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# *Task Force Meeting*

of

## FIRST LEGISLATIVE DISTRICT ECONOMIC DEVELOPMENT TASK FORCE

*“The Task Force will take testimony from invited guests concerning the regional job market in the First Legislative District and the impact of the programs and efforts of the workforce investment boards representing the region ”*

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**LOCATION:** Stockton University  
Galloway, New Jersey

**DATE:** March 17, 2016  
1:00 p.m.

**MEMBERS OF TASK FORCE PRESENT:**

Senator Jeff Van Drew, Chair  
Assemblyman Bob Andrzejczak, Vice Chair  
Assemblyman R. Bruce Land  
Scott R. Bailey  
Norris Clark  
Ralph J. Cooper  
Leonard C. Desiderio  
Frank D. Formica  
Roy Foster  
Jacob Genovay  
Dr. Ali A. Houshmand  
Carol Johnston  
Louis C. Joyce  
Dr. Harvey Kesselman  
Dr. Peter L. Mora  
William J. Nardelli Sr.  
Dr. Richard C. Perniciaro  
James F. Quinn



**ALSO PRESENT:**

Kevin J. Donahue  
*Office of Legislative Services*  
*Task Force Aide*

Alison Accettola  
Eugene Lepore  
*Senate Majority*  
*Task Force Aides*

***Meeting 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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**New Jersey State Legislature**  
**FIRST LEGISLATIVE DISTRICT ECONOMIC**  
**DEVELOPMENT TASK FORCE**  
STATE HOUSE ANNEX  
PO BOX 068  
TRENTON NJ 08625-0068

**COMMITTEE NOTICE**

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

**FROM: SENATOR JEFF VAN DREW, CHAIRMAN**

**SUBJECT: COMMITTEE MEETING – MARCH 17, 2016**

*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.*

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**The First Legislative District Economic Development Task Force will meet on Thursday, March 17, 2016 at 1:00 PM at the Campus Center - Board of Trustees Room, Stockton University, 101 Vera King Farris Drive, Galloway, New Jersey 08205-9441.**

**The Task Force will take testimony from invited guests concerning the regional job market in the First Legislative District and the impact of the programs and efforts of the workforce investment boards representing the region.**

Issued 03/10/16

For reasonable accommodation of a disability call the telephone number or fax number above, or TTY for persons with hearing loss 609-777-2744 (toll free in NJ) 800-257-7490. The provision of assistive listening devices requires 24 hours' notice. Real time reporter or sign language interpretation requires 5 days' notice.

For changes in schedule due to snow or other emergencies, call 800-792-8630 (toll-free in NJ) or 609-292-4840.

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**SENATOR JEFF VAN DREW (Chair):** Good afternoon, everybody.

It's wonderful to see everybody here; and thank you for being here.

We are going to start by pledging allegiance to the flag -- which we can do that in midair and see the flag in our eyes, I guess. And then secondly, a moment of silence for all those who have served our country through so many different conflicts. (all recite pledge)

Thank you.

A few housekeeping -- and I'm sure we'll have more. The tall microphones are the ones that actually increase the amplification. So when you want to be heard, you will use these tall microphones, not the shorter microphones. The shorter microphones are for recording; everything is officially recorded. This is a Task Force of the State of New Jersey; there will be a report that is issued as a work product as a result of it. And that is something that is recorded on the small microphone. All you need to do is press the button; it will go on. I think you -- the rest you can take care of, right?

Also, anybody who needs help with PowerPoints -- to load in a computer -- if they would please let the staff know, who is here. I know there was one that was done already. If anybody else does need help with a PowerPoint -- if they raise their hand, we can do that as well.

We, I think, are going to go around the table and just introduce ourselves again, and say hello to each other. And we will look at the very suave and debonair (laughter) -- really very relaxed over there, Freeholder

Formica. We will start on your end and we will just move our way around, (indiscernible) missing something.

