Committee Meeting

of

SENATE ECONOMIC GROWTH COMMITTEE

"The committee will receive testimony from invited guests representing business, agricultural, and economic development interests within the state on how to facilitate starting and growing a business in New Jersey"

LOCATION:	Committee Room 10 State House Annex Trenton, N.J.	**DATE:**	May 21, 2026 11:00 a.m.

MEMBERS OF COMMITTEE PRESENT:

Senator Nilsa I. Cruz Perez, Chair
Senator Shirley K. Turner, Vice Chair
Senator John J. Burzichelli
Senator Joseph Pennacchio

ALSO PRESENT:

Amanda DeMarco
Suzanne Miller
Office of Legislative Service
Committee Aides

Michael Horgan
Senate Majority
Committee Aide

Reina Smrdelj
Senate Republican
Committee Aide

Meeting Recorded and Transcribed by
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Hearing Unit, State House Annex, PO 068, Trenton, New Jersey

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SENATE ECONOMIC GROWTH COMMITTEE

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COMMITTEE NOTICE

TO: MEMBERS OF THE SENATE ECONOMIC GROWTH COMMITTEE

FROM: SENATOR NILSA I. CRUZ-PEREZ, CHAIRWOMAN

SUBJECT: **COMMITTEE MEETING - MAY 21, 2026**

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The Senate Economic Growth Committee will meet on Thursday, May 21, 2026 at 11:00 AM in Committee Room 10, 3rd Floor, State House Annex, Trenton, New Jersey.

The committee will receive testimony from invited guests representing business, agricultural, and economic development interests within the State on how to facilitate starting and growing a business in New Jersey.

Issued 5/18/26

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SENATOR NILSA I. CRUZ PEREZ (Chair): May I have everybody's attention?

This is great. Unfortunately, we're in the tiniest room today when we had so many people, because so many things are going on in Trenton today; so, I apologize for the people standing. We're going to be calling some people in groups. There's a couple of people who have to leave because of prior commitments, so I'm going to go through the list. And, let's have a great, wonderful Committee, but before we start, I'm going to ask Senator Pennacchio to lead us in the Pledge of Allegiance, please.

(Pledge of Allegiance recited)

Can I have roll call please?

MS. DeMARCO: Senator Pennacchio.

SENATOR PENNACCHIO: Here.

MS. DeMARCO: Senator Corrado.

SENATOR CRUZ-PEREZ: She's here; she's in another committee. She should be back soon.

MS. DeMARCO: Senator Corrado is on her way.

Senator Burzichelli.

SENATOR BURZICHELLI: Here.

MS. DeMARCO: Vice Chair Turner.

SENATOR TURNER: Yes, here.

MS. DeMARCO: And, Chair Cruz Perez.

SENATOR CRUZ PEREZ: Present.

MS. DeMARCO: You have a quorum.

SENATOR CRUZ PEREZ: Thank you, and I want to welcome Senator Burzichelli for substituting in our Committee today, so thank you so much for that.

Good morning, everyone; buenos dias. Today, the Committee will receive testimony on how the Legislature can help our businesses and start and grow in our state. The goal of today's gathering is to create possible legislation to help the businesses. We have different people, stakeholders, from different areas in our Committee that will be covered today. We're looking forward to working with the Sherrill Administration. She has indicated that she wants to keep, protect, grow, and make sure that the businesses are thriving in New Jersey. So, with that commitment from the front office, and this Committee -- all the members from this Committee -- we're going to be working on a package of bills to make sure that our business community grows stronger and are able to stay. With that, I'm going to allow Senator Pennacchio to say a few things.

SENATOR PENNACCHIO: Thank you, Madam Chair. I just want to thank you for the initiative and putting this all together.

We can see regionally in states and New York, the out migration, how jobs are leaving. But, this is important; maybe we can find out this morning what can attract jobs, because we can tell you who leaves, but, really, we can't tell you who never even gave New Jersey a second thought to coming here and setting up shop. So, it's very important that the same element that may be driving people out may be keeping people from coming in. To your credit, and to the administration's credit, this is one of the first meetings that we're having, and that sort of lends an importance to the issue and how we want to deal with this. So, again, I thank you, and I look forward to the testimony of people and letting *us* know what we can do to make life a little bit easier for you guys in New Jersey. Thank you.

SENATOR CRUZ PEREZ: Thank you.

Vice Chair, anything on your end?

SENATOR TURNER: Thank you, Madam Chair, and thank you so much for bringing us together today because it's more important now than ever that we work together in order to keep businesses in New Jersey, and to also attract more businesses, and take care of all aspects of New Jersey; particularly keeping the garden in the Garden State.

So, we want to make sure that we do everything we can to be self-sufficient, independent in terms of feeding the growing population of this state. Thank you.

SENATOR CRUZ PEREZ: Senator Burzichelli, would you like to say something, before we start?

SENATOR BURZICHELLI: Chairwoman, thank you, and I echo the Senator Pennacchio with regards to trying to sort this out.

We know New Jersey offers great market accessibility, a great workforce, and we also know that we're in competition with the rest of the world. So, it's not uncomplicated; it's not easy, to make us as competitive as we could possibly be, but these kinds of sessions can lend some guidance. So, we're all in this together.

SENATOR CRUZ PEREZ: Thank you, Senator Burzichelli.

So, let me explain some of the rules that we're going to exercise today. We're going to limit the comments to five minutes or less. I really appreciate everybody coming over here to tell us how we can move forward -- New Jersey and the business community. We do have two members of the

Governor's Cabinet here today, the CEO of New Jersey EDA, Evan Weiss, and we also have Ed Wengryn, a good friend of mine, with the Department -- Secretary of Agriculture. Thank you for coming. You will follow two people that are going to bring me forth; it was supposed to be you guys first, but I apologize-- Chris had to go because he is here with a fantastic group of people, and he has to go and just have something that she told me previously that she has to be out. So, I'm going to bring you guys, and Chris, you go first, and Jess, where's Jess?

Oh, OK, sweetie, would you please join us? Good morning, it's so good to see you.

MS. DeMARCO: For the record, we have Jess Niederer, owner of Chickadee Creek Farm, Chair of the Organic and Regenerative Farming Board, and Chris Emigholz, Chief Government Affairs Officer, NJBIA.

SENATOR CRUZ PEREZ: Chris, would you go first, and please introduce the wonderful people that are here in Trenton visiting today, and I know you guys are holding a panel, hopefully, I'd be able to join, but, if not--

CHRISTOPHER EMIGHOLZ: Yes, that would be wonderful; thank you very much, Chairwoman Cruz Perez, and thank you very much Vice Chair Turner and members, Senator Pennacchio, Senator Burzichelli, members of this esteemed group. Thank you very much for the opportunity to speak to you about ideas to grow the economy.

Before I get into that, BIA is very privileged today to be able to hold our annual manufacturing State of the State event, in partnership with the NJMEP program. BIA and MEP are the preeminent advocates for manufacturing in the state, and we're joined by hundreds of manufacturers around New Jersey, some of which are here -- how to grow the economy, and you were perfect timing with this, Chairwoman, how to grow the economy. We want to grow manufacturing; that's a critical part of the economy and a sneak peek is that's in my testimony. I'm talking about manufacturing, the importance of that. So, we actually have -- and, all of you are invited -- up in Committee Rooms 15 and 16 on the fourth floor, the Governor's office, and any Senators that can, at noon we're going to be talking about how to help manufacturing specifically, but also announcing the Coolest Thing Made in New Jersey award -- the second year we've been doing this. And, we have four finalists; no one knows who's going to win; and great manufactured products all over the state and behind me in this room.

So, to jump into this is, how to grow our economy is complicated, but BIA tries to simplify it, and hopefully this will help you and the Legislature to be thinking about different areas to grow the economy. I really think there's five factors that influence, are we growing or are we not, in the economy. Three or more on the positive side, and two or more on the negative side. And, if we are winning on all five of these, then we're doing great in our economy. But, we know that right now, not everything is great. We have an unemployment rate towards the bottom of our nation. It's actually showing some improvements in recent months, but it still is towards the bottom 10 of our nation, but below Pennsylvania and New York, that we often use as measuring sticks; we're below the national average. So, we're not creating the jobs in New Jersey that we want. And, there's a lot of reasons for that, and hopefully when I run through these five indicators, maybe we see why.

So, on the positive side, Number 1 -- I think it's maybe the most important thing we could all do -- is workforce development. We can get behind workforce development; I think that's a win. I'm going to run through all five and then give some examples in a minute. Workforce development is Number 1. Number 2 is, we can support the innovation ecosystem of which manufacturing is a key part. We need to come up with new things; we need to make things; we need to have ideas. That innovation economy is what can grow the economy, and New Jersey has been a leader, historically; hopefully we can get back to that. The third positive one is, we gotta build things; infrastructure is key. If we're building infrastructure; building roads; building energy power plants; pipes; you name it, infrastructure is a way to grow the economy. So, positive is innovation, workforce development, and an infrastructure. On the negative side is, we got to control costs; it's too expensive to operate a business in New Jersey; taxes are too high. And, then, the other one is the regulatory environment. Sometimes it's too difficult to run a business in this state, so we need to ease that. And, I want to start with examples in that, because I see two great examples of things that are going in the right direction -- the wrong direction.

Number 1 is -- I want to give credit to Governor Sherrill on her saving time/money agenda. We have-- And, we've all seen, and I'm talking to politicians right now, you guys are not the case, but we've seen nationally, and we've seen locally, we've seen Republican and Democrat where sometimes people campaign on something but don't always follow through; never happened with you guys. But, Governor Sherrill, she campaigned on her saving time/money agenda, and then her first budget, she's investing in the saving time/money agenda. So, she wants to improve permit -- improve the permit process, DEP and hiring people there. She wants to have a permit reform dashboard; she wants to make government more transparent with a budget report card; she wants to make it easier to get an occupational license and investing in IT there. She wants to beef up Business Action Center so they're more responsive to all these businesses behind me; she's putting money there. So, we see a governor that's kind of putting her money where her mouth is on making government more responsive and maybe easing that regulatory burden that we all have. We've got a long way to go, and there's mandates that come out of the Legislature -- come out of our departments -- that we need to try to ease off, so that's the going in the right direction on making our regulatory climate better. Going in the wrong direction, I would have to bring up the ABC rules that were recently filed; they're going to be adopted in the register on June 1, and then they take effect October 1; that's an example. We're talking about how to grow jobs; a lot of the sole proprietors in New Jersey, a lot of sole proprietors that are independent contractors that work for these larger manufacturing firms behind me; like, we're making it harder to be an independent contractor, and I do appreciate-- I know members of the Senate, Democrats, Republicans, members of the Assembly wrote letters to Commissioner Asaro-Angelo last year saying the rules went too far; now they're going to take effect October 1. But, we were given a window to hopefully take some legislative action to make them better. And, I know it's been something that, thankfully, Senator Johnson of the Labor Committee had a hearing on this last week, that I testified on. We have ideas to make it better; we'll be meeting with you. But, that's an example where going in the right direction to make our regulatory climate better, but also going in the wrong direction. So, that's number 1.

