

Government Affairs Report

Governor Christie Announces NJ Job Growth Plan

On October 19, 2011, Governor Christie announced a new State Strategic Job Growth Plan that will utilize state financial resources and further encourage new development opportunities within areas that are primed for economic growth. The Governor's announcement of a new state plan replaces the previous outdated plan, which had been criticized by many as too complex. The State Planning Act, adopted in 1985, required coordinated statewide planning in accordance with local and regional planning. According to the Christie Administration, the legislative intent of the original plan hasn't been met, nor was the last State plan adopted in 2001. Conflicting regulations, combined with an inconsistent application of rules and standards, have discouraged development and contributed to a failed system of planning that has been restrictive to private business and difficult to navigate for all those affected.

During the announcement, the Governor laid out his goals for the new plan, which makes job creation and economic development the main priorities. The plan will target economic growth by:

1. Identifying and promoting "Regional Innovation Clusters," regions in the state with emerging industries – bio/pharma, finance, healthcare and renewable energy sectors – where infrastructure, educational and workforce resources already exist;
2. "Vibrant Regions" planning to grow and promote communities – including major urban centers, port areas, and other areas previously identified by county or municipal master plans – by providing access to quality education, housing, public transportation, infrastructure, parks and recreation.

An important piece of the implementation of the Governor's new plan will be the alignment of State government. Through Executive Order (E.O.) #78, a Strategic Plan Steering Committee has been established whose main objective will be to ensure various state departments and agencies follow the framework of goals in the new job growth plan. Chaired by Lt. Governor Kim Guadagno, the committee will include every state department or agency with a role in job creation and economic growth. The committee will coordinate inter-departmental planning, identify economic development spending around the goals of the new plan and work directly with the State Planning Commission to provide a forum for public input.

In addition, E.O. #78 requires each state department and agency to develop strategies that integrate the Governor's plan into program and rule changes, annual capital spending plans, intra and inter-agency coordination efforts and staff training regarding the new role of the strategic plan through committee liaisons. *BCANJ will monitor and report on the activities of the State Strategic Job Growth Plan Steering Committee, and update members on potential funding streams that will create projects and bidding opportunities for the construction industry.*

3% Federal Withholding Tax

As you know, a new federal law would require federal, state and local governments to withhold 3% from all payments for goods and services as a guard against tax evasion. The implementation date is scheduled for January 1, 2013. The withholding percentage would only be applied when a federal, state or local government has more than \$100 million (in the aggregate) of contract expenditures. A bill to repeal the 3% withholding was released from the US House of Representatives' Ways and Means Committee in early October. On October 27, 2011, the full US House of Representatives voted the repeal-bill out of the lower house by a wide margin of 405 to 16. The US Senate defeated an earlier version of the measure this month. However, since President Obama has said forcing contractors to forgo three percent of their earnings will ultimately hurt the economy, and a majority of US Senators have already voted to repeal the burdensome tax, AGC of America expects the Senate to act swiftly by placing the bill on the agenda for another vote. AGC of America is leading the discussion with our nation's lawmakers, and continues to advocate for the legislation's swift passage with state chapters strongly supporting their efforts. *For additional information on this important federal issue, please do not hesitate to contact the Association office.*

NJ EDA offers more credit for small businesses

The NJ Economic Development Authority is currently offering loans, credit guarantees, and venture capital investment opportunities through new federal funding. The money comes from the Small Business Jobs Act of 2010. To learn more about NJ's available business growth programs, call the State's Business Action Center at (866) 534-7789 or visit www.NewJerseyBusiness.gov.

NJ DOLWD increases

Unemployment Insurance anti-fraud efforts

Announced in late October, the NJ Department of Labor and Workforce Development (DOLWD) has protected our state's taxpayers against approximately \$56 million in fraudulent unemployment insurance payments. DOLWD reorganized its Fraud and Risk Prevention unit this past March, and became the only agency in the nation to utilize an aggressive network of cross-matching hiring data to prevent the country's most common form of unemployment insurance fraud, which is payments to individuals who are no longer entitled to UI benefits because they have gone back to work. Between April 16 and September 3 of this year, the Department prevented an estimated 35,000 individuals from fraudulently collecting benefits after starting a new job. For additional information on DOLWD's proactive efforts against fraud visit www.lwd.dol.state.nj.us.

Election Day - November 8, 2011

All 120 seats in both the Senate and General Assembly of the NJ Legislature are up for election this November. New legislative districts, Governor Christie's popularity among independent voters and President Obama will all play a role in the upcoming legislative elections. Voter turnout in non-presidential election years is traditionally low. Therefore, the deciding factor for notable contested districts will be a candidate's ability to get out the vote. Polls open at 6 a.m. on Tuesday, November 8, 2011.

For more detailed information on federal and state government affairs initiatives, please contact Michael Travostino, Government Affairs Director at the BCANJ office: 732-225-2265, or mtravostino@bcanj.com