MR. FORMICA: Frank Formica, Freeholder Chair, Atlantic County. Glad to be here, and anybody from Atlantic County coming here -- this is relaxing. (laughter)

MR. NORRIS: Norris Clark, Deputy Mayor, Lower Township; and also managing partner, Princeton Strategic Communications.

MR. JOYCE: Louis Joyce, South Jersey Economic Development District; and also, I am on the Alumni Board for Dr. Houshmand.

DR. HOUSHMAND: I will buy you lunch later. (laughter)

MR. NARDELLI: Hi; Bill Nardelli, Nardelli Brothers Lake View Farms in Cedarville, New Jersey, Cumberland County.

MR. GENOVAY: Jacob Genovay, Legislative and Regulatory Officer with the New Jersey Economic Development Authority; representing Melissa Orsen, our CEO.

SENATOR VAN DREW: Let me just point out to you -- all the microphones are on already; there is no need to push the button to put them on. So if you want to whisper, be careful. (laughter)

MS. ACCETTOLA (Task Force Aide): Hi; Alison Accettola, Senate Majority Office.

MR. DONAHUE (Task Force Aide): Kevin Donahue, Office of Legislative Services; and I'm an aide to the Task Force.

ASSEMBLYMAN LAND: Bruce Land, Assemblyman, 1st District.

MR. LEPORE (Task Force Aide): Gene Lepore, Senate Majority Office.

**ASSEMBLYMAN BOB ANDRZEJCZAK (Vice Chair):**

Assemblyman Bob Andrzejczak of the 1st Legislative District.

DR. KESSELMAN: Harvey Kesselman, President, Stockton University. Not (indiscernible) to the correction, for the record.

MR. DESIDERIO: Len Desiderio, Mayor of the Capital City of Cape May, Sea Isle City; and also Cape May County, last year, Board of Freeholders.

MR. QUINN: Jim Quinn, Freeholder, Cumberland County.

DR. HOUSHMAND: Ali Houshmand, President, Rowan University.

DR. PERNICIARIO: I'm Richard Perniciario, Atlantic Cape Community College.

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

MR. FOSTER: Roy Foster, Chairman, Atlantic County Improvement Authority. And when I grow up, I want to be Dr. Mora. (laughter)

MR. BAILEY: Scott Bailey, Delaware Bay Shellfish Council, Chairman, currently; and South Jersey Economic Development District; commercial fisherman out of Port Norris.

MS. JOHNSTON: Carol Johnston, owner of MCITC Training Center, known as Medical Consultants Instructional Training Center.

SENATOR VAN DREW: Thank you all.

We know the reasons that we're here; I mean, for many years, even before the latest challenges that we have, deep South Jersey has had huge economic challenges. And we have looked at many different ways and

modes of trying to increase opportunity for our people so that young folks could stay here; so that retired folks can stay here. So that is as important as tourism is, to understand that there should be and could be other opportunities that would exist.

I wanted to briefly go over the work product of our last meeting, because some folks have said, "What have you done to date?" and some were present; some weren't. And one of the areas that we had found most interesting was actually aquaculture -- and that was an area that particularly lends itself to South Jersey. And we had found that in South Jersey, while shellfish aquaculture was doing fine, that there were other states that were being far more competitive -- that started at an equivalent rate that we did of producing shellfish, and have grown much more, have been incentivized much more, have been much more successful and by many, many fold -- and some up to 30 fold. And we're speaking of states like Virginia, the Carolinas, and others.

So we wanted to dig into that a little bit, and we had a great deal of testimony. The work product from that is a work product that the three legislators who are sitting here -- my two Assemblymen and myself -- have sponsored. And I will very briefly go over it, just so folks do know.