On the cost side, I just wanted to -- we're about to enter the budget period and figure it out in June -- I have to say, we appreciate Governor Sherrill trying to hold the line on spending. If we can't get our spending under control, we'll never be able to lower the taxes that I think we all want to do. We have the highest corporate tax rate in the nation; we're one of two states in the nation that's in the top third of the four major taxes: Property tax; sales tax; income tax; corporate tax; and nobody else has that unrelenting tax environment that we have. We can't keep spending, spending, spending, because then we need the taxes to support that spending. We have to start getting a little bit better, more disciplined; I think the Governor's trying, and we hope that happens. There's important things that we invest in; there's a lot of important things that I know the Legislature wants to restore. I think there's some good things we can do, but we can't have that level of spending additions that we saw under the Murphy Administration. So, those on the negative side.

On the positive side, I want to start with manufacturing innovation. We had a great program, and I know Evan Weiss is here with the EDA, the Manufacturing Voucher Program, we hope -- and BIA has ideas for this -- would love to work with you on restoring that and we talked to the EDA, and would love to work with the EDA, the Legislature, on ways that we can restore that but make it more targeted and focused and friendly for New Jersey manufacturing community and taxpayers. So, that manufacturing voucher program incentivized manufacturers to buy-in and capital purchases for their plant, so that they can be expanded; they can be more productive; they can hire more people. So, it was a good thing; it was wildly oversubscribed immediately, and it went from $25 million, $15 million, $10 million, and then it went away in the last Murphy budget, and still gone now, but we have ideas to bring it back and it'd be a more cost-effective way. Also, in this budget -- and, it's the only budget resolution BIA has asked for -- is to restore NJMEP's funding in the budget. Years ago, they got $2.5 million; it went to $2 million; it went to $1 million. Last year, the Legislature brought back a million, it was a legislative addition, so, if Governor Sherrill, in getting rid of all the legislative additions, got rid of them, brought them back to zero, if we can restore that. There's budget resolution language that was sent around the budget committees to try to do that in an off-budget, non-line-item way, so it doesn't cost anything, similar to what Governor Sherrill has asked for. We're trying to hold the line on spending and being all creative and trying to fund that. Manufacturing extension program does great work--

MS. DeMARCO: My apologies, that was about five minutes.

MR. EMIGHOLZ: About five minutes; well.

But, yes, those are the five ways to look at the economy; hopefully we get minimized the bad stuff; get better at the good stuff; and BIA is happy to work with you on all five of those factors to grow our economy and make jobs here in New Jersey.

Thank you.

SENATOR CRUZ PEREZ: Can you make sure that we -- all the members of this Committee -- get that information, as well--

MR. EMIGHOLZ: Yes.

SENATOR CRUZ PEREZ: --and send over the papers so we can work together.

MR. EMIGHOLZ: Yes, and all of you were given my testimony.

SENATOR CRUZ PEREZ: Thank you.

MR. EMIGHOLZ: Thank you very much for the time, and thank you for being flexible so that we can go back with our manufacturing event upstairs, and we do welcome all of you to jump upstairs after this hearing is done.

SENATOR CRUZ PEREZ: Well, enjoy the rest of the day with the manufacturing company, OK, and thank you so much for everything you do and being such a great partner with all of us.

MR. EMIGHOLZ: Thank you, Chairwoman.

SENATOR CRUZ PEREZ: Thank you for your testimony.

Good morning.

J E S S N I E D E R E R: Thank you, good morning. Thank you so much, distinguished Senators, for inviting myself as a representative of the Organic and Regenerative Farming Board of New Jersey to talk with you about this today.

Our Board was just created in 2023 to advise and elicit support from the Department of Ag. for organic and regenerative farmers in the state. I think -- to quickly define what that means -- regenerative farmers are those who use practices that address soil health; address climate responsibility; and resilience on their farms. And, generally, try to look at an ecological approach to farming that reduces inputs. So, that's not just organic farms, though it includes organic farms; there's many other farms that are also regenerative. In 2025, our Board conducted what is the most thorough needs assessment of that population of farmers in the entire northeast, focusing just on New Jersey growers. There were 90 growers who responded, and I have those reports to distribute to you right now. What we found these growers, these farmers, required the most-- The biggest barriers to farming here, is access to affordable land; access to affordable equipment; and extreme weather events. We're seeing a lot of that in the news right now, where farmers are taking it on the chin with extreme weather. In terms of access to affordable land in the state, continuing to put focus into our farmland-preservation program is the Number 1 thing that we can continue to do that we're doing well. However, that land is still out of reach for many. And, when you're talking about somebody looking to farm, they either need a long-term lease -- that would be like a hundred-year lease -- or, they need to own the land. Otherwise, the investment in the equity of that resource doesn't make sense for somebody to run a business on. So, the State could do more in terms of making it so people can access those long-term leases, rather than just being able to purchase land; require them to purchase land. I think there's room for our State programs within preservation to work on programs like that.

In terms of equipment and affordability of equipment, the State has run through the NJDA, several really effective grant programs for beginning farmers. The NJDA has a fantastic grants crew that has been able to get money to small businesses that have been transformative for them. And, in our population of growers, we find that that's been one of the most important things to have happened. It is just starter capital to start running with it. And, then, we make product that we pay taxes on. So, it all comes back to the State. The most recent agritourism grant program showed incredible interest. Our farm was one of the lucky recipients of that, and we're going to make money for the State and make our state taxpayers happy by what we've done with those programs. And, there is just incredible demand; you can really see there's more room to grow this. Our population of growers that I'm representing, mostly direct-market-- That means that this group of farmers is mostly selling right to the end consumer, so that's where our marketing needs to focus. And, one of the other really important things that I want to mention about what we learned in this survey is that our most profitable types of farms that are organic and regenerative, are those that have 11-20 employees. That's a fairly large farm, and it requires fairly sophisticated management to be able to build your business to that point and then maintain your workforce, maintain your markets. The other thing about our farmers is that they tend to be new, first-generation farmers. So, they don't have necessarily the business background and training. To be a farmer, you need a B.S. in biology; you need a B.A. in psychology; and then you need an M.B.A. to do it all well. It's really asking quite a lot. So, I-- This is a little bit of a hot take from our board, but, we're really starting to see the necessity to have funding tied to business training. So, if there is going to be a grant program, then there should also be the requirement to have additional business training for new businesses. Again, that's a hot take. I'm offering to make something more complicated; but, I think it would make it more successful over all.

Those are my -- the things I really want you to remember. So, I don't want to say more.

SENATOR CRUZ PEREZ: Well, thank you-- Thank you so much for your testimony; I know you have information for all of us, so thank you.

MS. NIEDERER: Who can I hand this to?

MR. EMIGHOLZ: Thank you, Chairwoman.

MS. NIEDERER: Thank you so much, yes.

SENATOR CRUZ PEREZ: I would like to call our Executive Director of New Jersey EDA, Evan Weiss. And, also I'm going to ask Ed Wengryn to join him as well, Secretary of the New Jersey Department of Agriculture.

And, thank you so much for coming and testifying with your busy schedule. Not that I didn't see you in Budget already.

(laughter)

E V A N W E I S S: Thank you, Chair, and thank you to everybody for having me here today.

I just was really struck by the remarks I just heard, and sitting next to my friend the Secretary. EDA has a lot of tools to use for economic development, but they're a lot more limited than I think a lot of people realize. Farming is a great example, an incredibly important industry in the state. We were just talking about how it's the first industry really in this state. But, other than some very exceptional circumstances, the EDA does not really have tools to support farmers or agricultural equipment grants or lending. And, I have a lot of tools to do certain kinds of real estate projects, and do certain -- especially in film these days -- literally hundreds of millions of dollars to spend. And, I don't know what the grant levels are that the NJDA has or other areas, but, to me, it always feels a little lopsided. There are so many areas, both in terms of sectors and in terms of geography, is that I feel like we tend to miss, whether that's cities or rural areas. I feel like we don't do quite enough, and that if there's kind of one overarching theme that I'd want to work on together, it's the idea of tools. How do we make sure we have the right tools that aren't so, really, just geared towards certain industries? And, going to what NJBIA was saying earlier, and Chris, we've, I think, literally met last week, to talk about our shared desire of-- We have some good tools for very large manufacturers with the Next NJ Program, but it's more difficult for us right now, for mid-size and small. When the manufacturing voucher program ran out, that was kind of it. It doesn't feel great for me to say, "I'm sorry, if you were this big, then we could have you covered, but if you're not, I don't have the tools for you." These are all things I'm hearing -- I'm learning about -- from talking to my colleagues, to all of you.

But, it's still too anecdotal for me; that's one other thing I wanted to address today, which is the idea of data. The data that we have to make these decisions is not nearly where I'd like it to be. If we were an investor, an investment bank, we'd have more data than we know what to do with. We'd be capturing data for literally decades in order to help us make decisions; we don't have that. We have some internally to the EDA, but often we'll pay a third party; we'll bring someone in to do a study for us. Sometimes it's great; we have great partnerships with Rutgers, NJIT, Rowan, different community colleges around the state. But, when we're making, literally, $100 million bets for us to have the internal capacity to be able to analyze that and understand it, it would really help us make the choices that we want to make and make them correctly. The good news with that is that the State has enormous amounts of data; it's one of the richest things that we really have as an asset. You think about how Silicone Valley makes money; they make money off of our data. The State has it, whether it's in Labor and Workforce Development, Taxation, all this incredible data to help us make smart choices, but it's about figuring out how we can share it, preserve privacy, and evaluate it. And, again, bringing on higher education partners often to help us analyze it.

The two last things I'll say is around two ideas of efficiency and simplicity. A lot of the programs that we administer, when we actually put them out into the market, how they work, particularly the tax credits, they lose value. So, if the State is basically giving a tax credit away for the value of a dollar to a private company, they take it a discount, maybe it's 90 cents. But, then, if we're doing a real estate project, it has to be monetized, meaning they get it up front, so they can start doing the project, and the State will distribute over 10 years or so. Interest rates keep climbing. Right now, there's about a 9.5% or 10% interest cost a year to bridging those tax credits. So, you can go for a one dollar tax credit to something that's really worth, or kind of hovers between 50 and 56 cents for the projects. That is too much deterioration of value when you look at how we can fix that, because we still have billions of dollars worth of tax credit authorization.

The last thing I'll say is just simplicity. Our programs are complicated; the applications are tough; you need an enormous amount of disclosures. Again, if you're a big business, that's fine; you can hire lawyers, accountants, et cetera, to be able to get through that. But, if you're not, you might say, "You know what, I can't deal with it. I can't deal with the application; I can't deal with the ongoing compliance." That's never something that I want to see, and I'm sure, unfortunately many of the folks sitting behind me can probably attest to that. So, being able to make these programs as easy as possible to use for actual business people who don't have time -- they're running businesses -- the idea that we're going to ask them to go through all these hoops and ladders, I really want to get away from that as best we can while being responsible.

The last thing-- The very last thing I'll say is just, I really appreciated working with many of you, Senator Burzichelli for example on some manufacturing initiatives in your district. The ability for us to be partners in this, it's so crucial. It's such an important demonstration to international companies, for example, that if we want to bring a company to Trenton, we can work together. That doesn't happen in Washington. The relationships that we have with all of you are so helpful to selling New Jersey to the world and to other parts of America, that we have a functioning, collaborative government; it's really something you can't take for granted. So, I appreciate it, thank you for the time, and I know we'll be talking more soon.

SENATOR CRUZ PEREZ: Thank you; thank you so much.

We're looking forward to working with you and the agency, the entire Committee, to move forward some of the initiative and continue to work together, whether we're doing it in our district or we're doing it in general within the State of New Jersey. So, we're looking forward to that relationship, and that working relationship with all of us in this Committee. I know Senator Pennacchio is very eager to start working on some of the business and retain business in New Jersey and provide real opportunity for a business to stay in New Jersey. So, thank you.

