
Meeting

of

1ST LEGISLATIVE DISTRICT ECONOMIC DEVELOPMENT TASK FORCE

“The Task Force will take testimony from executives of institutions of higher education about the role and impact their institutions and higher education in general have on the economy of the First Legislative District”

LOCATION: Cumberland County College
Vineland, New Jersey

DATE: January 30, 2015
9:00 a.m.

MEMBERS OF TASK FORCE PRESENT:

Senator Jeff Van Drew, Chair
Assemblyman Bob Andrzejczak, Vice Chair
John Asselta
Scott Bailey
Curtis J. Bashaw
Raymond M. Burke III
Norris Clark
Vicki T. Clark
Ralph J. Cooper
Joseph Derella
Leonard C. Desiderio
Anthony R. Fanucci
Frank D. Formica
Dr. Ali A. Houshmand
Dawn Hunter
Carol Johnston
Barbara M. Jones
Dr. Peter L. Mora
Victor Nappen
Dr. Richard C. Perniciaro
Margie Piliere
James F. Quinn
Jeffrey Reichle
Dr. Herman J. Saatkamp Jr.
Vicki Simek



ALSO PRESENT:

Kevin J. Donahue
Office of Legislative Services
Task Force Aide

Eugene Lepore
Senate Majority
Task Force Aide

Hearing Recorded and Transcribed by
The Office of Legislative Services, Public Information Office,
Hearing Unit, State House Annex, PO 068, Trenton, New Jersey



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Chair

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COMMITTEE NOTICE

TO: MEMBERS OF THE FIRST LEGISLATIVE DISTRICT ECONOMIC DEVELOPMENT TASK FORCE

FROM: SENATOR JEFF VAN DREW, CHAIRMAN

SUBJECT: COMMITTEE MEETING – JANUARY 30, 2015

The public may address comments and questions to Kevin J. Donahue, Patrick Brennan, Committee Aides, or make bill status and scheduling inquiries to Kimberly Johnson, Secretary, at (609)847-3840 or fax number (609)292-0561. Written and electronic comments, questions and testimony submitted to the committee by the public, as well as recordings and transcripts, if any, of oral testimony, are government records and will be available to the public upon request.

The First Legislative District Economic Development Task Force will meet on Friday, January 30, 2015 at 9:00 AM at the Luciano Conference Center, Cumberland County College, 3322 College Drive, Vineland, New Jersey 08360.

The Task Force will take testimony from executives of institutions of higher education about the role and impact their institutions and higher education in general have on the economy of the First Legislative District.

Issued 01/23/15

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SENATOR JEFF VAN DREW (Chair): Good morning, everyone.

Thank you all for being here. The order of our proceedings will be, first, we'll rise for a flag salute; a moment of silence; an introduction to our wonderful facility here by Dr. Jackie of Cumberland County. And then I'm going to ask, as we did last time, just briefly to go around the table and remind everybody who we are, why we're here -- very briefly; no more than, maybe, 60 to 90 seconds. But I think it's good to refresh our memories. And we have some folks who are here today who were not here during the last meeting.

So please rise for the flag salute. (all rise and recite the pledge)

A moment of silence for all those in harm's way, most especially those who are serving us in the military. (a moment of silence is observed)

Thank you.

J A C Q U E L I N E G A L B I A T I, Ed.D.: On behalf of Cumberland County College; our President, Dr. Thomas Isekenegbe, who unfortunately could not make it here today because he's attending his daughter's graduation in Florida, which is a big event -- but on behalf of the college, we want to welcome you here, and thank you for having your event here.

Just some housekeeping events. There are restrooms around the corner to the right. There is coffee and some refreshments there for you; please enjoy. And I will turn it over to Senator Jeff Van Drew to convene the Task Force.

Thank you.

SENATOR VAN DREW: Thank you. And thank you for hosting this meeting today.

I want to welcome Assemblyman Fiocchi, who is here; and thank you for attending our Task Force meeting as well, Assemblyman.

I will start; I think most of you know who I am. I will move down this way, Assemblyman.

ASSEMBLYMAN BOB ANDRZEJCZAK (Vice Chair): Well, I know most of you already. But I am Assemblyman Bob Andrzejczak, Assemblyman for this, the 1st Legislative District. And, once again, I look forward to working with all of you, and doing great things on this Task Force and improving South Jersey.

FREEHOLDER DERELLA: Joe Derella, Freeholder Director here in the great County of Cumberland. I welcome everybody here. Hopefully you had a pleasant drive. You notice the weather is much nicer here than anyplace else in the state. (laughter)

I also want to apologize. I'm going to have to sneak out around 10 a.m. because I have another meeting that I chair -- Cumberland County Positive Youth Coalition -- which is very active in what we're trying to do from an educational standpoint, as well as reaching out and trying to control juvenile crime. So I just need to sneak over there for a few minutes. So please, I'm not leaving; I'll be sneaking through the trap door, coming back.

FREEHOLDER DESIDERIO: Len Desiderio, Vice Director, Cape May County Board of Chosen Freeholders. I am also the Mayor of Sea Isle City -- which happens to be the capital of Cape May County.

(laughter) I am honored to be today, honored to join with you, and I look forward to getting some great results out of working with you.

Thank you.

MR. CLARK: I am Norris Clark, Deputy Mayor of Lower Township, New Jersey. We just spent two years with an economic development initiative. One of the key things we realize is that we can't help our economy without working with the region, so we're glad to be here.

MR. QUINN: I'm Jim Quinn, and I'm the Vice-Mayor of Millville. And, of course, my favorite Mayor Desiderio-- I have a house in Sea Isle, besides Millville. (laughter) So it's great to be here with my very favorite mayor of all mayors around; and my favorite President of City Council is coming up next.

MR. FANUCCI: Good morning, everyone. Anthony Fanucci, City Council President here in the City of Vineland. I want to welcome everyone to our great city. And as Freeholder Director Derella had alluded to, the weather is much better, especially in Vineland. (laughter) I'm only teasing; I'm heading to Millville tomorrow. But I hope everyone has a wonderful weekend, and I look forward to working with everybody in this Task Force.

MS. SIMEK: Good morning, everybody. My name is Vicki Simek; I am not Thomas Isekenegbe, but I'm here to represent him. (laughter) I'm the Executive Director of Workforce and Community Education here at Cumberland County College.

DR. SAATKAMP: I'm Herman Saatkamp, President of Stockton College -- soon to be Stockton University. I am really pleased to be here.

Thank you.

DR. HOUSHMAND: My name is Ali Houshmand, President of Rowan University. I am delighted to be here, and to testify.

MS. HUNTER: Good morning. I'm Dawn Hunter; I'm the Executive Director of the Greater Vineland Chamber of Commerce. And we're a very active Chamber in the County -- the largest in Cumberland County. And we are very happy to be part of this Task Force, and I look forward to working with everyone and accomplishing great things.

MR. REICHLE: I'm Jeff Reichle; I own Lund's Fisheries in Cape May, New Jersey. Cape May is the fourth largest fishing port in the country. And I also own Shoreline Freezers in Bridgeton, New Jersey -- commercial cold storage.

MR. BURKE: Good morning. I'm Ray Burke; I'm President of Burke Motor Group, which is a 103-year-old car dealership in Cape May County. I'm also recently retired from -- well, I guess, either 12 or 15 years -- from the New Jersey Economic Authority. And I'm Board Chairman at the Wetlands Institute in Stone Harbor.

MR. COOPER: Hi, I'm Ralph Cooper. I'm with the Upper Township Business Association. I'm also involved with the Upper Township Green Team, which is part of Sustainable Jersey.

MR. BASHAW: I'm Curtis Bashaw, owner of Cape Resorts Group. We have Congress Hall, The Virginia, The Chelsea -- a bunch of hotels in Cape May and Atlantic counties. We employ between 350 and 1,300 people. I'm also on the Board of Stockton College and have been for 10 years. And I'm very happy to be here today.

Thanks.

MS. JONES: I'm Barbara Jones, SERVPRO of Cape May and Cumberland counties. We have franchises in both Cumberland and Cape May, and I have a vested interest in seeing the growth and development of South Jersey as a whole.

MS. JOHNSTON: Carol Johnston, Owner-Director of Medical Consultants Instructional Training Center, also known as MCITC.

MR. ASSELTA: John Asselta, retired after 40 years with General Mills-Progresso as their Safety Manager. I'm on the Board of the Arc of Cumberland County, the Board of the Boys and Girls Club of Vineland, and on the Supervisory Committee of the Bay Atlantic Credit Union.

MR. NAPPEN: Good morning and, Senator, thank you for the invitation. My name is Victor Nappen; I proudly represent the Greater Atlantic City Chamber of Commerce. Professionally, I'm Vice President of Atlantic City Linen Supply. We're a large company in Atlantic County, and we represent about 400 jobs, so this Task Force is extremely important to us. And I'm a 30-year resident, I'm proud to say, of Upper Township.

Thank you.

MR. BAILEY: I'm Scott Bailey; good morning. Thank you, as well, for the invite. I'm a commercial fisherman for 30 years out of Port Norris, New Jersey. I've been on the New Jersey Marine Fisheries Council, Delaware Bay section, for 18 years; and am currently sitting on the South Jersey Economic Development District.

Thank you.

MS. CLARK: Good morning. Vicki Clark; I'm the President of the Cape May County Chamber of Commerce. And I'm very excited to be

on this Task Force. The Chamber is always looking for opportunities to partner with others in the District to provide job opportunities that expand the quality of life for people in Cape May County beyond the traditional seasonal businesses.

DR. MORA: Hi, I'm Dr. Peter Mora, President of the Atlantic Cape Community College.

DR. PERNICIARO: Richard Perniciaro, Vice President of Planning and Research, Atlantic Cape Community College. I've been in economic development since the early 1980s; I started when I was 12 (laughter) when I moved down here. I was originally with the electric company; so I'm happy to be here.

And if I clap loudly when Pete does his presentation it's because he's my boss. (laughter)

DR. MORA: Added value.

MS. PILIERE: Good morning, everyone. I'm Margie Pilieri; I'm Director of Business Banking and Community Development for the New Jersey EDA. I'm happy to be here on behalf of Michele Brown, and to offer all our support and assistance in helping to redevelop the area.

Thank you.

FREEHOLDER FORMICA: Frank Formica, Freeholder Chair, Atlantic County; and owner of Formica Brothers Bakery, a 96-year-old business in Atlantic City. It employs about 100 employees.

Lenny Desiderio is my favorite Mayor, but I don't own a house in Sea Isle. (laughter) And being a taxpayer in Atlantic City and Atlantic County, I really have a vested interest in this Economic Development Task Force to be successful.

MR. DONAHUE (Committee Aide): Good morning; I'm Kevin Donahue with the Office of Legislative Services. I am a Task Force Aide.

MR. LEPORE (Committee Aide): Good morning. My name is Gene Lepore; I am with the New Jersey Senate Majority Office. I work on economic development issues for the office, among some other things. And I work for Senator Jeff Van Drew and 23 other wonderful bosses. (laughter)

SENATOR VAN DREW: He has to say that. (laughter)

Assemblyman Andrzejczak, I know you had a couple of words you wanted to mention.

ASSEMBLYMAN ANDRZEJCZAK: First off, I would like to thank everybody for coming out today and participating.

At the last meeting we kind of went over where we were and how to get out of it. A couple of things that we went over were education; education is very important as far as moving forward economically. And the other part of that would be that jobs won't come to our area unless we have people educated. So that is something very important that we need to look at further, into the future; and that's why we have Stockton, and Rowan, and all the other schools on board with this. And hopefully today we'll be able to look at not only where we are and how to get out of the situation that we're in, but also put ideas together and hopefully come up with somewhat of a plan to move forward.

So again, thank you for all coming out today. And again, I look forward to working with all of you.

SENATOR VAN DREW: And I want to equally thank you all for coming out today. I wish that I could say after today's meeting -- tomorrow morning we could read a headline that would say, "Unemployment cut in half; per capita income has increased." This is a labor of love. This is not going to be easy to do; this is not for a quick political campaign. This is something that we need to put our shoulder to the wheel now and hopefully have some short-term results, mid-term results, and long-term results. It's going to require a lot of work.

The reasons for it were really well summarized, I thought, at the last meeting. It depends on what part of the District you're in. If you're more in the Atlantic and Cape May County area, there is somewhat a culture of unemployment, as we know. There has been just a condition that has existed out there where folks work during the season, and when the season is off, they live on unemployment and other social services. And it's devastating. It's devastating to the families, it's devastating to lifestyle, it's not good educationally, it is not good in any way for those individuals and human beings who have to live through that process. It's demoralizing. And we can do better than that.

In the Cumberland County part, it is more of what we've seen, I believe, in the rest of the country -- where an area was based so much upon manufacturing, and the manufacturing base has diminished because of what's happened in manufacturing -- not only in New Jersey, but in the United States of America. It is a different scenario, equally as bad, equally as troublesome, and I won't review all the statistics again. You know that we're number one, two, and three -- depending upon where we are. It has been exacerbated, as Freeholder Formica and all of us know, particularly

because of what's happening in Atlantic County. Because, quite frankly, in both the Cumberland County region and in the Cape May County region, many folks relied upon Atlantic County for full-time employment, and moved back and forth to that area and would commute to that area in order to have employment. So this is more timely and more important than ever.

It was equally clear from the last meeting that -- from some of the work that we've done that-- And again, I want to focus on this. It's something that we really do need to focus on as we move forward. I know I don't have the answers, and I know there's no one person here who has the answers. What I do know is that there are regions of the country and there are particular areas that have had similar types of situations and problems, and have been able to move out of those problems. And we need to mimic some of what they've done. One of the tasks I'm going to ask the Office of Legislative Services to do, and our Majority Staff to do, is to research those areas more to find out where they are, who they are, and how they did that.

What we did learn in the last meeting is a great deal of that was accomplished through education -- everything related to education: per capita income, happiness, the stability of communities, domestic violence-- Whatever statistic you need to look at, there is a connect with educational level. That doesn't mean only traditional education -- that everyone must have a bachelor's degree, or everybody is going to have a Ph.D. It means that a person is educated in a particular function or in a job so that they can have a rewarding career in whatever it is -- whether it's in a trade, whether they're a physician -- whatever level it is, it's important to have that knowledge and that education. And that's something we determined after the last meeting.

We have some people here who, quite frankly, have the bonafides, who have done the work, who have been very successful in making good initiatives become real -- not only in our region, but in other regions throughout the state. And we're going to start with one of them, and I believe -- I want to make sure I get my order correct here; it is -- Ali is first, President Ali Houshmand, who is the President of Rowan University, who has done a great deal of work in this area.

And let me tell you, we are so fortunate to have all the Presidents here today. The trickiest part of this meeting, besides the substance of the meeting, was working with their schedules. That was quite an undertaking, because these are very, very busy people; and we're very proud to have them.

So President Houshmand, with that again, we're proud to have you here. Thank you for the good work that you've done for our region. And we're prepared to listen.

DR. HOUSHMAND: Thank you.

Do you want me to go over there, or sit here?

SENATOR VAN DREW: Probably, I guess, that might be good to address everyone from that spot.

President Houshmand, as well as President Saatkamp, has also agreed to be sitting members on this Task Force -- which, again, is quite an honor for the Task Force and, obviously, is going to be quite helpful. When they can't be here, they are going to have a surrogate here, I believe, who will stand in for them, because I know their schedules are very busy. I know we can't do this without the educational components, though; they're indispensable.

ALI A. HOUSHMAND, Ph. D.: Good morning, everyone. Thank you, Senator Van Drew, for inviting me. Good morning, everybody, for listening to me. Thank you.

What I want to do is to, first of all, second what Senator Van Drew said -- that, indeed, education and higher education is extremely important. And, I dare say, it's really strategic to the future of this country. This is no longer the issue of Atlantic, Cape May, Cumberland, Salem, Gloucester, and Camden. This is a national issue.

So I what I wanted to do: I want to talk about the problems as I see them, and then try to propose some of the solutions, and then share with you some of the examples that we have implemented that resulted in positive outcomes.

We are fortunate -- I am fortunate, as a naturalized citizen of this country, to live in this country. It is the greatest country on earth; it is the country where the greatest technologies start, the greatest intellectual people are here, the largest number of universities in the world, and the best universities in the world are here. And the amount of money that, in this country, we are spending on education -- whether it's higher education or K-12 -- is just staggering, absolutely staggering. Compared with any other country, there is no second.

Yet if you look at the outcome of this thing, you will find that we have serious problems. As an educator and an educated person, I really do believe that higher education in this country is broken in a very big way and it needs a complete overhaul.

In order to highlight that, let me give you some statistics. As we know -- some of us know -- higher education, the model that we have

today, really, is a system that was put together during the agrarian age; we are looking at late 19th century. And if you really look at the past number of years, at least, not much has changed. The universities are basically two semesters, fall and a spring -- nobody can tell me why it is; 15 or 16 weeks -- nobody can tell me why it is -- that takes all 3-credit hour courses. And tons of people make millions of dollars out of this thing by, every year, changing -- a new addition and selling it to these unsuspecting, poor kids. (laughter)

And then, what we do is, we then produce graduates -- the graduates, many of whom cannot find jobs. Right now the unemployment, as we know, is about 5.4 percent, while the youth unemployment is substantially higher. And the reason is because there is not right-sizing, in that who we graduate, who we train, are not necessarily always who the industry wants. Not only that, but also sometimes the kind of knowledge that we need to impart to a student is not consistent with what the needs of the companies and industries are. So that's one problem that needs to be solved: How do we right-size this thing? What is it, in this country, where there is unemployment yet there are 3 million jobs that are unfilled today? Why is it that this country imports H1-B visas in order to deal with the technology-oriented areas where there aren't enough workforce? In the greatest country, with the greatest universities, we are not producing enough of them. So that right-sizing is an issue.