S-316, A-739 would mandate that the Department of Ag, the Army Corps of Engineers, and the DEP would have a singular, joint application process. That legislation has already gone through Assemblyman Andrzejczak's Committee; Assemblyman Andrzejczak is the Chairman of Agriculture and Natural Resources for the Assembly. The reason and the point for that was -- one of the problems we found, particularly in New Jersey -- and this is going to be darn hard to fix, and

we're going to really have to work on it -- is that we have so much red tape, and so much bureaucracy, and so much difficulty in the process of going through the establishment of aquaculture in the shellfish industry; that we hear different requirements, whether it be from within DEP itself, whether it's from the Army Corps of Engineers, or whether it is from any other source, such as the Department of Ag.

Another piece of legislation that was the work product of our last meeting is S-317, A-794, which would coordinate the Department of Ag to review the process -- and is the main reviewer, if you would, because it is an agricultural process -- working along with the DEP.

Another piece of legislation was S-318, A-791, which was to actually allocate \$1 million to the Haskin Shellfish Laboratory, because they have done so much of this work. And that appropriation is not going to be easy to fund, but we're going to do our best.

And we had other legislation as well -- SR-30, AR-34, which would mandate that there be a coming together, that there would be some sort of a thought process so that as the red knot is more and more protected, at the same time we would not do harm to the oyster industry. The idea being that you can grow economically and still maintain our environment and care for our environment. And this would mandate that the DEP and others in the industry work together to find a way to grow the industry, and yet still protect the red knot.

Those are just some of the pieces of legislation that were a work product of that last meeting.

Before we go on, I know that the two Assemblymen want to briefly say hello and, I guess, welcome you to-- Actually, no; I'm sorry. I

am out of order. Actually, the President of this fine university should be the first to welcome us.

I'm sorry, President Kesselman.

DR. KESSELMAN: And I will be very, very brief, because the Atlantic County Economic Development Alliance has a presentation, and I don't want to step on Howard's toes.

But I do want to formally welcome everyone to Stockton University. We are nestled in 2,000 acres of the Pinelands National Reserve. We're very, very proud of that. We, too, like my colleague from Rowan who is here, believe that we, as part of our mission, are to be part of the economic engine of the region; and we're going to do everything that we can to help support economic development in the 1st Legislative District, as well as other districts within our area of reach.

So welcome to all.

SENATOR VAN DREW: And I also wanted to ask -- because I know he's extremely busy, as is our president of Stockton, and I know he came from a little distance and we really do appreciate him being here -- President Houshmand, did you want to share a few words with us?

PRESIDENT HOUSHMAND: Thank you, Senator.

Yes, I am delighted to be here. And as Harvey said, Harvey and I are good friends and both of us care very much for South Jersey. And I really do look forward to working with not only Stockton, but also Atlantic Cape May, Salem, Cumberland, and Gloucester to see how we can potentially find ways to cooperate together; and to help lift the current economic situation of this region is my -- would be my delight to do now.

Thank you, sir.

SENATOR VAN DREW: Thank you, President  
Assemblyman Andrzejczak.

ASSEMBLYMAN ANDRZEJCZAK: I, as well, will keep my  
comments very short.

I just want to thank everybody for coming out today. I also  
want to thank everybody for their continued participation. We have put a  
lot into -- a lot of work into this, and we've seen a lot of progress already.  
We've achieved a lot of accomplishments, as far as legislation; we have a lot  
more work to do. And without all your help, I mean, we wouldn't be where  
we are today. So I just want to thank everybody for coming out today.

Senator Van Drew hit on a lot of the legislation that we have  
going on that came right from this here, today. And another added piece to  
that would be our Jersey Fresh funding. Right now-- Jersey Fresh funding  
started out at \$1 million when the program started; it dropped down to  
\$50,000, where it's currently at now, which is quite a big gap. We are also  
-- we have legislation in that would tie aquaculture into Jersey Fresh as well.  
Aquaculture is farming; it's just a different kind of farming. But we feel  
that it should be included in Jersey Fresh as well, and be able to have the  
same branding that has been working for our farmers.

With that, we would like to increase the funding and get it back  
up to \$1 million. And the information that we've received -- basically, every  
\$1 we put in, we get \$4 back with Jersey Fresh. So to me it makes sense  
that we would want to be able to put in as much money as we can if we're  
going to see a return like that.

