing wrongful death statute works well and should not be changed. Allowing unlimited damages for “emotional distress” would subject the State to the types of “run-away-jury” verdicts that drive businesses away, and increase liability and insurance premiums.



TAXATION

PRINCIPLES

Statistically, New Jersey's economy is badly underperforming, and a major reason is New Jersey's onerous tax climate. The Tax Foundation's 2008 State Business Tax Climate Index ranked New Jersey 49th in the nation when it comes to business-friendly tax systems, down from 48th last year. The index ranks states according to the taxes that matter most to businesses and business investment: the corporate tax, individual income tax, sales tax, unemployment tax and property tax.

Business taxes have also jumped near the top of the list of issues that most concern NJBIA member companies, according to the Association's 2008 Business Outlook Survey. Reforming New Jersey's business tax structure is crucial to spurring economic growth and creating new jobs.

NJBIA supports business tax policies that will encourage, rather than discourage, economic growth and job creation.

New Jersey tax laws should be competitive with tax laws in other states.

State and local governments should balance their budgets without raising taxes.

PRIORITIES

NJBIA SUPPORTS

Single-sales-factor reform – NJBIA supports the adoption of the single-sales-factor tax model for manufacturers paying the State's Corporation

Business Tax (CBT). Under the current system, taxes are levied based on a business' in-State sales, business property, and in-State payroll. Out-of-State companies are therefore taxed at a lower rate because they have no New Jersey payroll and no property. Adopting a single-sales-factor model would put New Jersey manufacturers on equal tax footing with competitors in other states. It would also stop penalizing companies that invest in New Jersey and create jobs here.

Create a new manufacturing investment tax credit – Much of our manufacturing base is older and in need of capital improvement. With national and international competitive pressure so intense, New Jersey manufacturers must reinvest in state-of-the-art facilities and equipment to compete. A manufacturing investment tax credit would provide manufacturers with the financial incentive they need at a low cost to the State.

Conform New Jersey's "Net Operating Loss" (NOL) policies to national and state standards – NOL deductions are important for struggling manufacturers. NOLs allow qualified

employers to spread out economic losses from lean years over several future tax years. New Jersey's current policy of allowing NOLs to carry forward for up to seven years is dramatically out-of-step with both the federal (2-year carryback/20-year carry forward) and the typical policy found in many other states. Twenty-four states and the District of Columbia use the federal 20-year carry forward standard, including New York, Pennsylvania, Connecticut, Delaware and Maryland.

NJBIA OPPOSES

Higher Corporation Business Taxes – The 2002 Corporation Business Tax (CBT) increase doubled the taxes C corporations pay and hurt many small businesses. Small businesses make up 95 percent

NJBIA supports business tax policies that will encourage, rather than discourage, economic growth and job creation.

of all corporate tax filers. Legislators should recognize that any increase in CBT rates hurts small businesses, and they should reject such increases.

Higher income taxes – Legislators should reject higher State income taxes on businesspeople who earn their share of the profits or income through S corporations, limited liability companies, partnerships or sole proprietorships. In 2004, the State Legislature enacted an increase in the top income rate, to 8.97 percent from 6.37 percent. Further increases would have a major negative economic impact.

Sales tax extension to professional services – Taxing professional services would harm New Jersey’s burgeoning service industries, such as accounting, legal and financial planning, and divert much of this work to professionals in New York, Pennsylvania and surrounding states.

Counter-productive service-sector sales tax expansions – In 2006, the State sales tax was expanded to a host of services including health and fitness club dues. These expansions have harmed in-State industries, provided far fewer tax dollars than projected and should be repealed.

UEZ tax collection reform – Eliminate the cumbersome rebate process.



WORKPLACE

PRINCIPLES

NJBIA supports fair wages and safe working conditions for all employees. State labor laws must be reasonable and balanced, permitting New Jersey employers to compete on equal footing with employers in other states.

Each workplace is unique. Policymakers should strive to give employers maximum flexibility to meet the needs of their employees and effectively manage their workforces.

New Jersey should maintain its current workers’ compensation system. It is a model for other states and provides fair and reasonable medical treatment and lost wages for workers injured on the job.

Taxes paid by employers to fund unemployment compensation, temporary disability insurance benefits and job training should be used exclusively for those purposes.

Mandated employee benefits should not exceed those imposed by competing states.

In order to ensure cost-effective compliance, State workplace standards should not exceed federal standards.