Education, as we know, really impacts everything that we do. Senator Van Drew mentioned that it impacts you in the way that -- families; it impacts you in terms of crimes; it impacts you in terms of the quality of life; in terms of, you know, establishing families, buying property,

homes and cars, and everything else. And we all know that the more educated people are, the more likely that their economic well-being is (indiscernible).

Unfortunately, in this state, as I see it -- and I want to talk about the state situation -- is there really is a North and South. People can say what they want, but I see it differently; there is a North and South. If you look at the counties-- County-by-county in this state, it's remarkable that the percentage of adults in this country with baccalaureate or higher degrees currently stands around 30 percent. If you look at North Jersey, that percentage is higher than the national average. If you look at South Jersey, it is substantially below. In Cumberland County, the last time I checked, it was 13.41 percent; that was 3 years ago. It's probably 16 or 17 percent, but that is staggering.

So you have a workforce that is not trained, and you expect industries to come in here and create jobs and better the people. It just doesn't work that way. And even if you have trained them, maybe some of them are not correctly trained; therefore there are a tremendous amount of issues in terms of who we train, how many of them in what fields, and how do we make sure that every county has enough trained residents that industries need -- or that industries are willing to come and start businesses in the region. So that's one problem.

The other problem is that -- the way I said that higher education in this country was created in the agrarian age and nothing has changed. And nothing has changed because we are, as an industry -- and I call us an industry; I know some of my colleagues and some of my faculty will hate that when I call it that, but we are an industry, you know.

Nobody-- The last time I checked, no professor is willing to teach for free, and no student goes to college for free. So money does get exchanged between supplier and producer.

If you look at the way that we manage our education today, we have -- and there is a tremendous amount that we (indiscernible) from that -- we have constantly focused on the revenue side of our ledger instead of looking at the expense side of our ledger. By that I mean, if you look at typical higher education, especially a State institution like us -- whether the three State institutions in South Jersey, or seven county colleges, or a private one that's Georgian Court -- you will find that public ones, the source of revenue that we receive is two-fold: it's either a State appropriation, or tuition and fees. Guess what? State appropriation is beyond our control, and the State has their obligations and they have to look at prisons, and police, and roads, and schools, and hospitals. And, frankly, when the income of the State goes down, they cannot fund us to the level that we want.

So what do we do, as leaders of education, when the State cuts us? We increase the tuition. Let the student pay. When the rate of inflation is 2 percent, you go and increase the tuition and fees by 8 percent. What are you doing? You're increasing it substantially beyond the means of people. And, as a result, you're looking at the average indebtedness of the students in this country -- it stands around just under \$30,000. And this is (indiscernible), by the way. And the total indebtedness in this country currently is at \$1.2 trillion -- trillion dollars. So that you know what that number means? If you were to count from 1 to a trillion, and you count 60 of them per second, it takes you about 320 years to get to a

trillion. So it's a very large number. I mean, we throw it away -- we say the national debt is \$17 trillion; but what a staggering number it is.

And so we are where we are, and I really believe that for these reasons the system is broken. I really believe the solutions are that our education needs to do the following: Number one, we have to start focusing on the expense side of our ledger, not the revenue side. Enough of relying on the State, or expecting the State to bankroll us, or the students to pay us tuition and fees. I think we have to look at all else, too. And we have done that. And how do we do that? We have to start breaking the walls of higher education that we have created for the past 200 or so years -- that we have created these islands by ourselves where we do everything inside. We repair cars, we prepare foods, we do printing; we even do, probably, laundry in some of the institutions -- everything that-- Or generate electricity -- everything that needs to be done, we do it internally. And, frankly, we are bad at it. Our core mission is education -- to create knowledge and to impart knowledge. So solution number one, in my opinion, is get away from the areas that are not your responsibilities and outsource it to people who are good at it, and create jobs. Partner with industry. If you don't partner with industry, I really don't believe higher education has a chance, moving forward.

Let me tell you some statistics. Rowan University currently has just under 15,000 students; it has over \$500 million debt. The total amount of money we see from the State appropriation every year, we have to put \$5 million on top of that from the tuition and fees just to pay for our debt service. For all intents and purposes, Rowan University is a completely tuition-driven institution and, I dare say, every one of us are as well.

So how could you cut -- possibly change that dynamic if you're so dependent and so reactive as an institution? Public-private partnership and partnering with the city makes you, hopefully, proactive. Focus on your core mission. Only do the teaching, only do the creation of knowledge, and let the electricity, and gas, and everything be done by the people who are experts. Let the cars get repaired by the people who are experts. Let the printers do the printing. And you do what you are focused to do and what your mission is.

We have done this thing at Rowan University. You will see, for example, if you come to the Borough of Glassboro, we have a \$300 million public-private partnership with them, and we have a big hotel, bookstores, parking garage, academic building, many, many dorms -- and many more are going to be built. What is the impact of that to that town? Let's just look at some numbers. The areas where Rowan is currently located is about 18 or so acres. It used to generate about \$50,000 in ratables for Glassboro. That same area currently generates \$700,000, and it is only half finished. By the time it finishes, it probably will be about \$1.5 million. So that's one impact.

We are also seeing many of the facilities that we have -- there is not a building, apart from the bond money that we recently received from the State -- and thanks to all the legislators for their support -- every building that we build right now is done by private developers. We do not build anything on our own dime. In fact, the latest project that we just signed an agreement is 1400-- It is called Freshman Village; it's going to be on our campus. We are going to lease the land. The developer is going to bring the money, build the whole facility, and manage it. We don't even

have any obligation to have occupancy because we are so overwhelmed with enrollment that we have no problem making sure that these rooms are filled. And we are not going to have a penny of obligation; no more debt service. Our entire West Campus, where the technologies are coming, like Lockheed Martin and other companies; or massive athletic growth that you're going to see in West Campus on the Rowan Boulevard intersection of 322 and 55 -- it's all going to be private developers. Whether it's going to be a soccer field, an arena, ice hockey -- you name it, everything is going to be private development. Over the next 5 years -- or 5 to 10 years -- we will have at least \$1 billion of building in Rowan's surroundings. All of it is being done by private, and all of it is going to create jobs and make people's lives better.

I really believe that public-private partnerships are absolutely essential; focusing on the expense side of your ledger, so that you do not overburden the students with more debt, is very important. And I can tell you an example of that. Over the past four years that I have been responsible for our budget we have increased the size of Rowan by 25 percent. We have not received any more appropriations from the State and we have kept the tuition and fees at the rate of inflation. And my commitment to every student was, that for as long as I am the President, the tuition and fees will never increase beyond the rate of inflation -- yet with the same appropriation, not increasing the tuition and fees beyond the rate of inflation. And by increasing the college size by 25 percent over the past 4 years we have generated an \$86 million surplus in our budget, all of which was reinvested into deferred maintenance and student scholarships.

How did that happen in 4 years? It did because we focused solely on the expense side of our ledger, and I believe that is very important.

Another area that I really believe is very important is: How do we reduce the cost of education? We have, in this country, 1,700 or so county colleges; in this state, we have 19; in South Jersey, about 7 -- exactly 7. And if you look at the 7 county colleges, right now they have, I believe, a capacity of about, last time I checked, 55,000 students. That's how many they are educating. It's a fact that the county colleges' delivering of a student credit hour is less expensive than ours. We have the Lampitt Law in this State, where it says that every course that you take at a county college is transferable to a 4-year degree. I really believe that there should be a very, very close collaboration between the senior colleges and county colleges, and, to the extent possible -- and I'm doing that -- to the extent possible we need to outsource the first two years to the county colleges. That means that the delivery gets reduced significantly, probably in half, and you focus on the upper level -- the junior and senior. Suddenly, my capacity in terms of delivering and creating more seats doubles if I can outsource most of my first two years.

Now, I know that's a threat to many, many of our colleges: "How on earth do we want to do that? This is revenue." But the fact of the matter is, if you look at South Jersey, the total number of current -- the total number of undergraduate seats that are available in South Jersey is barely about 22,000. The size of the population of South Jersey is 2.5 million. If you look at national averages today, for every 30 or so population in this country there is 1 undergraduate seat. For South Jersey, we are not even close. Remember -- 2.5 million and 22,000. That is 1 seat

for every 100 population. Way below-- We are below, probably, Mississippi in this area.

So how do we increase the capacity? Do we go to the taxpayers and ask them to fund us to build more higher education infrastructure? We can't do that. Do we go and charge more tuition and fees, and build more classrooms, and labs, and hire faculty members? I don't think we can do that. In my opinion, the solution is that the relationship should be with the county colleges. Get involved with them and bring them into the fold.

There's another area -- high schools. There should be an area in which we can collaborate with the high schools. There are courses that we can teach, as county colleges and senior colleges, that students can bank so that by the time they come to the school the total requirement for getting a degree is reduced. We have started a very creative program. Both of us-- Each of us has a 3-credit hour course called a MOOC -- Massive Open Online Courses -- and we teach it for free to any high school kid in the State of New Jersey. If they take it and get a score, and they go to Stockton or they come to Rowan, all of them transfer. Those 6 credits, in today's dollars, are going to cost them about \$2,500. So not only do we entice these kids to get an earlier start, but also it enables them -- or it hooks them to this (indiscernible) stay here.

Another frightening statistic: Number one state in the nation in exporting high school graduates is New Jersey. Fully 30,000 to 35,000 high school graduates leave this state. Let's look at the cost of that. Even if you're conservative and assume you're currently spending \$15,000 per pupil for 12 years in order to get them to graduation -- \$180,000 -- multiply that by 34, and then think about all the money that their parents send

them when they go out of state. And then also add to that the amount of the taxes that you will not collect because they will never come back to here to be productive citizens. It runs -- last time I checked -- it was close to \$15 billion to \$18 billion on an annualized basis. That's the cost of what we're doing today.

So how do we increase the capacity without investing heavily in monies that we do not have? As I said, that relationship should be with the county colleges. Increase the capacity, reduce the cost, pass it to the students, do the public-private partnerships as much as possible. In my opinion, you will get solutions. And you are seeing it today. I have a very close collaboration with Gloucester County College, and Gloucester County College had a growth in enrollment last year, and they're anticipating the same thing this year. We are doing the same thing. Last year, our applications were about 30 percent up; the last time I checked, our freshmen applications, this year, were up 30 percent. Why are they coming in here? Because we are telling them less tuition and fees, better learning environment, safe environment for all of us, and quality education. And nobody can tell me that by outsourcing all -- some of the courses to the county colleges the quality comes down. I just don't believe that; I don't buy it.

There's another area that I would like to speak to that is somehow related to education, but not necessarily 100 percent. In this country we are exporting currently a massive number of manufacturing jobs. We basically gave away our manufacturing to China; which, in my opinion, is a crime, but it happened. But worse still, we have then started outsourcing many service-oriented jobs. The last time that somebody called

you from your credit card company and called herself *Sheila*, did it sound like *Sheila*? (laughter) Why? Because all these service kind of jobs are going out. Why on earth are they not doing them here? Why can't we make South Jersey the capital of insourcing in America? Why can't we have the students who go to college -- get the industries, and instead of outsourcing them, insource them here -- reeducate them about customer service. We can also ask them to go to county college and come to our universities, make the money. And I have models in here -- I can create zero tuition degrees if I can have that relationship with industries to insource those outsourced jobs. And don't tell me that a typical 17-year-old American kid cannot do that job -- versus somebody from India, or the Philippines, or South Africa. It just doesn't add up to me. There are millions and millions of jobs we can create here. Everybody talks about, in this country, about the 11 million undocumented immigrants. Yet, in this very same state, in this very same region, in this very same county, migrant workers come in here and pick the fruit. What's wrong with an 18-year-old kid in the summer doing that here and making the same money? Why can't we? Why can't we collaborate with the farmers, and the universities, and ask them to do that for the money that they could probably pay to the university in lieu of their tuition and fees?

So there are ways; there are creative ways, there are tough ways -- but there are ways that you could do that. And they are practical, they're easy, it doesn't require a massive amount of investment. But it requires for us to be brave and to think outside of the box. And it's challenging, it's hard, because we are in an industry where change is frightening. The joke in higher education is that you ask a professor, "How many of you does it

take to change a light bulb?" The answer is, "Oh, my God! You want to *change?*" (laughter)

So we don't like change, but we have to -- we have to because it's strategically important. An educated workforce matters. An educated workforce in the right area matters. Let me tell you one very important fact, and a very frightening fact. The greatest threat that currently this country faces, in my opinion, is not military; it is cybersecurity. It is the greatest threat. Imagine if tomorrow you go there, and you don't know how much you have in your 401(k) -- imagine that. Imagine if you go to your bank to get some money and somebody says, "Sorry, I don't know how much you have and I can't give it to you." I talked to the President of TD Bank the other day. He told me they are being hacked 10,000 times a day -- they are attacked 10,000 times a day from all over the world. And every one of you, I'm sure, has experienced that in your e-mails that you receive or stories that you've heard. Therefore, education is absolutely essential. We need to truly focus on that -- not for the sake of enabling a kid to go and get a job, but for the national security.

With that, I want to stop and answer any questions that you have. Because if you let me go, I can talk on, and on, and on forever. (laughter)

SENATOR VAN DREW: Well, I want to thank you again; you gave us a lot to think about. And I always think that sometimes the most difficult part of any challenge is the beginning -- just starting out. Once you're rolling, once you're-- So we have a particular problem; and I understand what you're saying, statewide, the issues are. Yet you all, quite frankly-- And one of the things that I have noticed is the model that you

have in your area -- in the Gloucester County area you're doing quite well. It looks like, on the horizon, there's going to be an increase in the number of jobs, an increase in the amount of industry. Some of that is some of the legislation that has passed, and some of that is legislation that, quite frankly, we can take advantage of here as well. It wasn't Gloucester County-specific; it was particularly South Jersey-centric, and it's something that we could use, and it's been used in Vineland and other areas as well.

But if you were -- if your job in life -- your only job in life, at this point in time -- I ask these hard questions, I'm sorry -- was to say, "How do we start?" what is it that you would do for Atlantic-- And they're different. I know this is a very difficult question, because of the issues. The casino issue is so specific and so unique unto itself. But for Atlantic, Cape May, and Cumberland County-- Again, I know you know those statistics. And this is not something new. You know, some of the issues you bring up are relatively new over the last few decades. This is historic for some areas, and it's just gotten worse. For Cumberland County, and particularly Cape May County and Atlantic County -- we've been number one, two, and three. We continue to be number one, two, and three on all these bad lists. Where do we begin? Where do we actually-- Where is the first step, in your mind? And I know it's an unfair question.

DR. HOUSHMAND: It is. I'll do my best to answer the best that I can, as I know the facts.

I agree with you that Atlantic and Cape May, as well as Cumberland, they have challenges. I think that Cumberland's challenges are as a result of what happened to our (indiscernible) Cape May, because of the employment of people who reside here and commute.

SENATOR VAN DREW: And the loss of industries -- some of the outsourcing you spoke to, glass industry, and other industries.

DR. HOUSHMAND: Well, of course, of course. Absolutely.

But I really do believe, and I think I've heard many, many leaders in this state say -- and my dear colleague Herman has been doing a great deal of work in that area trying to do his fair share -- I really believe that the economy of Atlantic City has to be, really, overhauled. We have to completely move away from the notion of gambling and casinos as the only source and really make it a destination. And the destination could be all sorts of a destination; it doesn't have to necessarily be a tourist destination; it could be an intellectual destination. Herman has just bought a massive building; he's telling me it's 1.5 million square feet -- 1.7 million? That's massive; that's almost the same size as his current campus. And there is a whole host of things that he could do.

For example, I can look at his-- If I wanted to, kind of, speculate, I would see there are many, many industries in this country that do training -- training of workforce, where people congregate in one particular area -- and there are industries that do that; and they train people in one week or two weeks, or one-day, kind of, courses. And these people typically want to live in high-end areas. I can imagine if Herman decided to partner, hundreds of companies in this country would provide this kind of training, have a chartered flight coming straight to Atlantic City airport, get them bused into his hotel. His is an academic institution. Collaborate with these people, provide the training. Ask them to stay here, have their fun, enjoy the destination; get their education, get their certification from a university, pay their hundreds and thousands of dollars -- and move out.

And that creates some jobs. That's very important. I really think that-- You know, I'm a mathematician and an engineer, and I hate gambling. I think there is actually a theorem that I can prove to you -- it's called a *Gambler's Ruin Theorem* -- when you are playing each opponent, your ruin is certain -- probability 1. So anybody who goes out there and spends their money -- that's their problem. I would never do that. I understand that it's fun, and it should be. But to the extent that people think that they are going to get rich by going to a casino -- they're dreaming.