MR. WEISS: Thank you, Chairwoman.

SENATOR CRUZ PEREZ: Mr. Secretary, good to see you, sir.

E D W A R D   D.   W E N G R Y N: Good morning, Madam Chairwoman, and members of the Committee. Thanks for the opportunity to be here and address you.

Big news announced last night, Governor Sherrill issued the emergency declaration for a frost we had in late April. This is one of those rare weather events, generational, if not multi-generational. We had that warm week in April of 80- and 90-degree temperatures, literally summer weather, that forced a lot of our plants to advance and bloom and move ahead of schedule. At that point, peaches were already set on the trees. Sunday, Monday night, temperatures as low as 20 in parts of the state literally froze those fruits, they literally-- Ice formed in them. All of the best practices that farmers were doing-- They survived four other major sort of frostings this season, that Monday night just, they -- nothing worked. The air came in, it was so cold, it just stayed there, and for four hours, everything froze. So, there will be some New Jersey peaches, because a little bit here and there. Our blueberry crop, 30%-50% loss; there will be New Jersey blueberries in the markets, so we encourage people to look for them. Ask, make sure your supermarkets and those providers; they will be in the marketplace.

One of the industries that got severely damaged is our wine industry, our grape industry. They're looking at potential two years' loss of crop, because, not only was this year's blossoms and fruit coming out, the second budding, which is the fruit for next year, had also emerged. And, that was all damaged. So, we're going to have a-- This nice weather that we just had, this rain that's coming in, we're going to get a better idea over the next couple months how bad and severe that damage is. A lot of new varieties and new plants may not recover from that kind of cold, and they're going to have to start all over. So, that industry is one that's going to be necessary. On the executive order, it really allows us to look at -- like, we're hearing from strawberry producers -- those who were able to double cover with protective covering made it through fine. Those who did single covers lost some of that fruit, about 50% of that fruit. So, the idea is, can we get them better tools to manage these kind of cold events, so that's what we're going to work through with emergency management. Our agency, particularly on preserved farmland, 50% of what you sell on a farm, on the preserved farm market, is supposed to come from your farm. We're going to waive those requirements. Because, if you were a peach grower and you also did a vegetable stand, you can still do your vegetable stand, but you're not going to have your peaches to offset that. So, we're going to waive those kind of requirements to allow those markets to continue and operate.

Our vegetable season will be fine. Asparagus took a little clip, but asparagus season is still on and out there. Strawberries, most New Jersey strawberries are pick-your-own, so you'll see them at your farm markets, your farm stands. And, that's sort of the good news on that. We're here with a group of manufacturers. I just came from a farm that received a national award for a business builder grant. Put in improved his energy sustainability with a permanent generator built on the farm. But, also refrigeration unit and washing units for his vegetables. One of the products he produces is peppers. And, they're made in specialty sauces. He has to take his product to Pennsylvania for a Pennsylvania manufacturer to do it. Again, cost of business to do it in New Jersey. But, also, those small businesses that would handle this kind of volume, that's what we want to help create with our New Jersey farmers to make those partners in manufacturing; taking our seasonal products, turning them into year-round products that our consumers can get year round, with canned sauces, canned specialty products that way.

So, that's some of the stuff we want to work on. Just mention some of the Federal programs that we've administered, especially Crop Block Grants are one of them, and those go to the industries to promote that part of our fruit and vegetable productions. It cracks me up when you say specialty crops; specialty crops are all the foods we eat. Traditional crops -- corn, wheat, soybean -- that's our commodity crops. And, Federal programs are really designed for commodity crops, less so specialty crops, but these are the things I think we really want to work on with the manufacturing sector, because, what we produce in the summertime, frozen blueberries can become treats in kids' school meals. It's connecting what we grow and produce in the state with the manufacturing world to make sure we have great quality products. And, within that, I work on the Board for Food Export Northeast, which helps small manufacturers export their foods. We have grants, education programs, and things that we can get them to ship their products overseas. One of our wineries, one of the side projects, took excess blueberry juice, and now packages and bottles and ships that to the far east, China, Japan; he can't keep it on the shelves for them, over there.

So, these are the opportunities that we have to grow and expand agriculture. We can do some trade assistance as well as being the supply chain for local manufacturers on local foods. There's a whole project up in the northwest part of the state on grains and specialty grains, and they are producing those, getting those to specialty bakers, restaurants that want those quality flours to make unique ingredients. And, again, that's going to be that new emerging market. Yes, grains are a commodity crop, and if we can do specialized grains and get the premium prices that producers need to be productive, that's the stuff we want to be helping our markets do. And, we will be working with Evan and the Business Action Center, because, as we said earlier, this is one of our oldest industries in the state. I've got farms still in operation, 13 and 14 generations before New Jersey was a state in this union; these farm families were operating this land. Those are key investments. If they can survive all the things they've gone through for those multi-generations, and they're still in business and still excited to be in business, New Jersey is a great place to do business, and sustaining those things or industries, is a critical industry to our social fabric, and our economy.

So, thank you for the time this morning.

SENATOR CRUZ PEREZ: Thank you, Mr. Secretary. I knew that when I invited you, we didn't have the bad news, but after I saw the declaration last night and say, "I know we're going to hear the bad news," so it's really devastating.

We're looking forward to a tour; I would love to take this Committee on the road to see some of the farms, go as a Committee--

MR. WENGRYN: Senator, we're working on a unique one for June.

The other industry that touches my industry is aquaculture--

SENATOR CRUZ PEREZ: And, the aquaculture.

MR. WENGRYN: And, there is a farm that started raising and producing sturgeon i.e. for caviar in South Jersey, so we will be visiting the caviar farm, and some of our produce vegetable farms down there and looking at some of those unique markets; so look for those invitations to come.

We are planning on doing a peony farm this month, and then this heat and rain blew the peonies apart; she called us yesterday and kind of said, she said, "I'm not going to have anything to show. Can we do this again another year?" So, we'll be back to look at some of our retail cut flowers. That's one of our growth areas; we talk about our food all the time, cut flower production in New Jersey, we're seventh in the country in cut flower production. Think about that. So, we grow and raise quality products and, like I said, we market across the country and internationally.

SENATOR CRUZ PEREZ: So, I'm looking forward to the tour.

MR. WENGRYN: Yes.

SENATOR CRUZ PEREZ: Anyone have anything before I let them go? (no response)

Well, thank you so much for your testimony, and coming. I'm looking forward to that great partnership. And, I know that the Department -- and, both Departments -- are in very, very capable hands, so, thank you.

Now we're going to call our second round of panels.

MS. DeMARCO: We have Allen Carter, Jr., President, New Jersey Farm Bureau; and Stephen Lee, IV, Vice President of the State Board of Agriculture, Lee Brothers Cranberry Farm.

SENATOR CRUZ PEREZ: Good morning to you both.

UNIDENTIFIED SPEAKER: Good morning.

SENATOR CRUZ PEREZ: Allen, you go first, and then David, no, Stephen Lee. Sorry.

ALLEN CARTER, Jr.: Thank you, Chairwoman, and thank you, Committee members.

Thank you for the opportunity to speak with you today. I'm Allen Carter, President of the New Jersey Farm Bureau, and the CFO of Tuckahoe Turf Farms in Hammonton, New Jersey. I'm also one of four state Presidents from the northeast who serve on the American Farm Bureau Board of Directors. What could we, New Jersey, do to help new and beginning farmers, you ask? New Jersey is an-- New Jersey agriculture is often described by its history. It's known as the Garden State; preserved farms; family operations; roadside markets; cranberry bogs; nurseries; equine farms; dairies; vineyards; vegetable growers; and, specialty crop producers. And, let's not forget sod farms. But, if we want that history to continue, I believe we have to focus on the first five years of a farmer's life. That's the period when the dream is strongest and the barriers are the highest. A person who wants to start farming in New Jersey today faces three imminent challenges: Access to land; access to capital; and access to potential -- to practical business support. If we solve those three problems, we can help more than just one farmer. We can strengthen local food systems; preserve open space; create businesses; support rural economies; and keep agriculture viable in a state where land is expensive and development pressure is consistent.

The first challenge is land. In New Jersey, land is often the single biggest obstacle the starting farmer has. Even when land is preserved, it does not automatically mean it's accessible to a beginning farmer, a young farmer, a first-generation farmer; or someone transitioning from a farm employee to a farm owner may have the skill and the work ethic, but not the ability to purchase the land outright. That is why the state should build, own, and strengthen the work already being done through the New Jersey State Agriculture Development Committee, and its Farm Link resource. The Farm

Link Program already provides resources for farmers and landowners, including information on accessing land; creating leases; farm transfer planning; and connecting farm seekers with farm owners. The SADC also provides leasing resources and guidebooks, because leasing can be one of the most realistic ways for a beginning farmer to get a start. We can go further. New Jersey should consider a formal beginning farmer land-access initiative. That could include a statewide inventory of publicly owned land, or preserved farmland, that may be suitable for lease; model long-term lease agreements; incentives for landowners who lease to qualified beginning farmers; and support for counties that want to match retiring farmers with new operators. A one-year lease is often not enough for agriculture. Farmers need time to build soil; invest in fencing; irrigation; high tunnels; livestock facilities; equipment; and markets. If we want people to start real farm businesses, we need lease terms that give them security. The State can help by promoting five, 10, and even longer term leases on appropriate farmland, with protections for both the landowners and the farmers.

The second challenge is capital. Starting a farm is capital-intensive. A new farmer may need a tractor, refrigeration, fencing, irrigation, livestock, seed, insurance, fuel, feed, packaging, labor, marketing, transportation, and we should include programs to support farmers with climate variability to combat freeze like we just witnessed. This may include wind machines, netting, and orchard heaters, as well as climate-smart activities like covered cropping, or precision ag. equipment. Often these items need-- Often these items are needed well before the first dollar of revenue ever comes in. Traditional lenders may be hesitant because new farmers lack collateral, operating history, or even predictable cash flow. There are programs available. The U.S. Department of Agriculture Farm Service Agency offers farm ownership and operating loans, including programs for beginning farmers. USDA describes beginning farmers as those who have operated a farm or ranch for less than 10 years, and its resources include farmlands; crop insurance; conservation programs; and disaster assistance. FSA microloans are specifically designed to meet the needs of small beginning niche and nontraditional operations, including farms selling through farmers markets; CSAs; restaurants; grocery stores; and urban innovative growing systems. New Jersey also has resources through the New Jersey Department of Agriculture, including grant and financial service information, and the State Agriculture Development Committees Beginning Farmer Resources point farmers toward programs such as Farm Credit East; Farm Smart, which can provide working capital loans up to $75,000 for farmers in their first few years of business; along with business planning and financial advising.

The issue is not that no program exists; the issue is that for a new farmer, the system can be difficult to navigate. A beginning farmer should not have to know every acronym, like FSA, NRCS, SADC, and so forth, before they can even plant their first crop. That is what New Jersey--

MS. DeMARCO: My-- My apologies, the five minutes is up.

MR. CARTER: OK, let me summarize the end--

SENATOR CRUZ PEREZ: Wrap it up, yes, yes.

MR. CARTER: OK.

I'm going to skip down -- I'll give you my printed report -- but, I'm going to hit the top issues here.

UNIDENTIFIED SPEAKER: That's a lot of pages.

MR. CARTER: I had 10 minutes squared away here.

