

SENATE BUDGET AND APPROPRIATIONS COMMITTEE

STATEMENT TO

SENATE, No. 2704

STATE OF NEW JERSEY

DATED: AUGUST 24, 2020

The Senate Budget and Appropriations Committee reports favorably Senate Bill No. 2704.

This bill appropriates \$30 million to the New Jersey Economic Development Authority from a portion of those federal block grant funds allocated to the State from the federal “Coronavirus Relief Fund,” established pursuant to the federal “Coronavirus Aid, Relief, and Economic Security (CARES) Act,” Pub.L.116-136, for use by the EDA to provide financial support, by way of loans or grants, to food establishments for costs associated with business operation interruptions caused by Executive Order No. 158.

Since early 2020, the State has been confronting the viral disease known as coronavirus 2019 disease (COVID-19), which has necessitated certain emergency measures to curtail its spread. As part of these measures, on March 21, 2020, the Governor signed Executive Order No. 107, which directed all residents to stay at home until further notice and closed all non-essential businesses to the public. This order affected thousands of businesses and especially food establishments, some of whom shuttered their doors permanently. In the months following this order, subsequent orders have been signed lifting these restrictions as cases of COVID-19 have fallen, and since June 15, 2020, food establishments have been able to offer outdoor dining service, which has helped recoup some of their losses.

In light of this progress, on June 26, 2020, the Governor, as part of his administration’s reopening plan, signed Executive Order No. 157, which allowed food establishments to offer indoor dining service, with limitations. This order, originally scheduled to go into effect on July 2, was a source of added relief for food establishments who were struggling financially, even after the reopening of outdoor dining. Yet, with hospitalizations for COVID-19 having fallen 90 percent since April, and with the State on track to contain the disease, the Governor reversed his decision to reopen indoor dining, citing a rise in COVID-19 cases in other states. This decision, formalized under Executive Order No. 158, severely affected food establishments who hired additional staff and equipment in anticipation of reopening, and may lead some establishments to close permanently.

Under this bill, \$30 million will be allocated to the EDA from the “Coronavirus Relief Fund” in order to financially support food establishments impacted by Executive Order No. 158. By providing

this support, an important part of our State's economy and culture will be protected.

FISCAL IMPACT:

This bill is not certified as requiring a fiscal note.