So I believe that the economy has to change. I really believe that higher education has a great role to play. I think Herman is doing a great job. We are doing some work with them; we are talking to Herman. It has occurred; we are taking about actually creating a branch campus of a medical school over there. That would make a destination, because suddenly-- Remember, if you are looking at osteopathic medicine, we have one at our Stratford campus. There are only 35 osteopathic medical schools in the country. There are millions of Americans who want to do medical education. So a kid in California looking for osteopathic medicine, if they see a branch of it in Atlantic City, it becomes a destination and they are applying to that place -- and the chances are they get to know that. And once they come in here, they can probably take advantage of other amenities in Atlantic City. It creates jobs, of course, for professors, and students, and dorms, and food, and restaurants, and haircuts -- all of these things are multipliers. Therefore, unity creates a situation where the place becomes a destination. When I started the Rowan Boulevard with the Borough of Glassboro, the first thing that I told them was that Glassboro is a pass-through town. Eighteen-wheelers load their fruits and vegetables,

pass through 332 to our Rowan campus, and go to their destination. Unless you change that into a destination where people come in there, live there, enjoy there, spend their money there, you have no chance. So we have to look at ways in which we can really change that.

The other area that I really believe has a massive, massive advantage is the Atlantic County airport. It's a massive, massive asset here. It has the longest runway in the country (*sic*), and yet we are -- somehow we need to figure out ways in which to do that. If you look at the Philadelphia airport right now, it's overwhelmed. It has the number one delays, in terms of minutes, in the country (*sic*). And they were-- A few years ago when I did a study for Congressman Andrews, I proposed strongly that we need to really try to find ways in which we can take advantage of this airport instead of spending \$1-point-some billion to expand the runway to reduce delays in Philadelphia.

SENATOR VAN DREW: Yet each venture into Atlantic County Airport usually ends with failure.

DR. HOUSHMAND: I know that. It's just that one thing has to be -- as I said, it has to become a destination so that people have a purpose to be there. When I talked about higher education again, think about, for example, a medical education where, for the number of -- for 160 students that we are currently recruiting, we get about 5,500 applicants. If one-third of them want to come and visit annually to see the campus, for interviews and other things, that is a population of people who have to hop on a plane, or a train, or a car to come over there. So you have to create the reason for people to travel. If gambling is the only reason, of course that issue fails. The congestion, in my opinion, is important right now. For me

-- I live in Gloucester County -- if I really want to go anywhere, it's much more convenient for me to go to Atlantic Airport than to go to Philadelphia. The parking is ridiculous; I pay about \$25 per day, or maybe more. It's congested. I have to wait for a long, long time to go through security, whereas in here it's (snaps fingers). It's very easy.

So these are the things that I see, Senator. I really-- Obviously there are many, many experts here who know more about these things than I do. But as an education person, I really do believe that anything that higher education can do to enhance that area in terms of being a destination is going to be a plus. And we need to do our part; that's what we are doing. Herman and I, as I said, are working very closely in this area. And I would welcome collaboration with the county colleges in the same manner. Whether it's between us, or between Stockton, or Rutgers-Camden, or Georgian Court -- it doesn't matter. This is not-- I don't see this as a competition; I don't see him as a competition, we're colleagues. The shortage in this region is so bad that no matter how much each of us do, there is still more to be done. Therefore, I'm not worried about the competition. So when I say *collaboration*, it doesn't have to be with Rowan; it can be with Rutgers-Camden, a great institution. It can be with Stockton, a great institution. All of the (indiscernible). And we need to do it as well, and really try to do what we can in creating assets in Atlantic City so that it becomes a destination.

SENATOR VAN DREW: I guess we will go-- Oh, we have--
Yes.

FREEHOLDER FORMICA: Frank Formica, Freeholder
Chairman, Atlantic County.

Thank you, Doctor, for the presentation. Today's meeting was going to key on education and our universities, and you gave a very good description of what I think is a broken systemic problem in the education industry.

You know, one of the reasons why we cannot find people to operate service centers in this area -- believe it or not -- is because when they get to college and they want to take a first-year course in higher math, they don't even know the high school part of it to get into the course. And it is the dumbing-down of our education system in high schools that has made poor people in India and China much more adept at that.

But we have a more urgent problem. And I think Dr. Saatkamp and Stockton have focused on it. I think there is somewhat of a-- We exported all of our industry, therefore-- And the reason we've done it, to be quite frank, to be frank with you, is because there is no workforce here that is well-equipped from high school. And I think it's incumbent upon our industry to do something about collaborating with universities to infill those jobs here. We have opportunity here in Atlantic County because of-- What our problem is, is that land value is so low and there is so much acreage, and because of that facility -- FAA Tech Center -- they want to come here -- manufacturers, as well as aviation research. But the big problem holding them back is, you know, the education population.

So the challenge I see is that industry partnered with universities to create curriculum to infill the jobs. And I think that Herman Saatkamp -- Professor Saatkamp, Doctor -- is trying to do that with our next gen. But there are other industries such as -- just finding simple, rudimentary, what you call medium-tech knowledge people to work in, like,

IT hardware manufacturing. We have a 1,200-job company that wants to come to Atlantic City; they need 150,000 square feet. They canvassed the unemployed or the employable, and their critical question is, "We don't think we can get enough employees of that caliber; how do you solve that problem?"

DR. HOUSHMAND: Very, very good point you raised, sir. You're absolutely correct; that is an issue -- it's a chicken-egg situation.

Now, let's assume that you bring in an industry here and you promise them that -- or I promise them, or Herman promises them that, well, in four years from now we are going to have all the workforce for you. We're going to recruit them and educate them over the next four years. They are going to get bachelor's degrees, assuming they finish in four years. And then here you go. That's not going to work, right?

FREEHOLDER FORMICA: That won't work; it's urgent.

DR. HOUSHMAND: No, because they need to make sure that not only do they have the land, but they have to have the workforce and a sufficient number of them in order to come in here. I really think there is a possible-- We're creating ways. When I say we have to break that wall, that wall of-- Why should education be exactly a four-year degree? Why can't it be a short certificate? Why can't education be just in time? Already we are going in that area. Every single one of us, in these machines, have hundreds of apps-- What is an app? It is a set of knowledge and tools that do certain tasks. If you want, for example-- Let's assume that a company wants to come in here and wants to have a call center. And a call center wants people -- it requires people who can speak to people, communicate with other people. Why does that person necessarily need a

bachelor's degree in order to be able to communicate? Why can't that person get a certificate in sales, in customer service? And this can easily be produced by county colleges, by us; it could be a five-week, or a two-week kind of a training. And why can't a student come in and get that training and then go to work for the industry? And while they are in the industry, at night go to either us or them, or a mix of us, and eventually finish. So there are ways (indiscernible), but you have to think outside the box. You have to stop thinking that education is packaged the way that it was packaged 200 years ago.

In my opinion, the time has changed, and we have to change with it. If you don't, the world will change and we will stay behind. The fact of the matter is, education as I know it, as a four-year degree, in my opinion has to be completely overhauled. And we need to provide education based on the needs of the industry. Now, if the needs of the industry is a one-week education versus a 10-year education, we have to be flexible enough to provide it. Right now, we are not -- and that's the real danger.

But I absolutely understand you. I have to talk to you about the positive part. We have, right now, a complete degree in combat aircraft with Lockheed Martin. It's actually being taught by their engineers. It's our engineering degree. And they select, actually, students; they select the professors, and they teach it; and people get their degree. So that's what they're trying to do in order to get their workforce trained. And we can do it with every other-- It doesn't have to be all high-ends; it can be high-ends and low-ends. And the fact of the matter is there is nothing wrong with somebody who gets a certificate or an associate's degree -- and be a great

fireman, be a great store manager, be a bank teller-- There's nothing-- These are all dignified jobs; therefore, it doesn't necessarily have to be: wait for four years, get a degree -- especially a degree that doesn't necessarily fit with the needs of the industry -- and then look for a job.

So in my opinion we need to really look at that -- packaging and restructuring higher education in a way that we do adjustments based on the needs of the community; and the needs change from location to location, and you have to be flexible enough to do that.

SENATOR VAN DREW: So hypothetically, in Freeholder Director Formica's situation, or in his example there, that industry should be able to go to that educational -- or to an educational institution and say, "We're going to need 250 people--"

DR. HOUSHMAND: Yes.

SENATOR VAN DREW: "--and we are going to begin to develop, build, our facility. We'll be ready in a year."

DR. HOUSHMAND: Yes.

SENATOR VAN DREW: And somehow we should be able to produce those people within that year that they need. And so our commitment, as a government, and as an educational force, would be to do that.

DR. HOUSHMAND: Yes. And I challenge myself that if it were in my neighborhood, I would have made that commitment.

DR. MORA: Jeff, I have a question.

SENATOR VAN DREW: Yes.

DR. MORA: As an example -- a very small example -- but Ali's laying out a very large template.

SENATOR VAN DREW: Just for the record -- it's for them -- to mention who you are--

DR. MORA: Oh, yes. Pete Mora, President of Atlantic Cape Community College.

Just a mini-example of how that is working now. It's not zero happening. The South Jersey industry was in an expansion mode; still is, last year. Our college had a TAACCCT grant, which is a community college training grant. They wanted to expand a new position in the compendium of their company. It was a Natural Gas Technician; it was a 60-hour training situation. They provided the curriculum, they provided the teachers, we provided the students, and they guaranteed to hire 40 of them out of the 60 or 70 who would pass. They would even select beyond that -- and they did. We completed it, they have 40 employees now who are Natural Gas Technicians. That's just a mini-version of what is happening. But Ali is talking about a systematic approach to that. But it is happening now; it's not zero. Things are happening.

DR. HOUSHMAND: What I'm saying is the model is there; I'm not talking rocket science here. There is really a simple solution, but you have to kind of think outside the box and do it.

SENATOR VAN DREW: But just from our vantage point, one of the recommendations of this Task Force might be that we have more flexibility in the way that we educate our workforce, and that we don't always look at the traditional bachelor's degree or even the two-year associate's degree; that we should be more flexible in order to be able to train people for the immediate jobs that are at hand.

DR. HOUSHMAND: Yes, yes.

SENATOR VAN DREW: And that may be just a certificate of some sort in that case. So I think that's important for all of us here to really think about, because, at the end of the day here, when this is all done in a two-year period, we're going to make a series of recommendations. And it seems to me that that might be a good recommendation. I don't know what the rest of the group thinks.

MR. FANUCCI: Anthony Fanucci, City Council President, City of Vineland.

Thank you, Senator.

You know, you touched on something early on, Jeff, when you began with your short-term, mid-term, and long-term goals -- and it's important.

One thing I don't want us to overlook, and that I think should be brought to the forefront-- I don't know if this was done in the first meeting, because I missed it. However, I want to commend you for your outside-the-box thinking, and it was probably one of the most real speeches -- lectures, if you will -- on where we are and what we should be doing, and it's commendable.

To Director Formica's point -- you're right. We have a lot of immediate need to fill. But something we should touch on, and I would like to touch on in this Task Force, if possible, is getting with our Education Commission here in the State of New Jersey. Something we're missing at a very integral point is the elementary level. Kids don't have their times tables memorized anymore; curriculum is lousy. I mean, I'm a little bit partial to it, because I served on our Board of Education for so many years; I'm married to a teacher, my sister is a teacher, my aunts are teachers. But

I'm seeing this problem -- and I'm hearing it on a regular basis, and it's disheartening -- the fact that the kids can't even multiply, divide. You know, I remember sitting in my living room as a kid and my mother beat that long division into me -- sometimes, literally, with a book. (laughter) You had to know how to do it. But they can't. These new methods of math are a problem. There is no basic core concept. They say Common Core Standard, but it's not so common.

The other side is we're constantly teaching to one test or another every single year. And I understand standardized testing is a huge business, and I'm guessing somebody's benefitting greatly from that. The problem is--

SENATOR VAN DREW: They are.

MR. FANUCCI: Yes. (laughter) The benchmarks change constantly; sometimes they change right in the middle of the game. And I'm sure if you go right next door again and you pull out a couple of Superintendents -- I'm guessing they're probably sitting there -- they would come in and tell you the same thing.

Would it be possible to get with, maybe, the Commissioner of Education, or a Deputy Commissioner, or someone from there to have some of that to focus on? Someone who needs to say, "Let's get back to some of the basics," because I think probably everybody in this room here was educated from a very basic standpoint early on. And you had your core standards, you had that ability to do that; and we are functional, whether we've finished higher education or not. I think that we really need to focus on that, too, as a long-term goal. And I don't want to take away from the mid-range or the short-range either, because they're extremely important

now. But while we're developing this, maybe we can kind of continue with that too.

SENATOR VAN DREW: Anthony, I promise you we will do that. I think it would be an interesting conversation -- if somewhat of, quite frankly, a frustrating one.

I tend to be totally inappropriate at times, and this is going to be one of those times. We keep changing the educational system; and I know we have to be flexible, and we have to change. But it seems to me that you do need to require a certain amount of discipline in what you do in any endeavor. And at times I don't see it there at that level.

MR. FANUCCI: I agree.

SENATOR VAN DREW: And I think some of those basics really are important, and there's a whole debate and an argument about that. And it even goes to the Core Curriculum Standards, which I think are going to create some issues and some problems. Some people believe it's wonderful -- and I know you've been thoroughly involved. For those who don't know, the Council President has been on the School Board for years as well, and is intimately familiar with what goes on there. So we certainly can go through that process, as well, as we go into the future and look at it.

MR. FANUCCI: I appreciate that; thank you.

SENATOR VAN DREW: And we will -- which is a little bit different -- and we're still going to do it; and then try to focus on the particular problem that we have here.

MR. FANUCCI: I agree,

SENATOR VAN DREW: This is more of a statewide problem than it is --

MR. FANUCCI: I just thought (indiscernible) for 45 seconds.

SENATOR VAN DREW: We do what you suggest.

DR. HOUSHMAND: Senator, if I may. I mean, suddenly an idea came to my mind based on what you just said.

We are starting a new program this summer at Rowan called Mini College. And the idea of Mini College is to go to high schools -- private and secondary high schools -- but we're going to start with 9th grade. We're going to bring -- this is a pilot program -- 50 or so students from the 9th grade to our campus to reside for three weeks to simulate college. To literally live in a dorm -- we have 4,000 beds that are empty, and they are being heated and cooled, and they are wasted. So we're going to get 50 or so in there. And we're going to teach them what the college is all about. We're going to teach them leadership, time management, some basic courses in some areas, and they're going to actually be able to, at the end, accrue 3 credits.

I think this area -- where the campus of universities, and Herman's new campus -- could be a great example of bringing a large number of kids, in the summer, who would otherwise go and do mischief in the summer or be unemployed -- bring them to campus. They go to all sorts of camps; why can't the camp be a summer at a college? We can do that at the primary level, at the secondary level. That's one solution. So we are starting, and hopefully we're going to expand this thing. I would love to see one day that every summer we'll have 2,000 kids from schools come to campus and go through the Mini College. The potential is there.

The other thing is, let's face the facts. For all intents and purposes, the 12th grade in this country is a waste of kids' time. They

don't do much. As soon as they come in, they start looking for college, or prom, and everything else -- what color dress -- everything is a waste of everybody's money.

SENATOR VAN DREW: President, I don't mean to interrupt you, and I agree with you. But what's really particularly disturbing about that -- and I ask this question. I sit on the Budget Committee, and I ask it every single year when we have our college professors and presidents come forward for their budgets: Why do we have to do so much remediation at the college level? In other words, kids graduate high school, and they're not ready for college. And that hasn't--

DR. HOUSHMAND: Eighty percent (*sic*) of the high school graduates in this country currently need some remediation; 80 percent.

SENATOR VAN DREW: By the way, has that number gotten much better?

DR. HOUSHMAND: No.

SENATOR VAN DREW: Exactly. Why?

DR. HOUSHMAND: Because that system, in my opinion, is really broken.

P R E S I D E N T H E R M A N J . S A A T K A M P J r . , P h . D . :
Senator.

SENATOR VAN DREW: President Saatkamp.

DR. SAATKAMP: This is Herman Saatkamp, Stockton College.

The research shows that intervention at the 4th grade and 7th grade has the best impact. So what we're doing is, in fact, working with 4th graders and 7th graders. We have one program that's, I think, the most

successful in the nation that starts 4th, 7th -- but then really picks up in the 9th grade, particularly with risk students who were not going to graduate. To date, that program -- 100 percent of the students who are in it graduated from high school; 100 percent of the students have gone on to college.

We are teaching courses in high school, hitting these particular areas. This is another type of partnership that's very important, but it's also significant to realize nationally, and even more significantly in South Jersey, the inequity within our country is astonishing. We're now over 50 percent of students in K-12 come from families that are in poverty -- over 50 percent. That's the first time in the history of the U.S. that that's been the case. And we find that academic achievement -- whether it be math tables, knowing what chi-square is, or things of that nature -- are related to income and the economic standing of the family.

So we have an abundant problem here that we have to address in a significant way. But we also-- And if I were asked what to do about it, I would say that there's not one thing we can do about it; there are hundreds, there are thousands of things we can do about it. And what we have to do is partner with the school systems, partner with the county colleges to move that forward. But it's not going to change overnight.

SENATOR VAN DREW: President, I'm going to ask if you could come forward as well, because we could probably go on with Ali, and stay there. And if you could make your presentation and then, quite frankly, we can go around and ask either or both Presidents their viewpoint on some of these issues.

What occurs to me a little bit, since we are in a region of the state that is so underserved and, as you said, there are two states of New

Jersey -- there is the State of North Jersey, and there is the State of South Jersey -- and educationally and socioeconomically there is a great divide in the two of them-- Since we are so divided, it would be interesting if we can look at it as a unique opportunity and some of what we're talking about, do more of here.