OK. OK. First, make land more accessible through long-term leases; Farm Link; expansion; landowner incentives; and better use of preserved and public farm land.

Second, make capital easier to obtain through startup grants; loan guarantees; microloan support; and a one-stop beginning farmer navigator.

Third, expand training and mentorship through Rutgers Cooperative Extension, County boards, and experienced farmers.

Fourth, invest in shared infrastructure so new farmers do not have to carry every cost alone.

Fifth, simplify regulatory guidance so farmers can comply with the law without being overwhelmed by it.

And, sixth, help beginning farmers reach markets so that they can build profitable businesses, not just productive farms. New Jersey does not need to choose between farmland and preservation. We can have both. Thank you very much.

SENATOR CRUZ PEREZ: Yes.

Are you going to be submitting that to us?

MR. CARTER: Yes.

SENATOR CRUZ PEREZ: OK, perfect, thank you, thank you so much; I'm looking forward to continue to work together.

MR. CARTER: Thank you.

SENATOR CRUZ PEREZ: Stephen?

S T E P H E N L E E, IV: Can everybody hear me?

SENATOR CRUZ PEREZ: Yes.

MR. LEE: My name is Stephen Lee, IV, I'm a sixth-generation cranberry farmer from the Pinelands of South Jersey. My family has been growing cranberries since 1868.

The fancy title I have that the Chairwoman had referenced is I'm the Vice President of the New Jersey State Board of Agriculture. In that role, which is a voluntary role, I'm one of eight that oversees the operation of the Department, and most importantly, we are the sounding board for farmers at the grassroots level. And, I think that's a tremendous benefit that we have as a state, is that we have a structure such as the State Board in cooperation with the administration to be able to understand, to be able to react directly, to farmers' concerns. Ed had referenced frost; I think Jess had referenced frost; being where I live, it's one of the coldest spots in the state. As a cranberry grower, we have frost that'll go all the way through July because of our location. We are fortunate to where we've made business decisions and infrastructure decisions to help us combat frost, but a lot of my colleagues are right down the road in Hammonton; some have that opportunity to be able to do that, some do not. I think it's important to note that in spite of the disaster declaration and the work we're doing there; I think it's important to note that the farmers are continuing to manage their crops in spite of the weather limitations.

So, this summer, we will still have blueberries; we will still have sweet corn. It's important to not forget that the farmers are still there working every day in spite of the challenges they've had from a weather standpoint. I want to really emphasize that. But, there will still be blueberries. There will still be corn. Is it as much as we've had previous years? Probably not. But, we have to continue to support the businesses that are still there every day working with what they have. Farmers do not need any challenges, regulatory, to get in their way. And, the thing that I think is the one asset the State has which we have not utilized properly, is a brand called Jersey Fresh. Everyone likes to talk about Jersey Fresh and how great it is, and, "Jersey Fresh," and, "We're proud of Jersey Fresh." Ladies and gentlemen, neighboring states as well as Florida and other states far away from here took that model; grabbed it; took advantage of it; and are using it to their advantage. When we have $100,000 appropriation in the budget, that is not nearly enough to be able to support the farms to participate in that program. At one point we had $1.2 million under the Whitman administration. What that does is it gives farmers that participate in the program an opportunity to be able to market on their own, to be able to think about on their own, "How I can restructure my business to be able to take advantage of those opportunities."

Farmers are probably the most innovative individuals you'll find. Weather, we can't control the weather. How do we control it? Not a chance. We don't want to try to increase the pressures on the customer because we want to be able to make the customer happy and be able for them to come back time and time again. I think the message that I want to really emphasize is that this $5 million appropriation that we had from Travel and Tourism, the tourism grant that we talked about. I had to read through 456 applications along with my colleagues on the State Board. With $35.5 million that were asked, we had $5 million to give away. To go through that process and have to read about all the individual stories in each one of those applications, for us, was very, very difficult as a Board. Because, we had to make decisions based on the merits of the application. And, my one ask -- if anything, from that experience -- is to give us more money. Because, the farmers that are in New Jersey have the ability to be able to utilize resources like that, a very simple $100,000 per application, what we were awarding, but the economic benefit to that trickles down more than we can even imagine.

And, going on to the subject of tours-- As many of you know, cranberry tours are a pretty popular thing, and we look forward to hosting one in October.

SENATOR CRUZ PEREZ: Thank you.

Thank you so much. What do you do for protecting the crops?

MR. LEE: We have a solid-set irrigation system that we've installed, and all of the cranberry bogs, all the bogs drained.

And, what we've done is we have irrigation, overhead irrigation. So, what'll happen is that when the temperature gets down to about 27, 28 degrees, the irrigation pumps will come on, and what we do is we create a nice blanket over top of the berries and the fruit and the buds. To give you an example, we had two frost nights last week, it got down to about 27 or 28. But, when we're down there we have to constantly monitor and make sure all the sprinklers are working. So, it's safe to say this frost season we probably had about 10-15 frost nights thus far. And, being in the Jersey Pinelands, it's just the way it is.

SENATOR CRUZ PEREZ: And, the cost?

(laughter)

OK.

MR. LEE: So-- No, I'll tell you; I'm glad you really asked that, because the fuel component is probably my biggest concern right now.

Right now we're paying on a wholesale price -- for the month of April we paid $3.68 per gallon -- which, is actually pretty good. My forecast this week -- or this week -- my forecast this year for fuel cost is $61,000. Last year--

(laughter)

--we spent $45,000.

SENATOR CRUZ PEREZ: I know.

MR. LEE: And, the year before that when had the drought, we had $53,000.

The fuel cost is something that we just have to kind of contend with. The thing that we don't need is more regulations, and more restrictions, and no support for programs like Jersey Fresh to be able to do business.

SENATOR CRUZ PEREZ: We hear you loud and clear. Anything from you? (no response)

Well, thank you so much for your testimony. Both of you.

UNIDENTIFIED SPEAKER: Thank you.

SENATOR CRUZ PEREZ: The next panel.

MS. DeMARCO: Dr. Brian Schilling, Director at Rutgers Cooperative Extension, and David DeFrange, Owner, Copper Creek Nursery, Member, State Board of Agriculture and past President.

SENATOR CRUZ PEREZ: Dr. Schilling, good to see you; David, a pleasure to see you, too.

UNIDENTIFIED SPEAKER: My pleasure.

B R I A N S C H I L L I N G, P.h.D.: Good morning, Madam Chair, Vice Chair Turner, and Committee members; I'm Brian Schilling, Director of

Rutgers Cooperative Extension, and Senior Associate Director of the New Jersey Ag. Experiment Station. Thank you for the time on the agenda.

I'd actually-- I modified some of my comments based on what's already been said, to maybe introduce a few new things or provide further context. One thing I haven't heard yet is how fortunate the State of New Jersey is to have a solid foundation in policy. You've heard farmland preservation mentioned a few times; here's a broader perspective: We, New Jersey, are a leader in the nation in that area. It's not just the amount of money or the amount of land we've protected; we've allowed that program to adapt and change over the years to adapt to the needs of the State, as well as the agricultural industry. Without it, some of these land-access issues that have been previously spoken about in earlier testimony would be worse than they already are.

Something I haven't heard today, yet, that I think it's important to share with you is -- I'm stealing my concluding remarks -- the ability for this industry to adapt is the secret to its survival. Even in the 34 or so years I've worked with the industry, it's transformed amazing, in amazing ways. One of the ways that it changes is when it has a long enough planning horizon in farming to say, "I'm going to be doing this for 10 or 20 years," or, "I have a child coming up who's going to farm after me," and you make these longer-term investments. The problem we're struggling with in some cases, is that we have shorter planning horizons. There's something called an "impermanence syndrome," where farmers sometimes don't see a long-term prospect for farming viably in the state, and they pull back some of these investments -- like what Steve was just saying earlier -- to install frost protection, or to modernize your equipment. So, part of our challenge is to give that planning horizon, and Right to Farm gives farmers some level of legal protection against nuisance complaints, or excessive regulation that gives them a little bit more confidence to make those investments.

So, one of the things that I'll share with you is New Jersey is known nationally for the high value of production, and I'm a numbers guy, so, I'll give you a little context. We actually rank -- believe it or not -- fourth in the nation in terms of the value of what we produce per acre of farmland, *fourth*. When I talk to my midwestern colleagues, they're astonished at how much diversity we have in our production, and how much we extract. The challenge here? We rank third, when you look at how much it costs per acre. So, I'll share with you a few, unfortunately, what I call "New Jersey Firsts." When you look nationally, we are actually the first in the nation when it comes to how much hired labor we hire, the value of that labor per acre. It's over 13 times the national average. Now, a lot of that is to be able to produce these high value nursery or fruit and vegetable crops; it's very labor intensive. When you look at utilities, five times the national average. When you look at property taxes, nine times the national average. So, the moral of the story is not doom and gloom at all, and I've made that very same comment, I think, in front of this Committee before, the question is what to do about it.

So, some of the things that I thought I would try to emphasize that I don't think have been touched on, or maybe to expand upon is, for example, land access. Part of it is having the land base; but, also, one of the challenges that we have is -- unlike out west where to get bigger, to get more money, you expand your acreage -- here it's simply not feasible in many, many cases. So, we have to intensify what we do on less land, not get bigger. And, it's fragmented. Moving equipment is technically inefficient, and I'm sure you've heard, perhaps in other testimonies, it is dangerous. We have too many stories -- and Farm Bureau is really leading efforts in this area -- moving equipment is a hazard in this industry. So, it's not just accessing land and affording land, it's just fragmentation and the availability of land in this state is a substantial constraint. And, as you heard in earlier testimony, if you lease land -- Jess Niederer said -- "I will not make long-term investments in that land if I do not know I'm going to have access to it in a secure way for more than a year or two."

One thing that we haven't talked about yet is technology. So, since the 1940s, American agriculture has produced output growth over 1.5% on average increase every year since 1948. At the same time, we've lost the number of people, has gone down, and the number of acres has gone down. The reason that productivity is going up is because of technology. And, I often said, if we were not always looking for a better way of doing things, we would have farmers looking at the back end of a horse pulling a plow. But now, we are looking at precision tractors that can go a mile straight with a less than an inch precision, and plant, apply fertilizer, less labor, less passes, and save farmers substantial money per acre by reducing input costs, labor costs, and time.

Another thing that you hear a lot about is drones. We are using drones to detect disease, to actually, in some cases, seed cover crops on wet ground because it's too wet in the spring to get out there on tractors. Something fascinating one of our faculty at Rutgers is doing is, we couldn't figure out why we saw Christmas trees dying on flat land: It wasn't flat land. We used LiDAR, which is kind of like a radar that penetrates the ground and can see things that you're not going to see with your eye. Water was carrying disease, but it was so imperceptible that the farmer didn't know how to manage that until we used this advanced technology. Now, I'm going to geek out on you. Detecting things from environmental DNA where we can detect DNA in the environment before we actually see a disease or a pest, or an invasive critter that is causing damage. So, early detection and surveillance and action saves money. Autonomous robotic vehicles-- In equipment we are testing right now, laser weeders that will know the difference between the tiny little weed growing next to a baby pea plant, kill the weed, not harm the crop. You're not using labor; you're not using as much chemical; and it's an effective-- We're looking to prove efficacy.