All employers, union and nonunion alike, should be allowed to compete fairly for public contracts. Contracts should be awarded only on the basis of price, quality and experience.

PRIORITIES

NJBIA SUPPORTS

Dedication of fund revenues – New Jersey should ensure that Unemployment Insurance (UI) and Temporary Disability Insurance (TDI) tax payments made by employers and employees are used solely to fund benefits for employees and job training activities through the Workforce Development Partnership program. Legislators should not divert UI or TDI contributions to other programs. More than a decade of diversions has lowered the fund balances to critical points that may trigger higher UI and TDI tax rates.

New Jersey’s model workers’ compensation system – New Jersey’s workers’ compensation



system is a model for the nation, consistently ranking as one of the most affordable and generous of any state. The State should refrain from making any changes to this system. Specifically, lawmakers should not eliminate the provision that allows employers to choose the physician in workers' compensation cases. Studies show that such a change would immediately increase premium costs by 10 to 20 percent. Such changes to the system, or even to certain industries or employers, would have a negative impact on the pricing of workers' compensation insurance for all employers.

Enhanced workplace training programs – New Jersey should enhance its workplace training programs and streamline the application process to ensure that all businesses

have an opportunity to qualify for assistance. Until recently, most of New Jersey's job-training programs contained burdensome employee participation requirements or were limited to only large employers. These requirements made it impossible for employees of small businesses to

access this training. NJBIA, in partnership with the County College Consortium and the NJ Department of Labor & Workforce Development, helped to initiate a new basic skills training program that allows employees of smaller businesses to participate by aggregating the classes by region. This model should be extended to other workplace training programs.

NJBIA OPPOSES

Paid Family Leave – Paid family leave would impose a one-size-fits-all workplace mandate on employers with as few as two employees. It would not recognize the difference between a hospital, small retailer, a manufacturer or a bank, but would entitle employees at any workplace with two or more employees to take six weeks of paid time off. Paid leave would discourage new businesses from moving to New Jersey and would be a tremendous burden to New Jersey employers.

Mandatory rest breaks – Businesses need flexibility to run their operations effectively and efficiently. The attempt to micromanage every workplace in the State in an identical manner sends

the wrong message to both employers and employees. Businesses should be allowed to work with their employees to provide flexible work arrangements without the State micromanaging their operations.

Union favoritism – Union and nonunion businesses should be treated equally. Legislators should reject

legislation that favors unionized companies when giving out government contracts, loans or grants. New Jersey should not allow unions to organize workplaces without elections, nor should it prevent company managers from opposing the formation of a union.

New Jersey's workers' compensation system is a model for the nation, consistently ranking as one of the most affordable and generous of any state.

NJBIA's GOVERNMENT AFFAIRS TEAM



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Phil is the Association's chief executive as well as chief spokesman for the business community. He is responsible for seeing that the Association's mission is fulfilled, namely to provide information, services and advocacy for its member companies in order to build a more prosperous New Jersey.



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Melanie directs the Association's government affairs and public policy activities, and represents NJBIA in all legislative areas. She is also the staff director for the NJBIA Government Affairs Committee and the Manufacturing Council.



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Christine lobbies for the Association on healthcare and legal issues. She serves as staff director of the Association's Health Affairs and Legal Affairs Committees.

Visit www.njbia.org/memberinfo to sign up for an NJBIA Policy Committee or Electronic Issue Network

NJBIA.... Your Partner in Business

NJBIA member companies receive exceptional benefits and services to help them meet the challenges of doing business in New Jersey.

Members can access powerful networking and business-development opportunities through exposure to NJBIA's diverse membership of 23,000 companies. Members can count on our staff to help them solve their business problems and save them time and money in areas like health insurance, taxes and regulatory compliance.

NJBIA members are also the first to learn about new laws and regulations and how to avoid costly legal liabilities. They receive a wealth of valuable information from NJBIA and our flagship publication, New Jersey Business magazine.

An important benefit is the ability of NJBIA members to apply for property/casualty insurance coverage with New Jersey Manufacturers Insurance Company (NJM). The top-rated NJM offers exceptional service and a history of dividends paid to policyholders in every year since 1918. Your company can apply for workers' compensation and commercial auto coverage. Your employees can apply for personal auto and homeowners' coverage.

NJBIA members enjoy these exceptional benefits while paying dues that are among the lowest in the nation.

NJBIA

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