So what the President was speaking about before, where we work with industries; where we have a certificate, or we have some sort of a process where they can be readily trained within six months, a year, a year-and-a-half, sometimes two years -- whatever the case may be -- if we could do more in our region-- Because, again, we have the issues and the problems that we do, and in the greatest challenges sometimes come the greatest opportunities. Could we be an area of the state where colleges are working more with elementary, and middle schools, and high schools than you would typically see in other areas? These are the types of things that we're looking at so that we can take this great problem that we have and make it an advantage -- because of the problems that we do have, we can actually move forward.

President Saatkamp, thank you for being here.

DR. SAATKAMP: Thank you.

Ali has presented a lot of issues that-- And you've seen how we work together. You will see, if we get to the other presentations also, how we're working together with the community colleges and the like.

I'm older than most people here, so I've been around longer. I've served on economic development councils and groups in three states: Florida in the 1970s; Tampa, Florida was in serious trouble. We turned it around significantly; we can talk about how you do that. Texas, when I

arrived there in 1985, was in tragic shape. We diversified the state's economy, focused on three major cities, and really built the educational system: 144 state colleges and universities in Texas, 14 medical schools, etc. I did the negotiations for the University of Texas and Texas A & M for the state legislature, and we really transformed the state's economy. Indiana, when I arrived, was a similar situation. Most of the manufacturing was going out, and a lot of students leaving -- not before they went to college, but afterwards to get jobs in other places.

In each of those places, where governors from both parties appointed committees to work on this -- and I was privileged to be on those -- they normally mentioned three things that were important; I think there are really five things: One is the collaboration between government, business, and education. Those are the three things that are always mentioned.

The other two things, though, I think are even more significant. One is a sense of community; a sense that we're all in this together, and we'll work together to build. And we get a sense of that, seeing everyone around the table.

The other is communication; and we talk about Atlantic City. I was just with the *New York Times*; they had no idea of that \$1 billion worth of investments coming into Atlantic City in this next year. They think everything is dead. So how we get the right communication out, not just about Atlantic City, but southern New Jersey, is an important consideration.

Ali and I have this remarkable set of circumstances -- that we're in growing institutions. I had to rent a hotel just to house students this last

year. We've been trying to keep our growth at 2 to 3 percent. The first-year class was 11.4 percent -- no matter how many students we turned away this last year. So we need a full new campus.

We're also fortunate in the quality of the students. Fifty percent of our students who graduate at Stockton go on to graduate school. Of the 50 percent remaining, 83 percent had jobs before they graduated.

You and I live in a state which is number two in the nation in terms of job creation for students with bachelor's degrees and beyond; number two in the nation. As Ali pointed out, much of that is in what used to be *East* Jersey -- we now call it *North* Jersey. Historically, New Jersey was East and West. It wasn't until the Civil War that it became North and South.

But we also have those features. A fellow at Harvard who I worked with, particularly in Florida, Texas, and Indianapolis -- his name is Michael Porter -- developed a view that the way you do economic development is what he calls *clustered economics*. Because you find out what we do well in this community; and you see a lot of that represented here. You cluster that together and you build on it. Michael Porter really helped transform Indianapolis in a significant way. He really helped us think through how to do Texas and keep it from being dependent just on the oil industry.

We are in this incredible situation where the partnership is really important. What do we do about it? Well, as I said earlier about the school system, it's not *one* thing we can do about it; there are hundreds and thousands of things. And it doesn't happen overnight. Tampa, Florida, didn't become a thriving downtown city in one year's time. It took us seven

years before we saw the first fruits of all the labor. And you go to Tampa now and you look at Harbor Island, and so on -- it's a thriving city.

Texas -- a terrible economic slump in 1985. It was five years before we turned things around. And then around 1995 the number one industry in Texas was not oil, it was hospitality-tourism. But the certain areas we focused on-- They made fun of me recently at an economic conference for Atlantic County where they brought in this company that worked to redevelop Austin, Texas. I turned down a job at the University of Texas in 1978 because it was too small of a town, and I told them I would never move to such a small town. They used to make fun of me when I went to Texas A & M, and they always asked me about the comment about a "small town." Austin now is the 11th largest city in the United States. And part of it-- In Austin, we focused on high tech; in Dallas, we focused on international business and international law; and in Houston, we focused on international business, art, and the like; San Antonio, largely tourism.

You have to build it on the clusters that are important in the particular area. And I'm pleased to say in all of those areas we were successful. But it was a 3-, 5-, 10-year plan that made that possible. At Stockton, what we're doing -- and Ali was kind enough to mention us a number of times -- last year we built three satellite campuses. We have four total; we're now opening a new, full campus in Atlantic City. It will take a while for all this to take effect. But if you talk to the people in Hammonton, talk to the people in Woodbine, talk to the people in Manahawkin in Ocean County, talk to the people in Atlantic City -- you'll see that Stockton is really a significant presence.

We're also now working in Cape May. And I'm pleased that Curtis Bashaw is here, because in Cape May we have lots of prospects for continuing education, building programs -- things of that nature.

It's a feature for us that particularly colleges and universities are basically neutral points where you bring people together to talk about these issues and you build partnerships. We've talked about public-private partnerships; Stockton is leading the way at that in new ways, along with Rowan. The FAA we've talked about; we'll have a research park, I hope, before the end of the summer -- maybe sooner there -- and we'll see how that goes. I have appointments in China and in other international countries. We're working on flights coming into Atlantic City from Shanghai through Jeju. And we're working on building international programs. I happen to chair the American Council of Education's programs on internationalization and global engagement, representing not just the U.S., but all colleges and universities in the Americas. I just hosted 80 presidents from South American colleges who want to build programs with us here. So the opportunity for international education is really high.

SENATOR VAN DREW: Will the President himself come to Atlantic, Cape May, and Cumberland County?

DR. SAATKAMP: In fact, we're working on that. But I had the embarrassing feature of introducing the ambassador from India -- who is just incredibly bright, and charming, and so on. I introduced her to almost 200 of my colleagues -- presidents -- of American colleges and universities. And it took me, I don't know -- I was slow -- but it took me about 20 seconds to realize she was there recruiting. They're building 10,000 to 20,000 colleges and universities in India by 2030, and they're doing it in a

remarkable way. Ali mentioned we are top in the world. That actually used to be the case; but we're no longer that. In terms of education, we're somewhere around 30th in terms of population that has a bachelor's degree. In terms of health care, out of 50 industrialized countries, we have the highest infant mortality rate. We have the greatest economic divide of almost any highly industrialized educated population, except for Greece. In my field, I've worked in medical schools for 20 years. My field was in the area of molecular genetics. Suddenly, in the 1990s, we started shifting funding away from that. So my colleagues I've worked with at MIT, Harvard, Stanford -- you know where they are? They are in Shanghai working at the largest genetics institute in Asia.

We are in trouble, and we have to do something about it. So I'm pleased to be a part of this group. The way we do something about it is like the way you build a wall -- one brick at a time. And it will take a while; there are no easy solutions. A lot of states in the 1960s tried the certificate issue, tried community college and higher education -- Florida being one. It worked partially, but not super well. We have a better chance of doing it now. And with our community college presidents and university presidents we can do it -- but we're going to need a lot of support.

When I came to Stockton, State support provided 40-something percent of my budget; it's 9.7 percent now. That's in less than 12 years. Federal support is also going down. In the 1980s there was a real turn in the U.S. -- it's known internationally but not known very well in the U.S. -- but in the 1980s, that higher education should be a private enterprise, not a public enterprise. And so the burden falls on the families.

We're in trouble. But all of us working together can get us out of this -- but not tomorrow; 3, 5, 10 years.

Those are my comments

SENATOR VAN DREW: Thank you, President. Thank you for your thoughtfulness.

My only comment would be is if we are in trouble, nationally and statewide we're in deep trouble. Quite frankly, I know a lot of good is happening here. Don't misunderstand me; I don't mean to be negative. But we have to be intellectually honest when we look at these issues and see the challenges and the difficulties we have. And because of that North/South divide, we, particularly, are in trouble. As we become more technologically based and more sophisticated, and all that's happening, I've noticed it, just anecdotally. I mean, when I see the egress of young people. They're educated here, and we are educating them. You know, a lot of those folks who are educated at Stockton, though, and at Rowan -- they're going somewhere else. They're going to Austin; they're going to other places. We want to keep them here. That's part of the job -- is figuring out how to keep them here in South Jersey so they can be with their families.

DR. SAATKAMP: I would just note: 90 percent of our students stay in South Jersey.

SENATOR VAN DREW: Well, that's good.

DR. SAATKAMP: They're bachelor's, master's, and doctoral degrees. And so they-- When you look around, you'll find lots of South Jersey people.

I agree with you -- we're in trouble. But I can tell you: I was in places that were in a heck of a lot more trouble, and didn't have the

resources -- the educational resources, or the talent in government, or the business talent. This is something we can do.

SENATOR VAN DREW: That's why we're calling on you. That's why we want you.

FREEHOLDER FORMICA: Jeff.

SENATOR VAN DREW: Yes, Freeholder Director. Mention who you are.

FREEHOLDER FORMICA: Frank Formica, Freeholder Chair, Atlantic County.

One thing that I think that you said, of the five points -- the three you could do, and the two other ones -- that is so true about our area, is the communication. I know that there is \$1 billion worth of potential investment there. Friends of mine were in Ann Arbor, Michigan, saying what a shame it was that there's no more Atlantic City; their friends were telling them. And it is endemic. It's so bad that I think, almost, to get this started that it would be wise, Jeff, if we could somehow lend some PR to this area and let everybody know we're not dead -- and there is potential here, and opportunity.

I mean, Atlantic City, as we talked about that as the economic engine, did not even have a PR department for 22 years. A \$5 billion industry had no PR officer. And the little-too-late Atlantic City Alliance did not work out, so the State-- I mean, we have economic and tourism, we have advertising.

I know, years ago, Curtis Bashaw talked about branding. We had three regions that we were talking about branding, and it was the thing to do, and it's the thing to do now -- especially with the media. So my

recommendation here today is to really take a look at the shortfall in the communication about the good things about this area -- the opportunity.

DR. SAATKAMP: I agree. And looking outward turns out to be very important. I mean, the *New York Times* had no idea what was going on. Looking inward, though, is equally important. If you look at what Virginia Tech did with Blacksburg in the middle part of the 1980s, early part of the 1990s -- they built an electronic village in which everyone was pulled together. We can do that in our communities; I mean, we really can. We can pull businesses, the art groups, and so on.

The outward communication is extremely important. It has to be accurate. Now, what goes on behind has to be really moving up in a very positive way. I honestly think we are, and we need to get that out.

SENATOR VAN DREW: One of the goals of this Task Force is going to be to have, obviously, a series of recommendations and a plan -- hopefully a multiple-point plan of what we need to do; and then to really try to push that with all of our respective leaders, our political parties. This is a bipartisan effort, and hopefully we really can do that. Hopefully, this will be helpful.

While we're asking questions -- I know, Rich, you're next -- if the Provost from Rutgers could come up, Rayman Solomon, also while we're asking questions of President Saatkamp.

DR. PERNICIARO: Rich Perniciaro, from Atlantic Cape Community College.

Ali, actually -- you've been designated a research institution by the State of New Jersey. Do you have, or do you plan to have, or do have any research centers -- facilities -- that work on the issues that concern

South Jersey, that concern the community? Rutgers has the Bloustein School and the Heldrich School that work on certain issues. Are there things at Rowan -- and certainly I know more about Stockton, so I'm asking you -- but are there more-- And I'll get on my soapbox for a minute, as a card-carrying economist. There is no economic institute in South Jersey that will tell North Jersey exactly what goes on down here. When some of Jeff's colleagues from North Jersey come down, and when we have summits in Atlantic City, the facts are wrong; no idea about what goes on down here, in reality. People come and tell us things. Part of that is the communication problem, but part of that is we don't do our own. We don't do our own research, we don't tell people what's wrong, we don't tell people what we need; and in that the State would be the greatest beneficiary of a resurgence in South Jersey. They are the ones that would get the tax revenue, they're the ones that would benefit.

And so I guess what I'm asking is, being designated a research institution, what is the commitment to the region in terms of that research that will be helpful?

DR. HOUSHMAND: Well, first of all, in terms of what you said initially, it depends on an entity that provides that in public policy, so to speak. Stockton, of course, has the Hughes Center; Rutgers, I know from personal experience-- We have (indiscernible) when I came to Rowan-- I'm a very data-driven person. I don't do anything without having facts and information (indiscernible). And, therefore, for me, collecting accurate, reliable, timely data, and packaging it means that I can make decisions --is absolutely important.

So what I did was, my first task when I joined eight years ago -- the first thing I did-- Our institutional research was completely annihilated -- all the people who were there -- and rebuilt by a group of scientists and engineers and mathematicians whose sole job is to go around the nation, learn about the best practices, package them, and give them to you. And I put them into booklets and everything that I intend to give Senator Van Drew a copy -- a couple of these copies.

So we have that. In terms of research -- whether it's in manufacturing or service -- yes, we have grown significantly over the past four years. Our research expenditure, four years ago at Rowan, was only \$5.5 million. Last year it was \$28.5 million; this year we're going to surpass that. Our goal is, in 10 years -- by 2023 -- to reach \$100 million of research in our tech park. We are, right now, negotiating with three companies that are going to relocate in our West Campus and bring jobs. And we basically lease the lands that we have, they build in there, and we collaborate and take part. Our engineers are there. So if they want -- they're looking for a workforce, we have them trained. They actually are currently going into our West Campus to do their clinics. And the clinics are basic engineering, basic this and that -- working on real world problems from day one when you enter the college that is funded by industry.

So there are a number of those that we do. But in terms of having an entity called a *public policy*, we don't have that. In the future, if the need (indiscernible) be, we would create one. But I know that there are two great ones in southern New Jersey.

DR. SAATKAMP: You know, I would just note-- I mean, we have three such entities -- the Hughes Center; the Levinson center, we have

a polling center; and then we have Institutional Research. With the new campus in Atlantic City we're creating a center of centers, and there are several national groups that are talking to us about coming in as well and will be headquartered there -- both charitable groups as well as research groups.

We are not designated as a research university, but as a comprehensive university. We have a lot of research going on with the tech part; we will move up with -- we get pretty close to what Ali is doing in terms of funding and the like. I came from large research universities; we don't have any in New Jersey, period. I mean, large research universities-- Texas A & M had \$800-and-something million in externally funded research. That did not count the income from a \$5 billion endowment, that was unrestricted, only for research. So we had well over \$1 billion. At IU we had something very similar on the research campus in Indianapolis, where I was. We had \$400-and-something million for research. The more traditional campus in Bloomington was \$100 million.

With Rutgers-New Brunswick now bringing in the medical school and the like, they're moving up in the ranks of research institutions. But we are young, in terms of higher education. Rutgers became public in 1956; public-private--

RAYMAN L. SOLOMON, Esq.: Although founded in 17--

DR. SAATKAMP: Founded in 17-something.

MR. SOLOMON: Founded in 1766.

DR. SAATKAMP: But was private until the 1950s. We didn't have public universities -- comprehensive universities -- until 1970 when we changed the normal institutions to comprehensive institutions. Texas A &

M, 1871; IU, 1839 -- in terms of founding. Those are public institutions, and were founded as public institutions. New Jersey is just new to this.

SENATOR VAN DREW: President Saatkamp, one quick question.

Ninety percent of the folks who you educate stay in South Jersey.

DR. SAATKAMP: Yes.

SENATOR VAN DREW: What are they doing for a living?

DR. SAATKAMP: Eighty-three percent have jobs; most are in management, business positions. Many are serving as the heads of charitable organizations. We have a list of them; I didn't bring it with me.

SENATOR VAN DREW: Okay. Public sector more? Private sector--

DR. SAATKAMP: More private sector, but, obviously, some teachers. We don't have a huge education program, but we have a very good one. The largest number of majors we have is in health sciences, so it's in the health sciences--

SENATOR VAN DREW: Health field.

DR. SAATKAMP: Health fields. The second-largest number of majors is in business. Those are actually combining now, because programs -- nursing positions want and need business enterprise as well.

The one thing I would just caution everyone about is that what students are looking for are degrees that will help them, not just in the next two to three years, but in their future. And when you ask businesses, "What do you want?" they want people who can communicate, who are adaptable, who collaborate. Our students -- unlike the old geezer that I am

-- will change jobs up to five times by the time they're 32. So they have to have degrees that enable them to adjust and adapt to needs. Otherwise, we're also doing a disservice to them.

SENATOR VAN DREW: Thank you, President.

Yes.

MR. NAPPEN: Thank you, Senator.

Victor Nappen, Greater Atlantic City Chamber.

I'd be misrepresenting the Chamber if I didn't applaud your vision, Dr. Saatkamp; for coming to Atlantic City; for the positive reinforcement that we need at a very difficult time -- to what the Freeholder Director commented on. And the plans you have for Showboat -- if you could just take a minute or two-- Because it's obviously close to our hearts in Atlantic City, and what the city needs in terms of your vision there.

DR. SAATKAMP: I'll do this quickly, because I want to respect the other people who-- I know we are running really short on time if we keep this--

We're going to have an island campus; again, we'll move it up gradually and well. It is 1.7 million square feet of space, three towers fully furnished as hotel rooms and the like. Or actually, as I tell parents and our students, "It's going to be terrible. You walk into a residential room; it's a 4-star hotel room, nice beds, marble top features, views out to the ocean."
(laughter)

We will ramp up within three years to a full branch campus, which means you can get a degree in Atlantic City without shuttling back-and-forth to Galloway. We're building centers; we'll spend \$17 million to \$34 million revamping it and you will never think of it as a former casino

when we're finished. We'll build a Community Center so that the people in the area become a part of it. My board has asked Dot and me to consider moving there, and we're trying to work that out now, as a way of endorsing that Atlantic City is a good place, and for our students.