We've heard about adaptation to extreme weather; the reality is we're concerned about having 90 degrees, followed by 22-, 24-degree weather; we're worried about drought and flooding in the very same season. So, these are the types of things that farmers are going to have to adapt to, or we're going to see the types of losses and challenges that we saw this year. Jess Niederer, who said it very eloquently, business support. I've had countless farmers tell me, "I want my kids to come to Rutgers; show them how to run a business; I'll show them how to grow things." So, a lot of times, it's understanding when to go from one crop to a new. Can I afford that technology? Can I afford not to adopt that technology? So, having business training is, I agree, vital. Succession, it's not just new and beginning farmers, what about later life farmers? Those that have the resources, the land, the assets, the know-how, how do you transition that to the next generation? How do they retire? How do they maybe retire in place on that land? We're reinvigorating some of this work at Rutgers. I mentioned farm safety, health, and wellness. You can't make a living if you can't work. This is an industry that's got inherent dangers, moving equipment, exposure, and so forth, and this is something that is no longer something we don't talk about. The farm stress and mental wellness needs in this industry are high, and I applaud New Jersey Farm Bureau and American Farm Bureau for recognizing this and actually putting their shoulder into it, and, Cooperative Extension stands shoulder to shoulder with them.

The last point I would -- two points and then closing remark, facilitating market access. Unabashedly, in a public testimony, I will tell you, our produce is second to none. And, yet, we struggle to get it into our local market sometimes, because we're not a big producer, big seasonal producer. We're too small to get into some wholesale channels; so, how can we aggregate, for example, to help smaller producers access markets?

Last comment before I close: You need to understand, unintended -- I do believe unintended -- regulatory constraints that not only raise farming costs, but again, shorten that planning horizon, making a farmer maybe a little less comfortable with modernizing their equipment. It might be a $200,000 investment to get that used precision planter. You need to have a planning horizon in agriculture before you can say, "I'm going to make that investment."

All right, to close, I want to actually frame this in this way: A lot of times we talk about new and beginning farmers; it is a national priority, no doubt about it. I will also argue, though, I've had people say, "Well, what about us existing farmers?" So, the way I think, here, some of us at Rutgers are casting this and others in ag. leadership is: We need to focus on next gen, next generation agriculture. It's the people; it's taking the know-how from the generation aging out of farming, and transferring it to the new. But, it's also helping existing and future farmers make decisions about new crops; new technologies; new production practices; how to deal with some of these new threats. I'll repeat again, for agriculture to survive, it needs to adapt. So, I think New Jersey has a solid policy foundation; we're innovative; we're progressive; and, the fact that we're having this hearing today is very important. So, thank you.

SENATOR CRUZ PEREZ: Well, thank you so much for coming and testifying.

David.

D A V I D D e F R A N G E: Madam Chairwoman, and Vice Chair, and Committee, thank you very much for allowing me to speak today.

You've heard a lot from the agriculture community today about the trials and tribulations of the freeze. I can tell you as a nursery grower firsthand, unfortunately, we grow street trees for green infrastructure. Unfortunately, we're seeing damage that is going to be difficult to reverse, unfortunately, and we won't know for weeks. So, I can tell you, it's across all commodities. So, there's a lot of things that we have to take into consideration with the environment.

One of the things -- and I won't rehash some of the things that were said today -- as a very important thing that has popped up, I am right now current Chairman of Urban Agriculture Committee, and, also, Legislative Committee of the State Board. I want to share with you today an avenue -- an opportunity -- for us to strengthen conventional agriculture using Jersey Fresh and all the funding, and to also expand into the urban markets with urban agriculture in the communities. I think it's really important that we focus on integrating in urban agriculture. I know the biggest challenge for a producer -- I'm a first-generation farmer -- so, I can tell you the struggles to become a first-generation farmer. You've heard it: Land access. We can't expand; we can't afford the technology; so, I can't imagine what it's like in an urban entity, even if it's under 5 acres.

So, what I want to explain to you today is the importance of what the State Board is doing right now. We have elected over the last two years to have an Urban Agriculture Committee. We're addressing the issues; we're now working with the urban communities. We're bringing in strategic players; we have Farm Bureau; we now are working with Board of Managers, with their Urban Ag. Committee; and we're trying to strengthen our resolve to open up markets and work with that Urban Community. I think this is an opportunity right now that faces us to get food into communities that never had that opportunity. And, point blank, New Jersey can produce a lot of food for their communities, maybe not everything, for the 9 million people in the state. But, accessing land, you've heard this before, it is a tremendous struggle for an urban entity to try and establish that. It's not just zoning; it's the access to cost of the land. Is there contamination in the soil? Do we have oversight with the DEP?

We also have regulations that struggle with urban agriculture right now; there's a lot of opportunity with Green Acres in those communities. For example, Passaic County has Green Acres available, they do utilize some of it, but, again, they can't build ag. structure on Green Acres, so maybe that's something that we can address as time goes on to open up opportunity for them to build greenhouse structures of some sort. At the end of the day, I can stress to you that the State Board and the Department of Ag. are trying to facilitate every possible avenue to open up these markets.

But, one of the things that I find challenges, as the last two years have gone on, is I feel that the resources that we have available right now within the Department of Ag. are lacking because they have so many challenges with the conventional ag. side. And, when it comes down to making decisions and trying to have a pathway for urban agriculture, it's very difficult. We don't have designated people that specialize in those connections. We have Rutgers University that we work very closely with; we have Meredith Taylor that's done a fantastic job of writing a report to help guide us through this, and it's a challenge to all of us trying to understand what is it like to work above 5 acres and below 5 acres.

So, there's a lot of things that we need to work out as a community together. I've heard a lot of correlation of working together, and I think right now more than ever, we need to do that. And, I think urban agriculture fits in this discussion. And, I really think at this point in time, we need to ask for more available resources. It's not just on the marketing side, just Jersey Fresh, that's needed, too. But, the reality, Jersey Fresh could also be for urban agriculture, too.

So, what I want to stress today is that the Department of Ag. has done a great job; the State Board is now working through a strategic plan. I am looking forward to seeing that strategic plan hit. And, I know that urban agriculture is going to be a part of it. I can tell you, the way things have moved around, we have the Secretary, the Assistant Secretary, very demanding job right now; dealing with the freeze; talking with legislators; trying to work through everything; State Board's trying to navigate everything. We have Tameko Webster, who was our Chief of Staff, who has now taken Deputy Assistant Secretary role. This is now an opportunity where we have the infrastructure that's being built; we need now -- need the resources to connect the dots.

So, I don't really want to get into the logistical portion today, because we have all the resources on the outside: We have Rutgers; we have Farm Bureau that assists with us; we have SADC that is available to us to help with urban agriculture; we also have Next Gen, the Next Gen group. You brought up Next Gen, Brian. It is extremely important that they're involved with this process. Because, you're seeing a lot of things come out of the Organic and Regenerative Board; there is another Board that facilitates a lot of urban agriculture. So, we have a lot of crossover in the Department of Ag., but the challenges to our community are immense. And, so, I think today, on the economic growth, and the opening up of marketing -- markets -- and expansion of urban agriculture, we need the resources in the Department of Ag. We need the resources to execute urban agriculture. We also need the cooperation of all of us.

SENATOR CRUZ PEREZ: Yes.

MR. DeFRANGE: And, so, as we navigate through the resolution process that we all meet once a year, and identify, "What is the definition of urban agriculture?"

It is going to continually to grow. It's going to expand. We are at a starting point, but we need your support. You talked about legislative tours; we are considering in July doing an urban agriculture component; love to invite you all. But, I would also emphasize as we go through this year, and we work with the urban community, we give you all updates. I think it's really important so that you see where we're at. But, again, I think we have the tools in the toolbox. I think we have to identify what is urban agriculture;

what could be urban horticulture; and where that meets on the recreational side. I also grew up in New Brunswick, New Jersey, during a tough time, and I can tell you, when I had the opportunity to grow plants within--

MS. DeMARCO: My apologies, the five minutes is up.

MR. DeFRANGE: OK, I'll just sum it up.

Growing up in New Brunswick, I can tell you, having the opportunity to work with a community to watch the strength and the health of that community, through growing plants and trees and vegetables; I can't say anymore.

SENATOR CRUZ PEREZ: Thank you so much, we're looking forward to that partnership, because it's about teamwork--

MR. DeFRANGE: Yes.

SENATOR CRUZ PEREZ: --and working together.

All (indiscernible) you guys working together to make sure our access and resources, like the ones that workers provide, so, yes, it's about teamwork. Anyone? (no response)

Thank you so much for your testimony.

DR. SCHILLING: Thank you.

SENATOR CRUZ PEREZ: Our next panel, and now we're going to leave agriculture, and go into the business, more of the business community.

MS. DeMARCO: Colonel Jeff Cantor, Founder and CEO, New Jersey State Veterans Chamber of Commerce, and Amirah Hussain, Director of Government Relations, New Jersey Chamber of Commerce.

SENATOR CRUZ PEREZ: Good morning.

Jeff and Amirah, good to see you.

C O L O N E L   J E F F   C A N T O R: Good to see you, Senator.

Honorable Madam Chair, thank you so much for letting us come to offer testimony. Madam Vice Chair, thank you for the opportunity to speak. Honorable Senators, we really appreciate the opportunity to speak to you about how to create greater opportunities for veteran-owned businesses here in the State of New Jersey. And, Madam Chair, thank you for your service as well to our great nation.

So, my name is Colonel Jeff Cantor, I'm the founder and CEO of the New Jersey State Veterans Chamber of Commerce. I'm joined today by leadership of the VFW; the leaders are here as well as Seargent Major Myles Cappiello, who runs a special forces association. So, we have a contingent of veterans here that are very pro-business, pro-veteran business, and we're trying to create a greater opportunity for veteran businesses here. I offer this testimony from eight-plus years working on economic development issues for diverse businesses in the State, including veteran businesses. As you're aware, the State published a disparity study two years ago, which indicated that the State has not done its fair share to provide procurement opportunities to diverse businesses, including veteran-owned businesses. I will tell you also that we created the New Jersey Diverse Business Advisory Council, now called the Small Business Growth Council to try and create a unified approach to create greater procurement opportunities for all diverse businesses, whether it's black-owned businesses; Hispanic-owned businesses; veteran-owned businesses; LGBTQ-owned businesses; we're all not getting our fair share of opportunities with the State.

I'm sure you're all aware that there's a 3% set-aside for disabled veteran-owned businesses here in the State of New Jersey; this has been public law since 2015. That's 11 years. In those 11 years, the State has never come close to meeting its obligation to those veterans who proudly served their nation. If you take a look at the data that's -- that I brought -- you should have copies of my testimony as well as some additional information; but, there's a chart that I had sent to you about -- spends -- State spends in New Jersey and New York with disabled veteran-owned businesses. And, if you take a look at that, you'll see that in 2021, the State spent $21 million, or 0.53% with disabled veteran-owned businesses. The last year that that was tracked was 2024. The State spent $43 million, which is 0.52%. You compare that to New York, the state right next to us, the state spent over $370 million with disabled veteran-owned businesses, over 6%. So, we're a far cry from just one state away. Pennsylvania has also adapted policies that can help out. We are really behind the eight ball on this progress with disabled-veteran, and veteran-owned businesses, as well as military-spouse-owned businesses.

So, we're respectfully requesting the following pieces of priority legislation be introduced and passed. I provided each of you with a list of our top lists of pieces of legislation. One of the most important pieces is the inclusion of the language of liquidated damages for contractors that don't set aside at least 3% of State contracts with disabled-veteran-owned businesses. Unless you put liquidated damages in the language in the RFP process, you will not be able to really effectively enforce this law across all State departments, so we're asking for that, first and foremost.