I will start meeting with community leaders very soon. We're collaborating with several businesses along the area, including potential buyers for Revel and the Taj, but also the Steel Pier. We're working on building a University Park that would go from the Stockton island campus to Gardner's Basin. And it's going fast, it's going quickly, but we're going to do it in a way that is successful.

MR. NAPPEN: Senator, it's a game-changer for us in Atlantic City.

SENATOR VAN DREW: I know that it is; hopefully, for the entire region.

Thank you.

Provost.

MR. SOLOMON: Yes, thank you.

I'm Ray Solomon; I'm the Provost of the Camden Campus of Rutgers University. I'm here on behalf of the Chancellor, Phoebe Haddon, who is out of town and couldn't be here.

Let me just hit some highlights, and then we can continue the discussion -- which has been quite informative.

We offer training and support to the citizens of the region. Probably there are about, I think, 544 students from this District who are at Rutgers residentially -- at one of the Rutgers campuses. Half of them are in Camden, but the others are in either New Brunswick or in Newark.

But we understand that, for some, travel to or being at the campus -- at one of the campuses -- isn't accessible. So we've made it-- We've tried to open up the possibilities by having facilities at Atlantic Cape Community College in Mays Landing, where a student can either complete their associate's degree or earn a Rutgers' bachelor's, or even a master's degree.

And we also work to try to prepare citizens for successful careers and lives through means other than traditional campus-based instruction. We're proud that the School of Business here has provided professional training programs to such local employers as AtlantiCare; and we provide training in process improvement and project management at the Atlantic County One-Stop Career Center, where we provide reentry training for unemployed people in the region. And the Business School trains approximately 50 individuals each year, to help them prepare for employment.

Another one of the-- Going back to the research centers, our Public Policy School in Camden -- the Walter Rand Institute at Rutgers-Camden has done a considerable amount of work with the Cumberland County Prosecutor and Freeholders in creating positive juvenile delinquency programs that focus on Vineland, Millville, and Bridgeton. And we've also conducted staff development programs at the request of the Bridgeton Mayor. And in Atlantic and Cumberland counties, as well as Gloucester and Salem, we're involved in initiatives designed to strengthen families. And the Rand Institute has also provided a host of available opportunities that are on their website. Our Law School -- which I was Dean of for 16 years before taking this job -- has run a very successful program helping the

naturalization of legal immigrants, called *Citizenship Rutgers*. And our Rutgers' Haskin Shellfish Lab has conducted basic and applied research in support of fisheries and aquaculture for shellfish and finfish.

So we do a lot down here, but we are also prepared to do more, and have been in conversations with the community colleges. And in our partnership with Rowan -- especially in the health sciences -- we're poised, I think, to do even more.

And just to pick up on a few things that we've been touching on. I agree with Ali completely about the need for the flexibility, for the training -- that not everything is a four-year degree, obviously. And certificate programs and, sort of, on-time delivery of certificates are important. But these aren't *either-ors*; they're *ands*; because, I mean, it's the old story of -- the parable of teaching someone -- giving them a fish or teaching them to fish. I mean, you can train someone in a particular process; but if that process changes, they have to know how to adapt and change. But what you can do is provide that first training, and then it's lifelong learning -- and you continue to do that. And some of them will decide, "Gee, I want to advance; I'm motivated now to go to the community college for the associate's degree, and then I want to get a bachelor's degree, and then a master's." But it's not one-size-fits-all completely. And so I think that's an important part of this.

The other thing is -- and I think we're able to do probably a lot more of this in cooperation with the other universities and the other colleges -- is the K-20 or the K-12 pipeline. We have a program called *Future Scholars*; it's mainly focused on Camden, and it's intervention early on. But it's a program that, if we all partnered together, we could expand to

other areas. And it is getting the kids -- I mean, I think all of us have similar programs -- it's getting involved at those crucial periods, starting early in middle school and on, and bringing them to campus and getting our students involved. Our campus is known for civic engagement; that is, our students and our faculty are teaching partially through experiential learning, through having projects that the students go out and work on in the schools. And that type of experience is transformative for our students, but also is transformative in the lives of those kids. Because they see people who are just 5, 10 years older than them engaged in higher education, and they see the value of it, and they see the excitement that it brings those people in getting further education. So all of those things I think can be expanded, and should be expanded.

Senator, when you were asking the question about other examples around. I think you might look at Tulane. I mean, it was a private institution; and what happened in New Orleans was a natural disaster, not economic dislocation. But they transformed that school -- very much as Ali mentioned -- into a destination school. It was for people who wanted to get involved in helping to transform a city -- I mean, to remake a city. And New Orleans was probably tied with Atlantic City; it's a good place to go to school if you were an undergrad and wanted a good time. I mean, as a destination fun place, it is really up there. But they started attracting a different type of student who wanted to come. And we're trying -- that's one of our goals in Camden: to reach out to kids who want to be involved in helping to transform the area.

SENATOR VAN DREW: Just a thought -- and you mentioned Camden; and I think of places too. We all know the challenges in the

Pleasantvilles, and Millvilles, and Vinelands, and certain areas. There are lots of smaller communities that you -- maybe you wouldn't be shocked, but I've made it a point to visit some of these communities; places some of you may not have heard of -- places like Commercial Township and Down Township. Small, very rural communities that are very underserved and don't have the technology, don't have the teachers they need, don't have the funding that they need. These kids are really left behind and really need help.

So one of the things I would love to see, if there is ever again a small-- I'm thinking of pilot programs that could be done in the region; that would be one.

Another area, by the way, that is often forgotten about is the City of Wildwood. The City of Wildwood has more transient people, more poverty. It is one of the poorest cities in the country. It has huge issues as well; and I know Mayor Troiano is not here right now, but there are huge issues there as well. So we have, at multiple levels, we just have some really difficult issues.

And, again, that's why we are all together here. This is a regional approach; this is for the entire region. There is no question that Atlantic City is the epicenter. You know, I mean, Atlantic City is the driver; it has to be. But when it comes to areas like Cumberland County and parts of Cape May County, it is-- I think it was President Saatkamp, or maybe Ali -- I'm not sure which one of you -- was talking about just the *great divide* that's happening, even economically, among people. You particularly see that-- You know where you see that a lot is at Cape May County. So I see homes-- You know, I see million-dollar homes being

demolished -- literally being-- New homes being demolished in Avalon because they're building \$5 million homes, and a million-dollar home is just a starter home. And yet, at the same time, I go a few minutes away to Commercial Township or, even closer, to Wildwood, and I see a whole other set of issues, you know? So we have some--

Just again, and I keep emphasizing that, but we want to learn from you. The reason that we have you here is because we need help. I don't know how else to say it. And we need to learn, and we need the help, and we need the advice, and we need the support.

DR. SAATKAMP: What should not be missed is what Rutgers has done for Camden, and what Rutgers did in New Brunswick. My first set of papers that I gave in New Jersey -- as my children say, was a hundred years ago, 1973 -- I went to Princeton and then to New Brunswick. You would not have wanted to walk through New Brunswick. You go there now, -- it's remarkable. But it took a while.

Camden -- the same way. What Rutgers is working at in Camden, and what Rowan-- That transforms those areas. So we should not overlook our successes.

SENATOR VAN DREW: We shouldn't, but Herman, what we've-- Sometimes what happens -- and I'm going to be a little parochial -- is we know about the Camdens, and we know about the New Brunswicks. Nobody knows about the Commercial Townships or the Wildwoods -- or even, to a great degree, the Vinelands and the Millvilles, to be really honest with you; they don't. We're a little bit on our own out here, and we're a little bit lost, a little bit of a different area.

Atlantic City -- at least we know about it. It's not good; you know what I mean? We're not happy, but we know about it. But this is, sometimes, the land that time forgot a little bit. And these people are suffering, and they're real human beings, and they really need help. And that's the point of what we're doing here.

I know those successes, but we want to be able to say a number of years from now, "You know what? Vineland was at this point, Atlantic City was at this point, Millville was at this point, some of these rural communities were at this point, and we've actually transformed it." We haven't done that now.

DR. SAATKAMP: Yes, and I agree.

SENATOR VAN DREW: We're working on it.

DR. SAATKAMP: I think the issue is, take the lessons we've learned from our successes, apply them uniquely to those other settings. Texas-- And if you drive across Texas at 75 or 90 miles an hour -- which you can in Texas -- it's 18 hours, straight drive. I visited a lot of the little towns, just like the ones you were in. So did the whole Commission that we were working with in Texas.

SENATOR VAN DREW: I know.

DR. SAATKAMP: And it was transformative -- not in the way -- exactly the way in New Brunswick, or Camden, or Atlantic City will be. But it was transformative what we could do. So we should not forget them, but let's learn from our successes and apply them.

SENATOR VAN DREW: Thank you.

FREEHOLDER DERELLA: Senator?

SENATOR VAN DREW: Yes, Freeholder Director.

FREEHOLDER DERELLA: Joe Derella, Freeholder Director.

I'm very interested in the comments that were made -- especially you, Dr. Saatkamp -- about education. We're kind of behind; we're losing ground to the rest of the world. And I was at an energy coalition group of some of the leaders in industry in regards to energy -- South Jersey energy -- and I listened to the same thing there from a nuclear standpoint, from infrastructure, and energies. We are falling behind the rest of the world, and I don't like the theme of that.

But to get back to what the Senator just said. Atlantic City happens to be probably the epicenter right now for Cumberland County. What happens there is going to impact Cape May, it's going to impact Cumberland -- it is absolutely going to do that. And education is an important model; it's the same thing here for our county as well. But somewhere we have to look at you leaders -- and I know, Vicki, you're going to speak in a little bit. How do we get a short-term bright spot in regards to putting people back to work, providing the challenges or knowing the challenges that they need to try to attract some employment, and then parlay that into some of the real vision that's being expelled (*sic*) here by you gentlemen, and by Vicki soon?

We're seeing a little bit here in the county that we reside in; I'm sure the Councilman and Vice Mayor Quinn can say the same. But it's slow. Walter Reed (*sic*) Institute has been a huge player in the last two years here. This county is putting \$60,000 again towards continuing that relationship. Because what it's done, from a juvenile standpoint -- 150-plus station house adjustments and only 3 repeat offenders. It's making an

impact in the elementary schools; the police are heavily involved. We had our Superintendent Roundtable we were able to speak in front of. So our educational initiative is there.

But from our seat, as Freeholders in this County, we're looking to you leaders: How do we find a year-long or an 18-month bright spot that we can shoot for? And then, that long-range -- as you've been referring to -- 5, 10 years out? Where are we going to be, and how can we do that? We know our county college is going to be in that mix, somehow, some way. It has to be, and we know that our new technical high school is going to feed that direction.

But somewhere we have to have a vision, and I think it needs to come from these leaders, from an educational standpoint, on where's the niche going to be. Because Atlantic County is a little bit different than Cumberland, Cumberland is a little bit different than Cape May. We all have our own little issues, but somewhere we all have a common thread. We need to find a way to drive education opportunities, but tie that to employment -- because that's going to be the factor.

DR. SAATKAMP: Let me just give you an image. You are doing this to us, right? We could sit here and-- Jeff has sat in on many committees in Trenton where we've done this to them. All we have to do is not do this, but to join hands. I mean, the only way we're going to get this done is together.

There are going to be some bright spots; and the real trick is, when will they come? Some will surprise us. Ali and I will have research partners, businesses coming into the research parks. Those are going to be bright spots, but they're going to be focal points in particular areas.

It really is the case, when we get the bright spots, let's highlight them. But don't expect things to turn overnight. We'll be very, very lucky if we get an industry coming in that can employ 3,000 people. I was lucky in Indianapolis because we got several industries to come in; we did that. We also had a huge endowment from the Lilly endowment. Just for one project, I hired faculty members in molecular genetics -- I got \$160 million of that. That's not going to happen here.

But, over a period of time, it may. And so it's really the case-- I mean, we could each sit here and say, "We're dependent upon you to do this." But the only way this is going to get done is if we all join hands.

SENATOR VAN DREW: And we know that. And I guess, Herman, what everyone wants to say here, most especially, is we don't want to be forgotten as part of the process. Sometimes when the focus tends to be -- and it should be; it should be. My God, Camden has problems. You look at the statistics in that city and you can understand why certain areas have been so focused. Or Newark has problems; we understand that. We have problems too, so we want to be in the mix. I don't know how else to say it. We want to be in the mix, we're going to be in the mix, we're going to be forceable about being in the mix. Were going to join hands with you, and when we join hands we're going to squeeze damn hard, you know what I mean? Because we--

DR. SAATKAMP: So are we. (laughter)

SENATOR VAN DREW: I know, and that's good -- and that's good. And we want it, and we appreciate you so much being here today. But it's just something that's gone on for so long, and it's so frustrating. And that's why I started this with the question, because sometimes,

unfortunately, everything is about politics sometimes. So people think sometimes, “Oh, this is going to be-- We’ll have a few hearings, and there’s going to be some nice fluff stuff that comes out, and then the thing’s all done.” It ain’t going to be that way. That’s not the way that this is going to work.

And the other challenge we have -- and then we’re going to ask our folks who have been wonderful, our county representatives, to come forward -- is because of the beautiful environment that we have. And Herman, you and I have gone through this together, actually, in a past project, which I won’t mention, which we do want to maintain, and that we do love, and is very, very special. Sometimes it sets us back. So not to be controversial, but when we want to have a gas line that’s going to create jobs and supply natural gas for Cape May County and for parts of Atlantic County, and now we read-- And again, we want to save the red knots; we absolutely do. And we want to save the horseshoe crabs; we absolutely do. But at the same time now, some of us may have read-- Because we’ve already lost-- The horseshoe crab industry is gone, okay? Now -- and there are some folks here who would know about that industry a little bit -- the oyster industry, which is a growing industry-- And, by the way, shellfish aquaculture, while in New Jersey, has been stagnant and has stayed stable, and hasn’t moved; and in places like Virginia it has increased 30-fold. And yet we haven’t been able to do that because of regulatory and bureaucratic red tape, and every other issue that occurs out there. Now we’re told that we may not be able to harvest or tend to the oysters the way that we used to. That’s unacceptable. There has to be a way to preserve and maintain this special pristine environment we have, yet, at the same time, for people

to be able to survive. There are those who don't understand that, but I think that's important.

And then I'm going to shut up. But we cannot-- The most important issue to people is that they have a little bit of money in their pocket, that they can provide their children with an education, that they can have a roof over their head, that they can buy an automobile; and we have so many people who can't do that. I mean, it's amazing. I always read-- And I know you know this; I know the three of you know it. But I always recommend to people -- you know, when I campaigned for years, standing in front of a supermarket and talking to people as they went in and out of the store, it's shocking, sometimes -- at any of the stores, in any of the counties -- when you see the challenges that our people are going through.

And with that, I will be quiet.

Yes.

MS. JOHNSTON: Senator Van Drew. Carol Johnston, Medical Consultants Training Center, MCITC.

Just to share with the colleges and universities. We would love to -- and we have with Cumberland County College -- collaborate with the colleges and universities on smaller-based programs. Something between the average of two-to-three weeks for the customer service, to a two-month program for heavy equipment.

Recently, we've just been asked by PSE&G at the nuclear power plant to work with them in collaboration for some things that they need, and programs to be brought together. I receive anywhere from 150 to 300 e-mails a day that come into my school. These people are hurting

people; they cannot get the funds they need to attend school. Many of them, I can say, we've been blessed that we can take and bring some men and just say, "Come on in; let's get you a job. Let's get you moving. And if we can get you moving, then you can help somebody else." And that's how we work some of it.

But, on the same token, the cooperation efforts with the colleges and universities -- when the gentleman was interested in the Revel down in Atlantic City, and we had sent something-- I believe he was from Florida.

DR. SAATKAMP: Glenn Straub.

MS. JOHNSTON: Yes.

DR. SAATKAMP: I was just with him.

MS. JOHNSTON: Right. When we were talking in regards to putting a-- Atlantic County had asked me several times about putting one of our schools down there. And so that was something to look forward to. But right now, I'm watching hurting people in southern New Jersey, especially in our District -- I'm watching these people call me and literally come in -- because I'm the one who sees them personally; I don't send them off to somebody else. And with that, I attack the job placement as part of it too. I don't say, "This is what you're going to get, and we may be able to help you get a job." My thing is jobs, jobs, and more jobs in 2015. And I believe the only way we're going to do it is if we do all collaborate together. And I welcome any of you to give me a call, because we have-- Cumberland Community College has made arrangements with me to make college credits available for all my courses. And they're Section J courses; so they're not just thrown together -- they are actual Section J courses. And I just

believe that if we do this, and I go out, and I grab, and I talk to the people who are -- what they're needing. "What do you need? What can we make for you to make you stay in our community, and provide you what you need for trained individuals?" And that's what I'm after.

So I welcome anybody who wants to contact me -- I'll be glad to help them.

DR. HOUSHMAND: Just one comment I wanted to make.

I think that you mentioned that these people are hurting, and there is some immediate need for what it is that we can do to help some of these people.

If you look at the South Jersey region, there are seven county colleges, three public institutions, and one private institution. My best estimate is that the total operating budget of these 11 institutions is between \$1.5 billion to \$2 billion. I believe that's the price. I think what we can do is that, to the extent that it is possible, if we can only focus on -- if there are jobs available, to keep them here; if there are contracts that need to be extended, that we keep them in this region. So that that money gets circulated in this economy. That will be, in my opinion, a very, very powerful incentive.

I'll give you an example. We have had forever -- that I knew -- we had our food services with Sodexo, which is a national company; it's not located in New Jersey. And I intentionally went out of my way to transfer that to a New Jersey company called Gourmet Dining. It's a \$120 million contract, and we gave it to them with the intent that they are going to create jobs in here, they are going to hire people from here, they are going to buy foods from here; they are going to grow foods from here. I

think all this has multiplier effects. Obviously, we cannot do all of it, but there is so much that we can do. And we have to start being selfish a little bit. I think that that will go a long way in solving some of the problems for the immediate situation.

And Herman is absolutely right. These things take time to do. You're not going to revive Camden overnight; it's going to take years. But everything is incremental, and each of us has to have our own (indiscernible). And we need to be serious and really act. It's good now to come in here, for me to give you all sorts of slogans that I'm going to do this and that. But if I leave and then don't do it, what's the point?

SENATOR VAN DREW: You're right, and we appreciate that. God only helps those who help themselves.

MS. JOHNSTON: That's right.

MR. SOLOMON: I would just add that, again, it's a small program, but the Joint Board -- the Rowan-Rutgers Board has created a small project, 15 kids, who are in high school. And they're going to be trained as medical technicians; and they are already promised jobs as part of this whole program. And so there may be small programs like that, especially in the medical area, that we could work with you in these small communities. You know, you have a hospital; I mean, there's not going to be 15 in Commercial Township. But some training programs, a couple of people at a time; and put them together and then they go to their local community and work as a medical tech or something.

And again, that's-- What I started with was, that's a lifelong learning cycle. They're trained in something right now that they can use,

but they're going to then hopefully go on to get their associate's degree and further.

SENATOR VAN DREW: Thank you.

You all stay there while we're having our continuing conversation. I'm going to ask President Peter Mora and Executive Director Vicki Simek to come up and round this conversation out and make their presentations, and then we can go on to questions.

DR. SAATKAMP: You know, Senator, one of the things we haven't talked about for the rural areas is health care. And that's where a lot of the universities really work hard -- in the small areas. And it's one of the things we have really improved in South Jersey. I think the Commission ought to think in terms of what recommendations can be done there.

SENATOR VAN DREW: President, to improve the health care for the folks who are residents there, as well as to improve health care employment opportunities -- both?

DR. SAATKAMP: Yes, exactly. In Texas, one of the things that we did was focus on what's called *Rural Health Care*. I actually built a research building in (indiscernible) for rural Texas, Rural Health.

SENATOR VAN DREW: My perception of Texas is it's more free will, less bureaucratic, less red tape, more of a can-do attitude.

DR. SAATKAMP: You would be surprised. (laughter)

SENATOR VAN DREW: Some of the same--

DR. SAATKAMP: It's some of the same, but they're--

SENATOR VAN DREW: And I share with any of the elected officials up here -- they will tell you this is not just a figment of my

imagination -- almost every time we try to do something that we believe is productive and positive, is it not true that there seems to be a barrier, there seems to be a difficulty, there seems to be a reason that we can't do it? And that's part of the difficulties that we have.

DR. SAATKAMP: Maybe it's time to stop asking and just do it.

SENATOR VAN DREW: Oh, that's sounds-- (laughter) Now I think you really are from South Jersey. (laughter)

Okay, we thank you both for being here. President Mora, we'll start with you.

P E T E R L. M O R A, Ph.D.: Thanks, Senator.

Yes, Dr. Isekenegbe and I had collaborated a little bit before today. And what we agreed to do: to tell the community college story, which is -- you'll see many, many links now, after this panel has talked -- about where we are and what role we could play.

And when we did that, I would go first; so thank you. And then Vicki will go second, representing the Cumberland County College.

Before I do my--

SENATOR VAN DREW: And I know he wanted to be here. It was just a matter of getting everybody together. We knew there would be somebody--

DR. MORA: Yes. Well, we'll deliver the message together. And, again, we'll try to make as many links as we can to the senior institutions.

First, I would like to say that you have a trifecta here of the State land-grant university of New Jersey, one of the newer State university

research institutions, and a comprehensive and growing State college. And out of the universities, you have tremendous assets here at the senior level to help resolve this problem into the future.

Community colleges -- I'll give some background, and then I'm just going to read my testimony. And I've given Gene a copy.

Community colleges play a certain role, and I'll try and describe that role to show how we connect with these senior institutions and back with private sector. Half of the students enrolled in undergraduate education in this country -- that's four-year education -- half of those in New Jersey and throughout this country are at community colleges. So we enroll half of the undergraduates.

We tend to-- Because of the demographics of what we are, we are absolutely accessible; so we're low-cost on purpose so that our demographics are much more, frankly, like the average population. It's fairly diverse; it's made up of families that are of lower-income -- on the lower income average for the country and the state. That is our clientele.

We provide excellent first two years of undergraduate education -- associate's degree. And that transfers to the senior institutions. We are accredited for those two years by the same organization that accredits them -- it's the Middle States Commission of Higher Education. So it's high-quality undergraduate education and transferability -- and that's really our basic mission.

My comments are going to be more-- And I'll say one more thing. Ninety-nine percent of the students who come to the two community colleges in District 1 -- Atlantic Cape and Cumberland County -- 99 percent of our enrollment are residents of this District. That's who

goes to school with us. These institutions-- My goodness, students all over the state, all over the country will come to go to these schools -- maybe even internationally. These are preeminent higher education institutions. We are the college of entrance for the residents of District 1.

So I'll go back and now read my formal remarks.

My goal here is to describe how the two community colleges in District 1 -- Atlantic Cape Community College and Cumberland County College -- in collaboration with other higher education institutions, governmental entities, and private sector partners can provide post-secondary, career-based education and training as part of a District-wide economic development issue. I'm trying to stay on target here, Senator, with what I think this steering committee is trying to do.

I'll define *economic development*. We all know it; we have real experts around the table here who actually do this professionally. But for the record, economic development has been defined as the systemic growth and organized promotion of economic growth and business activity. Promoting such growth and activity is currently the goal of a majority of states or regions. If successful, these efforts will result in the creation of new jobs -- I think we've talked about that many times, we all have -- more disposable income, less dependence on welfare, and an overall higher standard of living. That's *Standard and Moore (sic)* -- that's not Pete Mora.

The American Economic Development Council indicates that the mission of economic development is to obtain, for a designated area, the highest possible levels of gainful employment, and to investment needed to continue a desirable level of economic growth.

That's what we're trying to do here. You're seeking a way to develop, I assume, a plan to do that for a district -- District 1.

General strategies for promoting economic development -- stay with me here. The following strategies are used to promote business activity: finance through loans -- now we're talking about business retention, expansion, or attracting businesses to this district, with business retention being, probably, the most important. Finance through loans and tax incentives, technical assistance, supportive research efforts -- which we have abundance of those right here -- and improvement of the quality of the workforce. Okay, that's (indiscernible); that's not me. It's just basically how this stuff works.

How about the role of higher education in economic development? Four basic functions: the first -- and this is of the higher ed community; they're sitting at the table here, including three of the most, again, preeminent institutions in this state, public institutions. First, providing research and development. Now, community colleges don't do that -- they do that; they have the capacity.

Supporting technology transfer. We all know what that means. That's what leads to products and services. And providing technical assistance for companies and even-- And I'm talking about regulated utilities. South Jersey Gas -- they want to expand, they need technical assistance from the highest level of research we can get, and you have that at this table, at that end.

The fourth function is providing human resources and training. That is a key piece. Is it the most important piece? I'm not sure. Herman talked about a complex process. Ali talked about a broad view. Yes, all of

those are important for higher ed. We all provide-- They provide research and development, transfer technology, technical assistance; and all of us provide education and training at different levels.

A comment on these functions as they relate to the sector of higher ed which we know as community colleges -- the first two years. And we also provide extensive education and training below the two-year degree, even into noncredit. A four-year degree, master's, professional school, doctorate -- all of that is in place and available here. In my view, of the four broad functions of the role of higher education, functions one, two and three are generally the purview of the research universities, and comprehensive colleges and universities. Function four, providing human resources and development and training should be provided by both senior and community colleges.

More specifically, when needed as part of an economic development initiative -- which is trying to be developed here -- educational services that require career-oriented baccalaureate and above are provided by the senior institutions. Conversely -- and this is a core point with me -- when needed as part of an economic development initiative, educational services that require career-oriented associate degree education or below -- one-year credit certificates, non-college credit certification, or industry-based certification -- that's what I mentioned with the SJI program; that was industry-based certification we provided through them to the people they hired -- these are generally in the purview of the community college.

Community college, our mission: Historically, community colleges have adopted a two-part mission. The primary mission is to provide associate degree education to allow seamless transfer of students to

baccalaureate programs at senior colleges and universities. That's our core business. It's been that way for 40, 50 years. And Herman's right in terms of how young we are. The community college system in New Jersey began in 1968. So some of us are celebrating 50th anniversaries coming up, but none older than that. And Cumberland was one of the first, by the way.

Since the 1970s, the community colleges began offering the AAS degree -- right? -- a degree that was designed for movement directly into the workforce upon graduation. These generally are not designed to transfer -- nursing, culinary, some types of computer technology. There are AAS programs just for that. Get the degree, do the degree, go into the workforce.

In more recent times, the past 10, 15 years, in response to workforce needs, community colleges have established a comprehensive array of post-secondary -- above high school -- career-focused, non-associate degree credentials. These include credit certificates for one year or less. We give credit certificates for 15 credits, 30 credits -- all variations of that are credentials that we provide; noncredit certification, where we provide the certification on a noncredit basis for institutions or, again, the industry-based certifications. The American Association of Culinary Federation has industry-based training. We provide that for some of our students -- it's their certification; we deliver it. And there are many examples like that; and Vicki, I think you'll talk about some of those.

In fact, community colleges now enroll significant numbers of students in both the traditional and associate degree programs. And here's from the latest, in 2012, for New Jersey community colleges. We have over 256,000 credit students; they are the ones who transfer -- 256,000. There

are 19 of us. Number two, over 89,000 students are enrolled in noncredit programs. This is up to four years ago; that's increasing. So 256,000 degree, 89,000 in noncredit training; and 46,000 more who are incumbent employees who are being trained through customized training grants from the New Jersey Department of Labor to help upgrade the career capacity and skills of incumbent employees. So 256,000; 89,000 noncredit; 46,000 noncredit in customized training.

I'll finish with just nine points as to why the community colleges are such valuable assets and a critical part of the system that these three leaders have talked about -- the integrated system. And we do work with them, we all know that. Cumberland has partnerships; we do this. They need to get better.

Why community colleges? Historically, we focused on occupational and technical education since these two-year colleges began. We are also identified in New Jersey as the primary providers of workforce training within the higher education sector. That was back to 2003.

Community colleges demonstrate a high level of flexibility. Ali mentioned that change is hard to come by in higher education. It's hard to come by in our sector. We tend to be more flexible and most people know that. We are flexible in responding to the education and training needs of the service area. In our case, our combined schools -- that's District 1. You're our service area.

Historic focus on classroom teaching. Our professors do not get hired and promoted for teaching and research. They get hired and promoted to be good teachers -- that's our focus, that's our core mission. We're very good at that.

Community college students, compared to four-year college students, are more similar to the new labor force. Our average age is 26 years old and highly diverse, broad spectrum. We look much more like the population -- the general population of the country.

Community colleges have extensive human technological and physical plant resources. In District I, Senator, you have two colleges with -- how many? Do you have any (indiscernible)? How many do you have there?

VICKI SIMEK (off mike): Three thousand.

DR. MORA: And how many centers -- main campus and--

MS. SIMEK: Three centers. I'm actually looking at our campus.

DR. MORA: They have three centers; we have three centers as well. All of our centers in Atlantic Cape are branch campuses. Herman mentioned that; we offer our degrees. So you have six centers in District I from the two community colleges. They're in place, they're here, they have physical capacity, technological infrastructure.

Finally, community colleges provide a wide range of expertise and workforce training.

I'll conclude my remarks and ask Vicki to take over. Again, our focus here and our joint testimony is to just try to raise awareness of how the two community colleges, with six centers -- Atlantic Cape and Cumberland -- in collaboration with higher ed institutions, and governmental entities, and private sector partners can provide post-secondary career-based education and training as part of a District-wide economic development initiative. We are an asset; we're here to serve.

Any questions for me, or should I ask--

SENATOR VAN DREW: Go right on to Vicki.

DR. MORA: For Vicki? Okay.

SENATOR VAN DREW: And then we'll ask both.

DR. MORA: Sure, that's fine.

MS. SIMEK: Thanks, everybody. Please bear with me; I've been kind of sick and my voice is a little bit stressed.

I'm going to use a projector, but you don't have to stretch around. I'll be glad to send these to you. And it's just going to keep me focused and keep me on track.

When the President asked me to talk about workforce development, I thought about strategic planning; because my understanding of how we fit into workforce development really starts with strategic planning.

The other thing I want to tell you is that, unlike anybody else here at the higher ed table, I represent noncredit. So at Cumberland County College, if you wanted to talk about credit you'd have to go get somebody else. But if you wanted to talk about noncredit -- which is a very, very wide portfolio of training programs that we provide, from our summer camp programs all the way to our intensive, short-term training programs -- you would be coming through our doors.

I started here 10 years ago. In 2005, we did a strategic plan, and then we repeated our strategic plan in 2010. But the takeaways are, both strategic plans focused on workforce development -- and that was the first time that the college had ever really intentionally said, "What are we going to do about workforce development? What needs to happen?"

In 2005 the emphasis was on a thing called *career pathways*. I don't know if you know what a career pathway is, but a career pathway says, "I start learning at whatever age I start learning; and I begin in high school. And once I get past high school, there are pathways that I need to take. I will probably get lots of training as I continue my job along the way." And traditionally, as Dr. Houshmand has pointed out, we have seen this very two-year, four-year, six-year kind of progression. And now we're saying it really doesn't need to be a two-year, four-year, six-year; it can be a credit, noncredit, a little bit of credit, let's move noncredit into credit, and let's create pathways so that somebody can start *here* -- I see a lot of heads shaking; I'm so happy to see that -- and let's move you over to *here* over the course of a lifetime; and not close any doors, but let's keep as many doors open as we can. And I'll give you some examples of that.

In 2005, the first major thing that we did focused on the 2005 strategic plan, and was funded by a CBJT, which is a national grant. We focused on health care. And if you know Cumberland County at all, you know that health care is the primary occupation in this county. Sad to say - - because I've been watching county statistics for the past 15 years -- it used to be the five glass manufacturers. And little by little, the hospital system kept moving up. So in order to address the continuing needs, the hospital system -- now known as Inspira -- only employed about 3,500 people 10 years ago; they're into the thousands (*sic*) now.

We focused on health care; we created a model for community partnerships. Because at the time we really weren't sure what community partnerships were. We created a model -- probably the most important

thing we did -- to move noncredit training into college credits. And that's what a career pathway really is all about.

The CBJT grant-- What I really want to focus on here is a couple of things. We were funded for three years; we were able to build capacity. In fact, the *C* in CBHT stands for *Capacity Building*, and we did it in credit, and we did it both in credit and for noncredit. We focused on local-level partnerships. So we didn't just come up with ideas by ourselves. Because I think there's a tendency to do that in higher ed, or at least there used to be. Now people sit down and say, "Let's get the President of Inspira and some of his people, and some other folks from healthcare institutions, and figure out what the heck they project their needs to be." And so we've built our training programs based on what those needs were.

We also -- and I heard you asking these questions -- we drove some of that programming into the high school. So for example, we created a 3-credit class called *Introduction to Healthcare Careers*. They're teaching it at Vineland High School, they're teaching it at Millville High School, and they're teaching it in Bridgeton. And they're teaching it at Cumberland County. Programming for high school students: There are a lot of things that we do, but I just thought that was kind of something important. So if you took it in Vineland High School and you passed it, and you come to Cumberland, you have 3 college credits.

We also institutionalized these new partnerships. We institutionalized advisory boards. We kept the whole pathways programming, moving from 2005 into the current time.

Some of the things that we-- We expanded the nursing program because everybody knows that RNs, back in 2005, were getting

pretty scarce. We also expanded noncredit programming again, based on what Inspira told us; they said, “We need phlebotomists. There are not enough phlebotomists.” And just when I thought medical coding would go away because of electronic medical systems, they said, “No, we need medical coding more now than we ever needed it.” Pharmacy technicians -- I always have jobs for pharmacy technicians. Medical assistants -- I didn’t even know what that was; it used to be a nurse. But nobody could afford a nurse at \$45 an hour, so now doctors have created a new title in medical -- it’s called the medical assistant. And the massage therapists is kind of an opportunity for us to start building into the more innovative healthcare careers.

But we didn’t do it alone. We did it with an advisory board; we worked with our local One-Stop Career Center. In fact, I would tell you we couldn’t have done anything without the One-Stop. We worked with our local technical high school, and we worked with the other local high schools in our region. Because if we couldn’t make it a complete career pathway from high school to degree, then it wouldn’t have made any sense for us.

That was in 2005. And the noncredit-to-credit was really the big takeaway. Dr. Mora mentioned the AAS -- the associate degree, the terminal degree we call it sometimes, but it also might be in its own terminal states. But we do that through national certification. So it really doesn’t matter where you went to school to become a medical assistant -- as long as you took a national certification exam and you passed it, we will evaluate your transcript and we will offer you college credit. That college credit can be anywhere from 12 to 24 hours of elective study. I said 24 hours; it’s really credits.