Something very simple: Publish all State spends with diverse businesses. How much is the State spending with veteran-owned businesses? How much are they spending with black-owned businesses; with Hispanic-owned businesses? We don't know. The State did the disparity study two years ago; we have an inclination. We know that it's not good, but that should be a mandate every year. And, by the way, in the 3% set-aside law that's been public law since 2015, it says the State has to publish spends with disabled veteran-owned businesses. The State has yet to do that every year.

We want -- you heard from EDA before, NJEDA -- we want to establish a lending fund that will lend to veteran-owned; military-spouse-owned; disabled-veteran-owned businesses; so that access to capital doesn't continue to be a significant issue. You've heard from pretty much every speaker up here that access to capital is always an issue for business. Well, if you can provide a diverse lending fund that can lend to small and diverse businesses, that will eradicate a lot of these problems with gaining access to capital. So, we're hoping that this Committee would do that, as well.

Waiving E-ZPass tolls for vehicles owned and operated by veteran businesses; creating a procurement program for both veteran-owned and military-spouse-owned businesses. Currently there's no incentive for those businesses in the State of New Jersey. So, the fact that you're a veteran, you raise your right hand, you serve your country, you might've deployed to somewhere austere and dangerous, that doesn't count.

MS. DeMARCO: My apologies, the five-minute time is up.

MR. CANTOR: OK, thanks.

And, just to sum up, there are a number of things that are on this list that you can implement that can really enhance the ability for small and diverse businesses like veteran businesses to succeed in New Jersey. Thank you for the opportunity today.

SENATOR CRUZ PEREZ: Colonel, thank you so much for your testimony, but also thank you so much for your service, and all the veterans that are in the audience, thank you so much for your service.

SENATOR PENNACCHIO: And, you as well, Chairwoman.

UNIDENTIFIED SPEAKER: That's right.

SENATOR CRUZ PEREZ: You're my hero.

(laughter)

Amirah.

A M I R A H H U S S A I N: Good afternoon, thank you so much for having me here today.

Amirah Hussain, I'm the Director of Government Relations with the New Jersey Chamber of Commerce. We appreciate you putting together this panel; it's been very interesting to hear from a lot of different and specific industries about the challenges they face. I'm going to focus a little bit more just on the general business community issues that face businesses across the board, and, so. And, I just want to give a quick shout out before I start to our Chamber Alliance group. It's a group of regional chamber leaders from across the state; we meet regularly just to talk about legislation and issues that are impacting chambers and their members across the state. So, we appreciate the opportunity to comment on this.

So, New Jersey has incredible assets including geography; great infrastructure network; one of the most highly educated workforces in the nation; but, our business community continues to face unique challenges. If we want entrepreneurs to risk their capital in New Jersey, and if we want existing businesses to expand, we must alter how the state approaches its regulatory fiscal policy. Specifically, the business community requires three core pillars to succeed: That's consistency, predictability, and a favorable tax environment. I'm going to start with predictability. So, business leaders do not expect a risk-free environment, but they do need a predictable one. Mid-year shifts in tax policy; unexpected regulatory changes; sunsetting incentives creates an atmosphere of uncertainty. When companies can't accurately project their costs or regulatory compliance burdens three to five years down the road, they may have to freeze hiring; delay capital investments; or look at other states where the rules of the game don't change year to year. For example, the recent net operating loss legislation, which the business community worked on with lawmakers in good faith, for many companies these NOL provisions were the exact incentive that they needed to set up shop in New Jersey. For others, they were using this as an element of their long-term tax planning. If New Jersey cannot maintain consistency in its own legislative commitment, we risk signaling that our state is an unstable place to do business.

Second, I wanted to touch on consistency. So, New Jersey businesses have faced significant hurdles when dealing with various State departments that may operate in silos or lead to conflicting regulations or redundant paperwork. We do really appreciate the administration's efforts to enact permitting reforms and some of the other reforms that we are looking at. This is a major step forward in breaking down some of the challenges that the business community does face. When State departments communicate effectively and apply rules consistently, it eliminates some of the guesswork that may be stalling projects and allows employers to invest with confidence. We also urge the Legislature to consider reinstating the GEARR Commission. This group would investigate and give recommendations on outdated or overly burdensome or duplicative regulations that can be addressed to make business easier. This is a nearly free or low-cost option to try to address some of the challenges businesses face.

And, third, I wanted to talk about a competitive tax environment. So, high corporate business taxes, property taxes, and a complex tax structural burdens act as a deterrent to growth. We understand that New Jersey's tax rates may never drop as low as some other states, given the vital public services, infrastructure, and programs our State supports. This means that it's even more critical that our tax system remains structurally competitive and equitable. Creating a favorable tax climate is not simply a call to just slash rates. Rather, it's a plea for structural simplification. New Jersey's tax policy should be clear, transparent, streamlined, ensuring that companies can focus on innovation, rather than having to deal with an army of lawyers or accountants, just to navigate compliance.

Furthermore, we must move away from the unsustainable habit of looking towards the business community when it comes time to balance the State budget. Relying on short-term business tax hikes to plug annual holes punishes the very employers driving our economy, and signals that success in New Jersey may be met with shifting financial penalties.

We appreciate the opportunity to provide our input, and we look forward to staying engaged in this issue. Thank you.

SENATOR CRUZ PEREZ: Thank you so much. Thank you so much, Amirah, for your testimony, and Colonel Cantor, thank you so much for your testimony.

I know-- I don't know if you guys are going to step out, but I'm going to say this -- I was going to leave it for the end, but I don't know if you guys, I know you want to go to a committee -- but, we wanted everybody; people say, "Oh, holiday weekend." Well, we will be off to remember those who never came home. So, I don't call it a holiday, because it's just honoring those that never came home; honoring those that made the ultimate sacrifice so we can have the freedom and the benefit that we enjoy in this country; but that costs. So, freedom is not free. It costs many lives and many sacrifices, and to those that never came home, please make a point of this weekend, identifying someone that you know is a Gold Star family, to say, "Thank you for the sacrifices that your loved one did to make sure that we actually enjoy our freedom." So, just remember that it's not a holiday, it's a day to remember those who actually died for our freedom. So, with that, I want to say thank you to every man and woman who wears that uniform, and for serving our country, so thank you.

(applause)

No, Hilary has left a testimony; she was here, unfortunately she was called in into an emergency. She left a testimony, so we all have her testimony, and we will put her testimony in the record. OK?

MS. DeMARCO: Ray Lamboy, President and CEO, Latin American Economic Development Association; Dr. Arturo Osorio, Board Secretary of the Statewide Hispanic Chamber of Commerce of New Jersey, Associate Professor of Practice -- Entrepreneurship, at Rutgers.

SENATOR CRUZ PEREZ: Not good morning anymore, good afternoon.

(laughter)

Ray, good to see you, and Dr. Osorio, it's a pleasure to see you always.

RAYMOND L. LAMBOY: Madam Chair, members of the Committee, thank you for the opportunity to testify today; had a wide ranging conversation; big business; agriculture. I'm here to talk to you about the very smallest of businesses in the State of New Jersey.

My name is Ray Lamboy, I serve as the CEO of the Latin American Economic Development Association, or LAEDA, based in Camden, New Jersey. LAEDA's been serving entrepreneurs and small business owners for nearly four decades. Each year, we work with hundreds of individuals across Camden County and throughout South Jersey, providing business education; one-on-one coaching; and access to capital. Our work is grounded in direct, on-the-ground, experienced, supporting entrepreneurs in underserved communities. I appreciate the Committee's focus on how to facilitate starting and growing businesses in New Jersey. I'd like to offer a perspective from the grassroots level, where many entrepreneurs actually begin.

In communities like Camden, entrepreneurship is often driven by necessity. Individuals are working to generate income, support their families, and build stability in environments where access to capital, networks, and formal business training is limited. At this level, starting a business is not just transactional process, it is developmental. And, that distinction matters. I think it's also important to clarify what we mean when we talk about small business at the grassroots level. Under the U.S. Small Business Administration definition, a small business can be a company with hundreds of employees and significant revenue. That is not who we typically serve. The entrepreneurs we work with are much smaller in scale. They are often solo-preneurs or family-run businesses, sometimes employing one or two additional people. Most have fewer than five employees and generate less than $250,000 in annual revenue. These businesses also, disproportionately, are located in underserved, low-asset communities, where the challenges they face -- limited access to capital; fewer professional networks; and less exposure to formal business systems -- are even more pronounced. And, because of that, their needs are fundamentally different. Mainstream business support systems are often designed for individuals who already have access to capital; have established networks; and a baseline knowledge -- a baseline level of knowledge in business. Grassroots entrepreneurs typically have none of these. As a result, facilitating business development at this level requires a high-touch, relationship-based approach that goes beyond workshops and access points. It requires sustained engagement, practical training, and one-on-one guidance over time. At LAEDA, our work focuses on building that foundation. Over the past three years, we have trained 689 entrepreneurs; provided one-on-one counseling to 839 business owners; supported 111 business starts and expansions; helped create or retain it's (indiscernible) 476 jobs; assisting clients and accessing over $900,000 in capital.

These outcomes reflect something important: When you invest in the capacity of entrepreneurs at the grassroots level, you generate real economic impact; real businesses; real jobs; real participation of local economy. But, these outcomes do not happen without infrastructure. If we want to truly facilitate business formation and growth in New Jersey, particularly in communities like Camden, we need to strengthen the systems that support entrepreneurs, before they are capital ready. That includes business education that is practical and accessible; one-on-one technical assistance that is sustained and individualized; structured pathways that prepare entrepreneurs to responsibly access capital. At LAEDA, we are working to align these elements to our programming, and through the expansion of our pre-CDFI, Business Capital Solutions Initiative, which connects education and technical assistance directly to lending opportunities. This type of integration is essential, because, without preparation, access to capital alone is not enough. And, without capital, training only has limited impact. From a policy perspective, I would offer this: If the State is looking to strengthen small business growth, there should be a clear distinction between access-based strategies, which focus on availability of resources, and capacity-building strategies, which, in short, entrepreneurs are actually able to use those resources successfully. Both are important; but, at the grassroots level, capacity building is what determines outcomes.

In closing, facilitating the starting and growing of business in New Jersey requires more than opening doors. It requires preparing people to walk through them successfully. At the grassroots level, that preparation is where the work happens, and where the impact is realized. Thank you for your time, and I welcome any questions.

SENATOR CRUZ PEREZ: Thank you, Ray, for your testimony, and I wonder how many people have come to you saying, "I want to open a business." And, when they go to the training, they're not even ready, then they don't really understand what it takes to run a business, and how many people you have helped to make sure that they're successful?

Because, I see many, and I have many friends -- and you and I know this, because we're from Camden -- many friends that have decided to open their own business, but, unfortunately, they don't really have the whole picture of what entitled, what it is to run a business, and that's how they fail. So, well done, and keep up the good work. And, now, Dr. Osorio.

A R T U R O E. O S O R I O, Ph.D.: Madam Chair, members of the Committee, thank you for the opportunity.

I'm here to talk on behalf of the Chamber of Commerce, and we want to address the two key moments on communities. We want communities that are healthy; communities that are thriving; communities that are strong. Communities get all that because they have local businesses. They have opportunities to get access to food because somebody opens a restaurant, somebody opens a supermarket. They have house cleaning, they have all services, because somebody has the courage, the bravery to do it. Businesses, to get there, we have two critical moments that we're going to address through this testimony. One is, somebody has to have the courage to start; we want to talk about the support to those who startups entrepreneurs. And, somebody has to have the tenacity to maintain. We want to talk about those small businesses, that they are day in, day out, after old fashioned, all emotions are gone, they have to do every day, every day, every day.

So, in this context, I want to talk about the Hispanic Chamber of Commerce; we are here; we are New Jersey; we are the economy. New Jersey Hispanic businesses and the community are about 180,000 businesses. We represent about 1-2-7, $127 billion of the State, the economy. We are not just eclipse; we are not just on the background; we are present. Hispanic business represent-- Hispanic workers represent 21% of the new workforce in New Jersey. So, we are the business owners; we are the money of the economy; we are the workforce of the state. The question that we are presenting to here is very straightforward. How can the State policy better facilitate the start and growth of businesses? For this, we have five points to address: Strategic innovation centers; strategic capital access; procurement visibility; first-hire tax credit; and educational funding. All of this has been spoken one way or another through the earlier testimonies; we want to bring them together on a unified view, that may help, if we coordinate through places like this Committee.

When we talk about innovation centers, Latino, we're talking about the AI and technology. It was referred to the extensions; it's been seen in Camden, so how does it look like? Latino entrepreneurs remain significantly underrepresented in the venture capital and innovation networks. When we talk about Latino businesses, we talk about cleaning, gardening, restaurants, warehouses, transportation. We forget that we are technology people; we manage computers; we do AI; we do safety. So, for example, one of our Chamber members, Elisa Charters, developed Juegos Sociales, a platform, supporting global events including the 2026 World Cup FIFA. We don't see that. So, we ask the legislation to direct NJAVA as strategic innovation centers, and relay that to leaders, to (indiscernible) recruit and support, from Latino entrepreneurs. We are already building that; we ask you to encourage and to focus that. Also, in this context, we want to understand that there is a cultural gap. When we have a single mother who wants to be an entrepreneur, she may need support to care for the children when she is doing the work. So, we want this initiative to understand that support and innovation in the centers is not only about giving training, but giving training that meets the cultural and social needs of people who come to that place.

Proposal Number 2: We want to talk about a strategic capital access. Small businesses need capital access. But, a capital access is not simple. Hispanic business owners are best and less likely to receive financial when brought, even when they have the same profitability and the same scores as any other business. Why? Because, they are seen different. People get surprised when they learn that I'm a doctor. They should not be surprised because I'm a Hispanic doctor. There is creativity; there's value. So, in the manufacturing specialty, there's a middle gap. We give money for startups, $250,000, and we give money, tax credit for $10 million. Small businesses happen in that space in between. Small businesses that need to grow are between the startup money and the tax credit. So, we are proposing the legislation to direct NJEDA to establish a dedicated Hispanic Business Capital Access Initiative, designed for this space in between. Capital that helps to grow, and capital that bridge from the startup to the stable. We don't want businesses to fail when they are starting to thrive.

Number 3: Procurement visibility. We are here; we know; but, can you see us? So, New Jersey's 2024 Disparity Study identifies the statistical significant different disparities affecting Hispanic-owned businesses. We know that--

MS. DeMARCO: My apologies, I'm sorry, the five minutes is up.

DR. OSORIO: So, we are asking to leverage that study, and to direct looking for minority businesses who can fill that gap.

Readiness-- We're talking about growth businesses. So, businesses need an incentive to hire. So, can we provide them with a tax credit for the first hire? So, when they are ready to work; when the brother, sister, kid, is no longer an employee and they need to create new employment, can we give them a tax credit to support that transition from family business into an established business?

Education. We're already having problems. I direct the educational initiative at Rutgers; we have the education initiatives at the small Chamber of Commerce. We're looking to sustain that and collaborate to get them in the spaces that they need to be present. Not only in Spanish, in English, but in any other language, because being Hispanic doesn't mean that we speak Spanish; being Hispanic means that we are culturally capable. Thank you.

SENATOR CRUZ PEREZ: Thank you so much, Dr. Osorio, for that, muchas gracias.

Thank you to both of you. Ray, thank you so much for your comment; thank you, guys.

MS. DeMARCO: Carmen Gates, Vice President, Community Development, and External Affairs Officer, African American Chamber of Commerce of New Jersey.

Robin Berg Tabakin, Esq., President-Elect, New Jersey State Women's Chamber of Commerce.

C A R M E N G A T E S: Is this thing on?

SENATOR CRUZ PEREZ: Carmen, good to see you, both of you.

MS. GATES: Can you hear me?

SENATOR CRUZ PEREZ: Carmen and Robin, absolutely, good morning.

MS. GATES: Good morning.

Can you hear me?

SENATOR CRUZ PEREZ: Yes.

MS. GATES: OK--

SENATOR CRUZ PEREZ: Oh, no, turn the light off--

MS. GATES: It has to be green right?

SENATOR CRUZ PEREZ: It has to be red.

Turn yours off. OK.

MS. GATES: OK.

Very good. Finally. I was the first one here, and probably the last one to go, but that's OK; I stuck around because this is important. Good morning, and thank you. Good to see you, Senator Turner, Madam Chair, esteemed guests. My name is Carmen Gates; I'm with the African American Chamber of Commerce of New Jersey. I serve as the VP of Community Development and External Affairs Officer. You all may be familiar with our fearless leader, Mr. John Harmon; he couldn't make it today, so I'm here in his place. So, as an organization committed to supporting entrepreneurs, small businesses, and minority-owned enterprises throughout our state, we regularly hear directly from business owners about both the opportunities and the barriers that exist in New Jersey's business environment. So, I'm going to echo some of the things that EDA said -- some of the other chambers -- because it holds true for the African American Chamber of Commerce of New Jersey. So, today I would like to respectfully offer several recommendations for legislative consideration.

Number 1-- There's nine of them, but I won't give detail, I'll just go through the bullets.

SENATOR CRUZ PEREZ: But, you're going to provide us with a testimony?

MS. GATES: I am.

SENATOR CRUZ PEREZ: OK.

MS. GATES: So, Number 1, simplify and streamline business processes. Starting a business in New Jersey can still feel overly complicated and fragmented. We encourage the Legislature to support a true, one-stop digital portal for licensing, permits, registrations, and compliance. Faster turnaround times for approvals and certifications; reduced administrative duplication between State, County, and municipal agencies; and a clear guidance for first-time business owners.

Number 2 -- you've heard this probably six or seven times today -- expand access to capital. So, I won't go into detail.

Number 3, strengthen procurement opportunities. New Jersey should continue strengthening pathways for small and minority-owned businesses to participate in public contracting opportunities.

Number 4, invest in entrepreneurship education and technical assistance.

Number 5, support equitable economic growth across communities.

Number 6, establish a pilot procurement initiative to incentivize partnerships with prime contractors and small business enterprises -- enterprise firms from communities such as Trenton, Newark, Camden, Atlantic City, Paterson, and New Brunswick.

Number 7, hold a series of workshops on prequalification process with NJDOT, as an example; School Development Authority; New Jersey Turnpike Authority; and New Jersey Transit.

Number 8, marketing campaign to recruit small business enterprises to register to do business on the State's portal.

And, lastly, immediately reengage in the process to address the State's Disparity Study that was conducted from 2015-2020, and released in 2024.

So, in closing, the African American Chamber of Commerce of New Jersey stands ready to partner with legislators, State agencies, and stakeholders to help develop practical solutions that strengthen New Jersey's business ecosystem, which, the Chamber has been doing for almost 20 years now. Thank you again for the opportunity to testify, and I look forward to continuing this very important conversation.

Thank you so very much--

SENATOR CRUZ PEREZ: Thank you, Carmen, thank you.

MS. GATES: --and I have copies for everyone.

SENATOR CRUZ PEREZ: Thank you, Carmen, for your testimony.

Robin.

R O B I N B E R G T A B A K I N, Esq.: Thank you.

Good afternoon, Madam Chair Senator Cruz Perez, and Vice-- Oops, sorry.

UNIDENTIFIED SPEAKER: Yes, good.

MS. BERG TABAKIN: OK.

And, Vice Chair Madam Senator Turner, and esteemed members of the Committee. My name is Robin Tabakin; I'm President-Elect of the New Jersey State Women's Chamber of Commerce; President of the Board of Trustees of the Women's Center for Entrepreneurship; (indiscernible), and SBA, Women's Business Center; and one of the founding members of New Jersey Business Small Growth Council, formally NJ Diverse Business Advisory Council, which Colonel Cantor actually is the first founder. I'm also a small business owner holding a New Jersey WBE and SBE certification. New Jersey's 1.1 million small businesses represent 99.7% of all businesses in the state employing nearly half of New Jersey's workforce; and women-owned businesses now account for more than 41% of all businesses. These businesses are not a niche segment of our economy; they are its foundation. Thank you for the opportunity to speak about how the Legislature could help them not only start, but survive; grow; hire; and reinvest here in New Jersey.

The data tells a more complicated story. Even as new businesses are forming and jobs are being created, significant small business closures and employment losses are occurring at the same time. New Jersey has a strong entrepreneurial ecosystem, but many of those businesses remain economically fragile and highly vulnerable to operational barriers, administrative delays, and limited access to procurement opportunities. In today's constrained budget environment, I respectfully submit that New Jersey does not need to create large new spending programs to accelerate small business growth. The State can achieve meaningful economic impact through practical structural reforms that improve transparency; reduce barriers to entry; increase competition; and expand access to existing public contracting opportunities. When New Jersey businesses obtain contracts, those dollars circulate throughout our state economy and through employee wages; payments to local subcontractors; local purchasing payroll taxes; and business reinvestment, ultimately strengthening New Jersey's tax base.

I respectfully offer the following recommendations for legislative consideration:

First, I recommend increasing the State Small Business set-aside goal from 25% to 30% for State contracts, inclusive of small and diverse businesses. Current regulations establish a goal awarding at least 25% of the dollar value of State contracts to eligible small businesses. Even a modest increase in participation by qualified New Jersey small businesses would meaningfully strengthen job creation and local economic activity throughout the state.

Second, I recommend extending small business participation requirements to County and municipal contracts involving State funding. Currently, counties and municipalities may establish small business set-aside programs, but they are not uniformly required to do so. To the best of my knowledge, only Hudson, Bergen, Essex, Mercer, and Middlesex counties, along with Jersey City and Newark, maintain formal programs. If public dollars are being expended through state-supported projects, qualified small businesses should have meaningful access to those opportunities statewide, not just in select jurisdictions.

Third and most importantly, I recommend that NJSTART become the centralized statewide procurement portal for all RFPs, RFQs, and other public contracting opportunities involving State funding, including County and municipal projects supported by State dollars. Other states have already demonstrated this model works. Maryland's E-Maryland

Marketplace Advantage System serves as a single portal where state agencies, counties, local governments, schools, and universities all post their public solicitations statewide. North Jersey -- I'm sorry -- North Carolina's e-procurement system, similarly, covers state agencies, community colleges, school systems, and local governments under one platform. New Jersey can and should do the same.

Currently, procurement opportunities are fragmented across numerous State, County, and municipal agency and third-party platforms. Many small businesses lack the administrative capacity to continuously monitor multiple systems; register repeatedly; pay subscription fees; or navigate inconsistent procurement processes. As a result, many qualified businesses never see the contracting opportunities for which they could successfully compete. A centralized portal would increase transparency; lower barriers to entry; and expand competition, which ultimately benefits taxpayers through better pricing, stronger innovation, and higher quality services.