To date, more than 25 students have graduated or are in the process of using noncredit programming to graduate. And I go to graduation every year, and I am so excited when I see my phlebotomists. I even had a massage student who finished and got her associate's degree. And she is currently one of the managers.

SENATOR VAN DREW: You are the only one who is excited to see a phlebotomist. (laughter)

MS. SIMEK: And truth is, I'm really not. But I know what you're saying. I'll tell you who to go to. (laughter)

It is very exciting when I see these nontraditional, noncredit students who started with me, who end up graduating. It's a pretty exciting moment.

The 2010 strategic plan expanded the career pathways and also incorporated-- Because I was in charge of the one on workforce development, I said to my boss, "We have to bring the community into this." I mean, let's not talk about career pathways, let's not talk about what the community needs if we don't have the community in here telling us what they need. So I said, "Okay, who are you bringing in?" They said, "Oh, I'll bring General Mills-Progresso, I'm going to bring Inspira, because we need to continue to have that voice," and I'll name some of the others that we got involved with.

And so they told us what they wanted to do. We didn't just go out and say, "Let's do advanced manufacturing because it sounds like fun." We did what they said the jobs were.

So let's talk about advanced manufacturing. Everybody's been saying a half-million manufacturing positions are vacant throughout the

country because there are not people who can actually functionally do that work. Whether they are coming out of high school, or whether they're in the job market now, they don't have the skills to do the job that has progressed so rapidly, because of technology, in the past 10 years.

So in 2011, we created new programming to create entry-level workers who would meet the job demand. The current manufacturing environment -- difficult to find people because they didn't have skills; more technology needed; more responsibility and accountability; some people don't want to do the 24/7 shifts. In Cumberland County our focus, really, in manufacturing is going to be on -- we really focus on glass, and we focus on food. And glass and food both happen to be process manufacturing, and so it was real easy for us to integrate a program that would allow us to prepare workers for both industries.

Partnerships that enabled us to do this: The New Jersey Talent Network from Advanced Manufacturing, our local WIB and One-Stop, the County Economic Development organization, and then folks from the community who joined us in what we first called the *Glass Manufacturers' Roundtable* and the *Food Manufacturers' Roundtable*. And I'm going to give you their names in just a second. These are our industry partners; these are people who have consistently said to us, "This is really good; could you enhance this, could you do a little bit more of that?" And as we've run various cohorts through, they've come back to us and they said, especially after the first, "These technical skills are great; but, Vicki, what we really need are people who can communicate -- people who have conflict resolution skills." So we're constantly learning and revising as we get feedback from the community to tell us what they need.

The biggest issue -- no workers available. Just as big throughout the country as it is in Cumberland County.

Through funding sources from the State, from some Federal, and through the New Jersey Workforce Consortium, we've been able to not just set this program up and put it in our nice little newsletter, but to approach the One-Stop and say, "We've got funding. If you can find us unemployed workers, we will train them in jobs and then have a job fair and help them find work." That's exactly what we've done.

The first program we created was a Certified Production Technician; 150 hours of training. I won't bore you with all these technicalities. But it's a good chunk of time. They come to school every day for six weeks. And for some folks, this is not an easy thing to do. Some of them don't have rides; they have to depend on the bus to get them there. Some folks come to class and they have some other issues. And we didn't know about these kinds of issues because that's really, traditionally, not who higher ed deals with. I'll tell you a little bit more about that, because again, manufacturing companies continue to tell us, "Tweak this, tweak that, revise this, revise that." Our own -- me and my staff -- our own experiences became, "These folks need a little bit more than what they're getting in the classroom. They need confidence, they need somebody to sit down with them and help them with their personal skills. But we've got the technical--"

SENATOR VAN DREW: Which is, by the way, one issue we haven't talked about a lot -- which doesn't relate to you all too much. But there's also the ability to be employable. And someone with communication skills-- I mean, there are some folks-- Some of those

statistics -- mixed in those statistics -- unemployment statistics -- are, unfortunately, a certain percentage of people who are unemployable, you know?

MS. SIMEK: And we're addressing that, and we're working with it. It's new for us. I don't know how my colleagues feel, sitting here, going, "Higher ed *what?* We're going to *what?*" But let me tell you how successful it's been.

SENATOR VAN DREW: But it's family structure, it's the way they've been brought up.

MS. SIMEK: It is.

SENATOR VAN DREW: It's communication skills, it's values. I hate to use some of those words, I guess--

ASSEMBLYMAN ANDRZEJCZAK: Not only that, but technology itself -- people don't know how to interact with anybody anymore. They're on their phones, and texting, and tweeting, and everything else. They don't know how to have a normal conversation.

MS. SIMEK: It's true; it's true.

DR. MORA: I would just add, you know, if you look at the demographics again of the target area for the second (indiscernible) bill, District 1, we know that demographic; they're our students. If they're 18 years or older and can benefit from instruction, they should come to the community college.

SENATOR VAN DREW: Which, by the way, isn't a lot different than District 2.

DR. MORA: I think it's very similar.

SENATOR VAN DREW: Exactly.

DR. MORA: The point I'm trying to make--

FREEHOLDER FORMICA: Very true.

DR. MORA: Excuse me, Frank. Frank, did you want to continue?

FREEHOLDER FORMICA: No, no.

DR. MORA: Okay. No, the point I'm trying to make is, within that demographic we have a large number of persons who are non-native speakers of English, right? That's the way it is. Our college, and I know Cumberland does it, offers extensive ESL programs. These students have to learn to become competent in English before they can even do the training program, let alone start an associate's degree. That's a factor that's factored in. Are they employable? You bet. Is there a heavier lift for them? You bet. But they live in the District, and they represent the workforce. Just a comment.

MS. SIMEK: Yes, and I think it's important to think about the kind of people who we're-- We're taking unemployed workers, and some of them have been unemployed long-term. And there's a damage even to someone who has worked their whole life, and then after 30 years of being in the workforce is unemployed for a year. There's damage there that we didn't completely understand, that we're beginning to grasp, and we're helping them to move forward through that.

What I want you to know about the CPT program is that there are four tests that they take; at the end of those four tests they get a CPT designation. They can put letters behind their names. Employers don't really care about that; employers want to know that they came through the program. And it's nice that they have CPT, but what employers really care

about are the soft skills and how they do in the interviews. So I'll tell you a little bit more about that.

We kind of took that class and we evolved it into the next level class. Again, because employers were coming to us and saying, "Vicki, we really need people who are entry-level maintenance workers" So the next class became Electrical Mechanical Technician, and I have the inaugural class right now in session. They will graduate on February 4. One hundred and fifty hours of training -- same as the other one -- but more focused on electrical topics and PLCs, in particular.

DR. MORA: Could I interrupt for one second?

MS. SIMEK: Oh, go ahead.

DR. MORA: Yes, I just want to make sure that they're looking at the context of our joint presentation. We haven't practiced this, by the way; it's the first time we're doing it. (laughter) These are really good examples of the kinds of post-secondary, nondegree training and educational experiences our residents can have. And companies that we're trying to retain in this District -- the first thing you have to do is retention; second is expand; or, the hardest part -- and Herman has had extensive experience -- invite new ones in. Those are the three things you do. We need to tell those potential groups that we have the capacity to provide this type of education and training. It may not be the electrical mechanical technician they need; they may need another something else -- whatever-- Frank, you talked about some company that wanted to come in here. Whatever they would need -- between this group here at this end of the table and the other end of the table -- we can provide what they need for the workforce. That's my overall message. If you're trying to invite them

in, or have them expand, we have the capacity, we have the assets to do that. We've given tremendous examples.

SENATOR VAN DREW: And that's the message we want.

DR. MORA: And Cumberland is an excellent school, in terms of technical training and certification. That's why I thought it was best that they talked about that and I talked about, maybe, the broader view. But these are examples that every-- Even online community colleges have these kinds of things. They are different, but we all have them.

FREHOLDER FORMICA: Well, it's amazing to me that you even have those positions and the problems of getting people to get trained to work for them. I would say a vast difference right now, that we're experiencing, is there are no positions, there is nothing here in the Atlantic County area. We've just had an 87,000 full-time job loss from 2007 to 2014; 87,000 in a population that's only 275,000 people. So think about that. If nature hates a vacuum, I'm waiting to hear the sucking sound, because there are no more jobs coming back.

So it's great that we're hearing this. And Dr. Mora, the fact that the adaptability is there gives us a place to go forward -- like with this potential employer -- that we have the flexibility in our education system. But, you know, we just have to go forward. Your presentation-- But really the big need is creating new jobs.

MS. SIMEK: And you don't know which comes first, the chicken or the egg. If we had the workers, they will come; and if they will come, we'll have to provide the workers.

Let me just say, real quick -- and I'm so glad that you said something. This particular class--

SENATOR VAN DREW: And by the way, that was Freeholder Director Frank Formica. (laughter)

FREEHOLDER FORMICA: Sorry. (laughter)

SENATOR VAN DREW: They yelled at me; I have to say that.

FRFEEHOLDER FORMICA: Sorry.

MS. SIMEK: One of the drivers of this curriculum wasn't just General Mills-Progresso -- but it was General Mills-Progresso and also Ardagh. But also we thought that the skills of the technical people who were losing jobs in Atlantic City-- So if you had been a technical skilled worker and you've worked on machines, that it might be a really good fit for you to move into PLCs. We know that there's demand in the market. In this current class I have three workers; two are from Cumberland County, who were machine technicians and worked in Atlantic City and have come back to Cumberland. So that's a good thing. Also, one woman in this class who is from Atlantic County; and she probably will end up working in -- we're looking at Hammonton. Her place is still Atlantic County; but where she can find help with occupations. And if somebody moves into Atlantic County in the near future and needs this training, I'll just give the curriculum to Dr. Mora.

SENATOR VAN DREW: In the future -- and I know I have spoken to Freehold Director Formica about it -- we're going to ask you to come back, because we're going to bring in the Workforce Investment Boards. I know Assemblyman Andrzejczak has particularly brought this up as well. And again, I'll be the one who will be outspoken and say it: We're not always sure, and perhaps we're wrong to say prove to me that we're

training -- not you all -- that we're training people for the jobs that are really out there. And I have heard -- again, anecdotally, which is a terrible way. You know, President Houshmand, you're right. Everything should be a statistic, so here I am. But I'm a politician; I get away with this. I've heard anecdotally from speaking to many people who were trained in various areas -- got done, in some cases even paid for the training -- and I see, Carol, you're shaking your head yes, because I think you've seen it and heard it too, and you are involved in this field -- and there aren't jobs. There aren't jobs for the areas they're trained. So the degree of flexibility and the rapidity with which we have to deal with this issue has greatly increased, you know? And I'm not sure -- and, Frank, you've pointed out as well, and so have you -- that we really are doing that. And that's something that I don't want to address now, because I think we're going to have a whole session where we're going to deal with that.

MS. CLARK: Excuse me, Senator, may I comment?

SENATOR VAN DREW: Yes.

MS. CLARK: Vicki Clark, Cape May County Chamber of Commerce.

One of the things that I've seen, and had many employers in Cape May County mention about some of this training, is that when it is grant-funded -- particularly by the Department of Labor -- it is so inflexible for businesses of a seasonal economy. The businesses are not eligible for the grant training funding to send employees, or to -- they want to start up something; right now, it could be part-time, it could be a seasonal position. The employer wants that to become full-time; they want their business to grow. But I see a disparity between those services that are available in other

parts of the state, because of the inflexibility for areas of the state that have more of a challenge by having a seasonal economy. And I thought that it was important to bring that up at this time.

Thank you.

MR. CLARK: Senator, may I?

SENATOR VAN DREW: Yes, Norris.

MR. CLARK: I just want to build on that.

SENATOR VAN DREW: State your name.

MR. CLARK: Norris Clark, Lower Township.

Dr. Houshmand, you made a good point about breaking the model to accommodate the local economy. We are largely seasonal in much of our economy. Do you see a need -- do all of you see a need to do more to accommodate the needs of our seasonal economy? And, if so, what are the opportunities, and what barriers are there to exploring those?

DR. HOUSHMAND: The barriers, as far as I'm concerned, are the culture of our education that is very inflexible to change. Opportunities are definitely there. We need to break that box for the higher education as we knew it, and really do some of this training and be as flexible as possible.

The problem that exists in here-- Think about it. Suppose that every year I train a thousand philosophers -- a hundred philosophers. Just assume that. If only seven of them get employed, what service am I doing? What am I doing in terms of serving the economy of this State? This right-sizing, aligning what we produce and what the industry wants, is absolutely essential, because whether it is a degree, nondegree, certificate, continuing education -- we have to do that. And, unfortunately, in the culture of higher education, trying to change that is very difficult.

I'll give you one experience. I was a professor at the University of Cincinnati for 10 years. And for 10 years I struggled to get one graduate course, holistic and coauthored between the Engineering College and the Business College. I couldn't do it; I was defeated. The faculty of Business would not allow cross (indiscernible) over to Engineering and, as a result, I gave up. Sometimes we are that rigid. And it is incumbent upon us, as leaders, to challenge that notion. We do need support; we need support from the elected officials, we need support from the leaders. But there are-- I'm sorry to say that, as far as I'm concerned, part of the problem is us. We are very inflexible. We need to break that.

DR. MORA: A comment on that. I think that in the work we do in workforce development, we've seen increasingly, over the past five years -- including the National Emergency grant that's been granted now to New Jersey for the displaced workers; as well as the TAACCCT grant I mentioned earlier -- all those require job-based training. What that means is -- and these are grant-funded, and there could be changes made in the legislation for Department of Labor training funds -- that you have to have a-- The group that's being trained has to have -- it has to be linked to an employer -- locally, or whatever it is -- and that employer has to guarantee that they'll at least hire a number of those people -- not every one -- but a number of those in their company. And that's how it works; that's a requirement of the grant. So all that could be put into the rules for how this works.

DR. SAATKAMP (off mike): One of the things we have not talked about is how we help the employers. We have the Small Business Development Center; we do 600 small businesses a year; about 200

businesses are created out of that group. And sometimes the issue is not just that there aren't workers, that the training is not there, or-- But some of the problem is just the business sense -- a small business operating. So we can help with that in a significant way.

I'm tempted to tell Ali he should come to Stockton where we change quite rapidly and we're adaptable. (laughter) But I won't do that.

MR. CLARK: You should also tell him -- wasn't your major philosophy?

DR. SAATKAMP: My major was philosophy. (laughter) He did that on purpose.

DR. HOUSHMAND: But he was smart enough to change to (indiscernible).

DR. SAATKAMP: Well, but I went because I was a philosophy major. And philosophers are employed at about 89 percent of the time. But it's the adaptability. And half of my people were recruited who were in graduate school, into computer science, and into military, and to health because they worked in mathematics.

SENATOR VAN DREW: Margie, and then Ray.

MS. PILIERE: Right. Margie Pilieri, New Jersey Economic Development Authority.

This has been a very interesting day, and a learning experience, and spot-on from everyone who has spoken on the challenges that we all face here in New Jersey.

A couple of things I wanted to touch on is when you talk about the training that you're providing to the people and the residents of the area, and getting them ready. I mean, it's very important that you be

flexible, that you allow for these seasonal businesses -- that you train for that, and that you have the available workforce. Because what we found -- as we speak to hundreds and hundreds of businesses every year -- when they're looking and trying to determine where they're going to locate, whether it's going to be New Jersey, Pennsylvania, New York -- wherever it's going to be -- you know, cost is an issue; no doubt about it. And we will get a cost-benefit analysis to see what that cost differential is. However, available workforce is the first thing they say that is what they're looking for. They're looking for an available workforce. And you need to be responsive to that quickly and to adapt your training programs to that, because that's exactly what they're looking for.

A few of the other things that they're looking for are location, obviously, and logistics -- especially with manufacturing. How are they going to get their product where they're going to get it? So that's an important thing.

And finally, crazy enough, it's where the CEO lives. So that is a huge decision-making -- a part of the decision making for a corporation. Is the CEO going to want to live where the business is? And so the area has to provide all those amenities and all those services for not only the workers, but for the corporate folks who are going to come into that area and live there.

So, I mean, I just wanted to pass on that being our experience, from what we do. On the subjects -- well, I'm just going to finish out my thoughts and complete -- is on the educational and the collaboration with the education. You know, these are the building blocks, and right now is the time for you to be doing this, because there are very substantive

incentives available for businesses in South Jersey. I mean, yes, we're focused on Camden, and Atlantic City; obviously there are enhanced benefits there, but there are enhanced benefits for all of South Jersey's counties. And so now is the time to take advantage of them -- to set up the building blocks that are going to make these businesses want to come here and take advantage of those incentives. So we can take care of the cost part; you have to take care of the other parts.

And one last thing is just for your information, and I don't know if you want to include this in future Task Force meetings. But New Jersey Community Capital -- it's a CDFI that is based in New Brunswick -- recently was granted funding from a foundation. And they're starting a South Jersey initiative; it's the four counties of Atlantic, Cumberland, Gloucester, and Salem. And they are going to be -- there is going to be funding available to help with a lot of the issues that were talking about.

SENATOR VAN DREW: Excuse me -- why those four counties in particular?

MS. PILIERE: There was a-- I believe they focused on them because of the area need. There's a lot need in Camden County, but there's a lot of help in Camden County. So there was a recognition that these four counties--

SENATOR VAN DREW: And this is-- Explain a little bit more about this again.