In addition to increasing visibility of procurement opportunities--

MS. DeMARCO: My apologies, the five minutes is up.

MS. BERG TABAKIN: Oh, OK.

Well, I thank you very much for--

SENATOR CRUZ PEREZ: No, no, go ahead, finish.

MS. BERG TABAKIN: You want me to finish?

SENATOR CRUZ PEREZ: Yes.

MS. BERG TABAKIN: All right.

SENATOR CRUZ PEREZ: Can you summarize, or no?

MS. BERG TABAKIN: Hmm?

I can summarize, or I just wanted to talk about some of the administrative time barriers, because, for instance, it takes a very long time for agencies to make determinations on applications. I have an application in to the DOL; it's 13 months, I still have not gotten a result. It has cost me a lot of money; I've had to renew my bond -- the tuition bond that I've had to put in -- I've had to pay for it twice now, because it's 13 months already. So, I respectfully ask that we pass some sort of legislation which requires State agencies to have a time limit on determining applications, and that they respond when we ask questions -- ask for status updates, because I have not gotten one status update in over a year.

SENATOR CRUZ PEREZ: Well, on that, I want to tell you something.

No one has got back to you, no one has told you why is the delay?

MS. BERG TABAKIN: I've sent six emails, three to the Commissioner, three to the specialist who took it, and then three to the Commissioner; this was under the last administration.

No. I heard from them after the three-month mark; they asked me for clarification on a document; I submitted it; I've heard nothing, and I had to rebuy my $20,000 bond. I had to pay for it the first time, and I had to pay for it again, plus, a nonrefundable fee of $1,150. I'm a small business; that's almost $3,000 between that and worker's comp insurance. And, so, for small businesses that's really a burden.

SENATOR CRUZ PEREZ: It's a lot; it's a lot, definitely, definitely.

So, see me after this is over.

MS. BERG TABAKIN: OK.

SENATOR CRUZ PEREZ: OK, and I'm sorry you're going through that; we will place a call and find out what's the hold up--

MS. BERG TABAKIN: Thank you.

SENATOR CRUZ PEREZ: --and how come nobody has got back to you.

Hopefully with the new administration and the Governor's commitment to work with the business community to eliminate the red tape, and precisely help our businesses, this is one of the things that we will be addressing. So, sorry you're going through that, but, don't leave, see me afterward--

MS. BERG TABAKIN: OK, thank you.

SENATOR CRUZ PEREZ: --we'd like to talk to you.

MS. BERG TABAKIN: OK, thank you for your time.

MS. DeMARCO: Christine Myers, President, Employers Association of New Jersey.

CHRISTINE MYERS: I think I'm last.

SENATOR CRUZ PEREZ: But, that's what I'm saying, I'm leaving a strong woman for last.

(laughter)

MS. MYERS: Well, I am the tenth child, so I'm used to it.

SENATOR CRUZ PEREZ: And, it was not on purpose; she left, but I was going-- The agenda was prepared as--

MS. MYERS: It's good.

SENATOR CRUZ PEREZ: --but, you know what--

MS. MYERS: I had been amending it as I hear things--

I've been amending things as I hear things all day long, so it's good. I am Christine Myers, and I thank Senator Pennacchio for inviting me, and thank you, Chairwoman, for this wonderful couple of hours, and I think we all want to do what's right with our state so we can be productive. I am President of the Employers Association of New Jersey; we're actually a 110-year-old trade association for employers. We focus on employment law issues; HR issues; advocacy in those areas; and development and learning and training, for all the things that you have heard today. By way of background, I also had the opportunity to spend three years at the SBA, actually, the Office of Advocacy. It's an independent office within the SBA that focuses on regulatory reform and repeal for lightening the burden of small businesses. It is that lens I'm going to bring today. We've heard so much about good growth programs, but I feel that the thing that we need most in New Jersey is a bedrock, a foundation, that says, "OK, it's easy to work here." Our regulatory structure is easy to navigate, and you heard from our farmers, which I spent so much time with during those three years -- look what's on their plate, look what they're able to do. But, in addition to that, they have to contend with NJFLA; TDI; ABC; wire trading; cybersecurity; ADA compliance for their websites and their farms; minimum wage; industry specific regulations, which in the terms of our commercial fisherman's, "12 licenses to fish one fish;" and healthcare costs.

So, when you take all of that cumutively, you see that the burden takes more than 50% of their time, and for new farmers, new entrepreneurs, the small businesses -- which, I think, it was Robin that articulated the statistics on the fact that we're 90% small businesses -- that takes your capital; it takes your energy; it takes your time; and all we do all day long is answer phone calls on compliance issues: What does this mean? How do I do this? The TDI, FLI expansion is certainly supercharged. We're having a roundtable on that, because it does, in fact, eliminate any small business carve-out. The good news is, that we have a tool that we don't really use very much; but, it is at our disposal, and that is the Regulatory Flexibility Act. It is why the opposite of advocacy is in place. So, I am working with Mike Inganamort -- Assemblyman Mike Inganamort -- to address it.

It should force us, when we bring forward legislation that turns into regulation, to understand the unique and burdensome element of that regulation on small businesses. Small businesses bear a disproportionate amount of cost; time; money; assets; whatever, when we roll out regulations without thinking about how it will impact them.

Right now, we don't do a very good job of going through a process by evaluating what this next regulation will do to a business, and we have the tendency to do it independently. So, if I've heard once, I've heard five or six different conferences on the minimum wage, and all I hear is, "McDonald's can afford that; I think Amazon can afford that." Yes, but, this person with 10 employees can't afford that. It's very different, and two and three, and you add that onto TDI, and FLI, and family leave and minimum wage, you crush a small business. So, what you've just done is you've stolen their capital, their time, their energy, and now we're asking businesses who want to go into farming, to also master cybersecurity; and ADA compliance; and website management; and financing tools. So, we demand so much of our small businesses, which is, again, so much of our energy here and our economy. This is an area I think we should reform, and do it in a prudent way that doesn't restrain good regulations. But, make sure that we, as brand ambassadors for New Jersey, can go out to other states, and be proud. Because, the first question, second question besides, “How are you?” is “How’s work?” And, if you’re in New Jersey, what are you going to say?

A lot of our small entrepreneurs and existing businesses, especially our nonprofits, bear the burden of this pretty heavily, and I want them to be able to say, “It is great to work in New Jersey, I -- it is easy; come to New Jersey; we make it great for you to work here; and we give you the strong support that you need to grow.” And, so, I think that with -- if we can just restructure, reform the Regulatory Flexibility Act, and I will give you the prototype that we’re working on, it will be able to actually clear away a lot of these things that we’re talking about. It won’t solve everything; but, will focus the attention on where it needs most, which, is, do we really need this regulation, and have we calculated the unintended consequences, especially on our small businesses? I have extended an invitation to each of you to attend one of our TDI, FLI roundtables, and I bring that up only because it will give you a broad brush of the really unique and unintended consequences of a rule like this, and put into perspective why we need to strengthen our RFA.

But, with that, I just want to tell you how proud I am of our farmers. They are amazing; of our veterans; and our small businesses; and our nonprofits who care for our people so much. I’m also a County Commissioner in Morris County. And, so, I embrace all of this, and I am here to help; EANJ is here to help; and if there is anything else we can do or be of service to you, we’re out there; we’re at your service, so, thank you.

SENATOR CRUZ PEREZ: Well, Commissioner, thank you so much for what you do, and you have as Commissioner, because it takes time and dedication, right, and thank you for bringing -- you're absolutely right -- not everything feeds everybody the same, and that's where we have to be mindful.

From the time we establish rules affecting everyone, and the little ones cannot afford those changes, because they're not at the same scale as somebody with 10 employees. Somebody with two or three employees, like look at the little bodegas, right, and they're actually the little supermarkets in those areas that people don't have transportation. So, some of the rules cannot apply to them, because it's him, his wife, and his son who manage the store. So, I completely understand.

MS. MYERS: ADA compliance is one of the areas where we've had significant issues in the state of New York.

Because, people will go in and say, "You're not ADA compliant," in a little bodega, or in Chinatown, and then there's lawsuit after lawsuit after lawsuit. But, you also have interrupted-- It's such good intent, our legislators, and there's such good intent, but what they do is disrupt a business. Our farmers know when it's hot enough; they know how to take care of their people. But, what is put into that rule, that is tabled for now, it was going to disrupt their business. So, you have to think; you have really dig deeper and get much more input.

SENATOR CRUZ PEREZ: Well, thank you so much, Commissioner Christine Myers, for your testimony.

Senator, would you like to say something before we close?

SENATOR PENNACCHIO: Sure.

Last but not least, again, just to reiterate, the initial conversation. Thank you. Thank you for putting this together, and before we talk, we listen. And, I think we heard a lot today. My two main giveaways from agriculture, first of all, I knew the challenges and the hardships that they faced, but when the Secretary spoke about a four-hour episode, it crystalized the difficulties that they have. These four hours out of a year, out of two years, out of a lifetime, could actually destroy a crop. We don't think about that pinpoint devastation, how quickly it could happen, and we thank them for everything that they have done. And, just, I would like to see a broader view. I know we had a lot of stakeholders here and their individual concerns, and I get it. But, I think if we just focus on what would retain businesses and people here, to me it's pretty simple, make them keep more of what they earn, and help them with this maze of ever-growing regulations. So, if we can focus on that, it'll help all the other, all the interest groups that have a stakeholder in the process of creating and maintaining a business over here. And, maybe just as importantly, maybe we can get some of the people that are not even considering coming over here, to consider New Jersey to set up shop. And, again, thank you for all your efforts, as well as all my colleagues on the panel.

SENATOR CRUZ PEREZ: Thank you, Senator. Senator Burzichelli, anything to close?

SENATOR BURZICHELLI: Just following up with a general thank you; I thought that I got to substitute today. Michael called, I'm happy to do it, and glad I did it. Conversation was good, everyone presented in a very honest way, straightforward, and just reminds us there's work to do. The good part is, we have a lot to work with, but the responsibility is there's a lot of work to do in dealing with an ever-changing world global market and how we fit.

But, thank you, Chairwoman, very nicely run meeting.

SENATOR CRUZ PEREZ: Vice Chair.

SENATOR TURNER: I, too, want to thank you, Madam Chair, for putting together these panels today. They were meaningful and very impactful with all of their testimonies, and I look forward to legislation to implement the many suggestions and ideas that were given to us today.

So, thank you again. And, thank all of you for coming.

SENATOR CRUZ PEREZ: I just want to thank our staff, Michael, that was the one who worked so hard, and our staff, and the Office of Legislative Services, and the Republican side for working together to make sure that we had a successful hearing today. Just want to say thank you to everyone who attended and actually stayed for the entire testimony. This is important; our businesses are important. I like the fact that without no farm, no food, and people keep forgetting that. So, definitely I was devastated about the news last night, how bad the weather have affect our agriculture. So, we need to work together. And, we hear, we listen, and we hopefully come up with ideas and legislation that will make business more welcoming in New Jersey. And, not only welcome new business in New Jersey; keep the ones that we have here, and help them navigate through the challenges that you should not be having. So, let's work together, and thank you for attending. God bless, and have a safe, safe weekend. I'm not going to call it a holiday weekend, a weekend, just remember. God bless, everyone. Meeting adjourned.

(MEETING CONCLUDED)