MS. PILIERE: Well, it's an initiative; they're getting some partial grant funding. The EDA's looking to put some additional funding into it. And they actually have a new program manager who was a former

EDA employee, Laura Wallick. She is going to run the South Jersey initiative.

SENATOR VAN DREW: Is it a private, not-for-profit?

MS. PILIERE: Yes, they are a nonprofit. They are a Community Development finance institution. They're certified.

SENATOR VAN DREW: So I'm going to ask our staff to have them come to our next meeting. And the question I'm going to have is, I'm glad that they're in Cumberland and Atlantic. I want to know why they're not in Cape May. Cape May has some of the worst statistics that you can find anywhere in the country with certain issues. So they should certainly be in Cape May, and we have need there as well.

MS. PILIERE: Well, I'm-

SENATOR VAN DREW: And there is nobody more South Jersey than Cape May County.

MS. PILIERE: Well, I'm sure that's--

SENATOR VAN DREW: Unless you're in the water.
(laughter)

MS. PILIERE: Yes, I'm sure that-- I don't know what were the specifics surrounding the grant funding and the foundation funding.

SENATOR VAN DREW: Yes.

MS. PILIERE: And it may have been a requirement of that.
I'm not the--

SENATOR VAN DREW: Oh, I know.

MS. PILIERE: --creator of it.

SENATOR VAN DREW: Just the bearer of the tidings.

MS. PILIERE: Just the bearer of the news. But I think that it would be important to include them--

SENATOR VAN DREW: If you could connect us with any information with them so our staff can connect with them.

MS. PILIERE: Sure.

SENATOR VAN DREW: At our next meeting, we're going to be going through some of the Department of Labor-type information. You'll be integral on that as well -- as well as the Workforce Investment Boards. And this would be interesting as part of that, because it sort of keys in and ties -- and I'd like to have them here and see what they have to say.

MS. PILIERE: Okay, sure.

SENATOR VAN DREW: Thank you.

MS. PILIERE: Sure, thank you.

SENATOR VAN DREW: Before Carol, I know that-- Yes, Ray.

MR. BURKE: Yes, Ray Burke.

Jeff, I just wanted to recognize Dr. Lenore Tedesco from the Wetlands Institute, who's here today because she is a success story in Cape May County. She's hiring research people, she's hiring educational people for the Institute. The Institute's expanding. We tend to think sometimes of the relationships between business and the environment as being adversarial. But she is, in fact, a problem solver; a person who likes to find resolution in the problems that arise -- such as you talked about earlier. And I think there's a place in the discussion somewhere for people who

represent the environment in a positive, constructive, and helpful way. The environment in Cape May County is an industry in itself.

SENATOR VAN DREW: No question, Ray; it is an industry in itself. And that's why I was very careful in the words that I chose, and I don't want to diminish it. It is an industry. You can have a good environment, but people still need to heat their homes.

MR. BURKE: Yes, we absolutely believe that.

SENATOR VAN DREW: And you can have a good environment, but you can still have an oyster industry and an aquaculture industry at the same time.

MR. BURKE: I think she'd be the first one to tell you that.

SENATOR VAN DREW: And I think that we need to do that. So I feel strongly on that. We've become sometimes -- not only are we a nation-- We're a culture of extremists sometimes, to some degree. We absolutely need to do both.

I love the work at the Wetlands Institute; I love to visit it. I think it's a real positive, beneficial aspect.

MR. BURKE: You've always been a supporter.

SENATOR VAN DREW: As you know, I've been a strong supporter of it. And you're going to have an opportunity at future meetings -- we're going to actually have public input. We're going to have public meetings where the public is going to speak. And there are dozens of people who do great work at so many different levels like you do, and we appreciate the work that you do. You'll have an opportunity to discuss what you do then.

And Mr. Burke--

MR. BURKE: She's also a long-time friend of Dr. Saatkamp.
(laughter)

SENATOR VAN DREW: Yes.

MR. BURKE: So she can't be all bad.

DR. SAATKAMP (off mike): She is my colleague from Indiana. And we worked together at the Wetlands Institute.

SENATOR VAN DREW: And I thank you. I don't want anybody to feel that I'm anti-environmental. There's been-- I'm not. There just always seems to be these situations sometimes where it's one or the other. And I believe that you can have -- I really, sincerely believe that you can have both. And I think that's what we really need to aim to. But we do have it; it's a major industry. If we didn't have a beautiful environment, Cape May County would cease to exist.

But we also need -- as my friend Mr. Reichle will tell you -- right, Jeff? -- literally, let me be outspoken, again -- the living hell you've gone through sometimes to try to increase the number of people you employ, to try to perpetuate your business, to try to keep going -- when you've never done anything other than the most scrupulous and best, highest level business practices. Am I accurate?

MR. REICHLER: It's unfortunate--

MR. BURKE: It's an understatement, right?

MR. REICHLER: Yes, it's unfortunately a fact in New Jersey. It's really hard.

One of the important things is not only attracting jobs, but keeping jobs in this state. And it's getting harder to do that all the time.

SENATOR VAN DREW: Yes, and that's the reality.

MR. REICHLE: Because, very frankly, in my business, one of the reasons I'm here is because it's where I need to be. If I didn't need to be here, very frankly, I wouldn't be. And that's a shame. You know, I love New Jersey; I've lived here almost all my life, and I love Cape May County. I just love living here. But sometimes, you know, if I had any hair I'd pull it out. (laughter)

SENATOR VAN DREW: And it's the fourth-largest industry -- fourth-largest fishing industry?

MR. REICHLE: Fourth or fifth largest fishing port in the country.

SENATOR VAN DREW: In the country -- in the country. So this is major stuff. So to diminish that, or say that that's not important, to me is absurd. Yet, what he goes through -- because I've worked with him sometimes on some of these issues -- on almost a daily basis-- Jeff is an expert at navigating, quite frankly, the Federal, State, and every level of bureaucracy; he has to be. If he wasn't as good at it as he was, he would be out of business. He wouldn't be able to function.

Mr. Bashaw.

MR. BASHAW: Curtis Bashaw, Cape Advisors.

A couple of comments. I want to go back to something that Freeholder Formica brought up earlier -- which is the declining property values in certain pockets. We're in a cycle that seems to be, hopefully, troughing. You know, we've lived in fear of these casino closings; they've now happened. So where are we headed from here? And the interesting thing-- The tipping point you feel is investment that's actually considering Atlantic City from an opportunistic standpoint. And I think that relates to

our whole area, because whereas the academics are trying to fill a pipeline of educating a workforce, we also have an opportunity if the real estate values are low enough to create a homesteading opportunity for people to move here. We need people to move here.

Interestingly, it is a tale of two cities, in one sense. Because in Cape May, we are attracting some of the most affluent travelers you could ever hope to have, and those people are buying very expensive second homes, and putting roots down here, and investing in our nonprofits and other things.

And then we have a workforce, however, that's-- We can't find people. I keep saying, "With 80,000 people unemployed in Atlantic City, why can't I hire a \$65,000 maintenance guy at Congress Hall?" I've been trying for three months. So there are gaps, still, in the communication, to Herman's point.

The ESL -- I have a very difficult situation with a huge portion of our workforce who can't communicate with my guests. I would love an ESL program; I have been laboring with DOL, and then by the time you get the thing approved, the people can't get there anyway. They don't have cars.

So, you know, how to be a little more innovative-- And I'm busy, right? I'm running my thing. So what's been great about today and this is, even with the smallest of building blocks there's opportunities. You know, I think about the jobs we've created since 2008 in Cape May. We started a farm; we now employ eight people. We're going to produce 400 hogs this year. I actually need somebody in food processing to help me make end products out of the produce that we're growing. And we have a

brand that will support the purchase of that who are craving to buy the product -- because of our tourism infrastructure, and our 300 rooms that we have.

So there's a lot of synergies that pick out of this stuff that also, looking at the very incremental building blocks, is so important. You know, the core of tourism -- we have to keep the core strong, and this horizontal stuff that we talked about last time -- you know, reigniting the agriculture and making it more artisanal. You know, you look at what's happened in Brooklyn. There's a whole generation of young people in their 20s who are more entrepreneurial, more interested in pioneering, and who, quite frankly, feel like they have to take care of themselves because big corporate America isn't there for them anymore.

So those are the kids who, in a small business environment like Cape May County, if we could recruit -- because we're open for business -- and they realize that if they open a chocolate shop, or a honey store, or this, that or the other thing -- we can really create some interesting small business growth. You couple that with the glass, the farming, the fishing, and the tourism -- we're not in the worst shape of any place I've ever been. We have a lot of natural, low-hanging fruit assets.

But this initiative is really helpful to bring us together; and just even a little networking as a result of a meeting like this today will be extremely helpful to us all in expanding our enterprises, I think.

SENATOR VAN DREW: Thank you, Curtis.

And just to bring up-- Transportation is another issue that we're going to deal with as well. I penned a letter recently to the South Jersey Transportation Authority, because they do a good deal of good work

in your area -- in Camden and Gloucester, shuttle service; also with Stockton they have some shuttle service as well. We have some real issues. So when somebody does want to go from Cumberland County to Atlantic City to work, they have to get to Vineland. Once they get to Vineland, they have to get to Pleasantville; once they get to Pleasantville, then hopefully they can get to Atlantic City. It's even a bigger issue if you want to get down to Cape May County.

Now, it may not work for New Jersey Transit, and I get it. Their model -- it may not work. But there may be something; I'm hopeful. And we're, at some point, going to bring them in from SJTA -- that they can do a shuttle-service; because they've done even some workforce stuff. I know from Work-to-Welfare -- you have shuttle service for that and for other areas as well. Again, the simple question I ask is, why don't we?

So I think, again, going back to-- I don't know where it's all going to lead, but God only helps those who help themselves. And so we're going to try to help ourselves a little bit and see if we can move forward.

I know you just wanted to wrap up for a minute or two, and then we're going to call it quits.

MS. SIMEK: And--

SENATOR VAN DREW: Unless there's other-- And then we'll ask if there are any other questions; I'm sorry.

FREEHOLDER FORMICA: Senator, could I just dovetail off of something Curtis said?

SENATOR VAN DREW: Yes, absolutely.

FREEHOLDER FORMICA: You know, it's amazing to me--

SENATOR VAN DREW: Freeholder Director Frank Formica.

FREEHOLDER FORMICA: Freeholder Director Frank Formica, all right?

At our next meeting, we should have Rhonda Lowery here, who is the Director of the Atlantic Cape WIB. We recently interviewed her because we have a trucking firm that has 100,000 jobs nationally. And to give -- embellish somebody's point as to wasted training dollars: The Atlantic County Freeholder Board approved \$11 million worth of job training to that WIB. Of 1,700 people trained last year, I think we employed 100 -- for \$11 million. Now, some of that all wasn't going to direct job training, and what we've done is we've asked them to think outside the box and align the training with employers.

As to the transportation issue, we have a wonderful mode of transportation that is exported from Atlantic City. We have the jitneys. I'm sure that we can work out something with them to get workforce, seasonally, back and forth.

And the last thing is, on what the EDA was talking about -- with this new economic district, that I didn't know anything about, that they were going to exclude Cape May -- we should engage them because we still do have the South Jersey Economic Development District, which includes Cape May.

SENATOR VAN DREW: Absolutely.

FREEHOLDER FORMICA: Which the County of Atlantic just paid off \$640,000 in EDA grants to get us back on board -- and I'd hate to see us competing for the same dollars -- excluding Cape May County, which is ridiculous.

SENATOR VAN DREW: Thank you, Director.

So we are going to do all of those things -- just so staff knows that. Those were all good suggestions; we're going to have all those folks here. I'm particularly interested in the Workforce Investment Board, and those numbers intrigue me -- and not in a good way.

Any other questions from the panel?

Carol.

MS. JOHNSTON: Just two things I really wanted to go over.

About the oyster situation, you know, and using-- You know, where we went in New Jersey with that.

I have a friend who dealt with and researched-- There's an Asian firm that is down in Virginia. And they're actually going to be making slings to go out and bring boats in. And these slings are made of oyster shells. So me knowing New Jersey as I do, I said, "Well, are you getting your oyster shells from New Jersey?" And they proceeded to tell me, "No, we'll be getting it somewhere else." And I said, "Well, why not New Jersey?" "They didn't have enough to supply us." That kind of hit me hard, because I knew the jobs that were going to be available and created from this, and that, and the other.

And then the second things is, is we have to take into consideration -- which I do, and I work with them everyday -- and that's people who are -- they are in recidivism. They are either ex-offenders, or an ex-offender who has offended again. And Cumberland County, Cape May County -- especially, I can tell you, Wildwood, because I get them from the One-Stop -- and they'll send them up to me. And then when I tell them I cannot promise them a job because they have had a crime that's-- The

drugs I can usually get them through with the proper rehabs and everything behind them. If it's a gun offense, it's very hard for me to get them a job.

So I'm right upfront with them; I tell them. And they said to me, "Well, Carol, thanks, because so many times we've been told, 'We can get them as CNAs.'" How are you going to get somebody a CNA that's been an ex-offender?

SENATOR VAN DREW: Not with a violent offense.

MS. JOHNSTON: It's not going to happen. So it's trying to be truthful with the people, getting them in jobs that you can get them into, and knowing that our area down here is different -- but it can be turned around.

SENATOR VAN DREW: Thank you, Carol.

MR. BAILEY: Scott Bailey. I'd like to address your question about the oyster shells.

The reason we don't have a lot of shells available -- almost 90 percent of our product is sold in the shell -- sale, trade. So it goes to the restaurant, or wholesaler, or the personal customer. So we don't see the shell back. It's not like it was 50 years ago when 90 percent of the product was shucked and the shell stayed in-state. We are actually shell deficient in order to put shell back on the bed to enhance the beds to catch new set. The past few years, we've been using quahog shells -- ocean quahog or ocean surf clamshell. And even with that, we're having a hard time keeping in-state because we can't get the money we need to put it back on the beds. Maryland is buying a lot of it; it is being barged to Maryland to be put on their bottom. And this is something I'd like to--

SENATOR VAN DREW: And by the way, we don't support our tourism industry in New Jersey. Guess what the other industry is that we don't support? The fishing industry. These guys are struggling all the time to make it. And other states -- they enhance and really support their shellfish industry. And it's a good industry, and it's environmentally good because it cleans the water more than creating any problems.

MR. BAILEY: Maryland got, I think, around \$60 million last year to put in the Chesapeake Bay to enhance the oyster industry. And, on average, they get about \$1 out of it. It's been proven that for every \$1 we put in the Delaware Bay, we get a return of \$40. And we can't get money to do anything.

SENATOR VAN DREW: Maryland got \$60 million; how much did we get, Scott?

MR. BAILEY: None.

SENATOR VAN DREW: Zero; okay.

Thank you.

Okay, anybody else?

Yes.

MR. REICHLE: Yes, Jeff, I just wanted to mention that--

SENATOR VAN DREW: Jeff Reichle.

MR. REICHLE: Jeff Reichle, Lund's Fisheries -- yes.

Education is definitely crucially important. And, you know, I was -- it was very interesting to me to hear some of the things that Ali said originally about trying to focus on education for maybe specific nongraduate-type employment opportunities.

You know, I think we have an education deficit that's much more basic than that. I mean, you know, we employ about 70 people year-round at our site in Cape May. And almost without fail, they're all, mostly, first-generation immigrants. I can't get local people, who have lived here, who are chronically unemployed, to come work there. Now, why is that?

SENATOR VAN DREW: And that's the real issue, Jeff, that folks don't want to talk about; but it's real. It's a real problem.

MR. REICHLE: It's a real problem.

SENATOR VAN DREW: And Curtis, I'm sure you've experienced the same issue.

MR. REICHLE: And frankly, I think that's an educational problem at a much lower level than universities. You know, it's like Ali said. You know, what's the matter with young kids going out and working on the farms in the summer? Why do we always need-- And I have nothing against immigration; my business wouldn't be able to operate today if it wasn't for those first-generation immigrants here. But it didn't used to be that way. When I first started to work in that industry, it was local people working the docks, you know? Now, it's not local people. Most of them can't speak English because they're not from here. So there's a disconnect somewhere, I believe, starting in our homes and going on into our schools -- that there's something the matter with working on a dock and packing fish, or working at a McDonald's, or working at-- There's something the matter with those basic jobs.

SENATOR VAN DREW: Hey, before I became a dentist, I landscaped and did construction -- and it was okay.

MR. REICHLE: Exactly. That's another perfect example.

SENATOR VAN DREW: That's the American way.

MR. BASHAW: Curtis Bashaw.

Yes, to follow up on Jeff. I mean, that is a topic that should be addressed, because it's a lifestyle issue here for the locals.

We actually have grown our business so that we really are basically year-round. Our call center-- You know, we had an employee there last week say, "Please cut me back; I'm getting too many hours, so I can't collect my winter unemployment." And, you know, we say, "We're not playing that game; sorry." But it's a cycle -- that everyone feels like it's okay.

SENATOR VAN DREW: It's the culture.

MR. BASHAW: The culture, and that is an inherent issue that needs to be corrected.

SENATOR VAN DREW: Particularly in Cape, particularly in Cape.

MR. BASHAW: Yes, it is. It's significant.

SENATOR VAN DREW: It's particularly a culture in Cape; it's a problem we've had for generations.

I don't know that we can answer all that.

Anybody else? (no response)

Thank you all very much for being here, particularly the panel. You spent so much time with us. I know how very, extremely busy you all are. We truly do appreciate it.

Thank you.

(MEETING CONCLUDED)