And we're going in the right direction, I feel; it's going to take a  
little while. We didn't expect anything overnight; it's just not going to

happen. But we've been able to accomplish a lot, and I look forward to continuing to work with all of you and come up with more ideas and, hopefully, within the next year or two we'll really see some big changes.

Thank you.

SENATOR VAN DREW: Thank you, Assemblyman.

And our newest Assemblyman, Assemblyman Bruce Land.

ASSEMBLYMAN LAND: Thank you.

It's my privilege to be here today as your new Assemblyman. And having been born, and raised, and grew up in South Jersey my whole life, it's great to see so many familiar faces here trying to get us back on track again, which I know we can do.

And tomorrow I have the privilege to attend a Homeland Security conference in Princeton, which is one of the committees I'm on in the Legislature. And it's just great to be here, and I thank you very much.

SENATOR VAN DREW: Thank you, Assemblyman.

We are very proud -- and this is the last thing, and then we'll begin.

Of the two Assemblymen we have -- I don't know if some folks know, but we've actually made history in the Legislature. Between the two of them, they have one Purple Heart, three Bronze Stars with Valor, and a Soldier's Medal, among many, many other medals. They are both truly -- both of them have saved their platoons; they are both American heroes. And they are the most-highly decorated in the Legislature.

So we're really proud to have them. (applause)

And we are going to start with Dr. Aaron Fichtner, Ph.D., Deputy Commissioner of the New Jersey Department of Labor and

Workforce Development. And we thank you for being here today; we know it was a little bit of a ride.

**AARON R. FICHTNER, Ph. D.:** Well, thank you very much, Senator Van Drew, and Assemblyman Andrzejczak, and Assemblyman Land for the invitation.

It's truly wonderful to be here on a beautiful spring day to talk about the work of our Department and the work that we're doing here in the 1st Legislative District. We have worked very closely with many, many partners to build a skilled workforce, to make sure people have economic opportunities here in the 1st Legislative District, and all through South Jersey, and all through New Jersey; and to make sure that we have a skilled workforce to power our economic growth.

**SENATOR VAN DREW:** And, Dr. Fichtner, if you could-- And I know it is for the 1st District, we have some folks -- because it also includes Atlantic County. So if there's anything tangential that relates to the 2nd District as well, we would welcome that information.

**DR. FICHTNER:** Sure, most definitely.

It's also great to be here at Stockton University and to see President Kesselman. Stockton University leads our Hospitality, Retail, and Tourism Talent Network, and does a great job connecting jobseekers, students, educational institutions, and employers. So thank you for your leadership in that effort.

And we've also enjoyed a very strong partnership with the Cumberland/Salem County Workforce Investment Board, the Atlantic Cape Workforce Investment Board, as well as Rowan University. It is good to see President Houshmand here. And of course, Atlantic Cape Community

College has been a tremendous partner; so good to see President Mora here as well.

So I want to talk a little bit about some of the economic trends, and then get into an overview of a lot of the work that we're doing here in partnership with many of the people who I've already mentioned.

As many of you know, 2015 was a very strong year for job growth in New Jersey. Recent revisions released on Monday show that the state added 83,600 private sector jobs over that year, 2015; and that was the best year for private sector job growth since 1999. So 83,600 jobs -- a tremendous number of new jobs for New Jersey.

Also in good news -- the state unemployment rate is now 4.5 percent; that's well below the national average of 4.9 percent. So all of that is very good news. And of course, seeing growth in New Jersey that we've not seen in some time, and we're very encouraged by that.

Obviously, as we are all aware, this region has lagged behind the state, and that's why we're here, and that's why the Task Force is here. So I wanted to go over a little bit about where we are and the economy in these three counties; and then talk about the work that we're doing to help be part of the solution.

Obviously, in large part, I think the economic situation, in our mind, is due to the realignment of the Atlantic City casino industry, which has had a tremendously negative impact. I want to go through the three counties in brief and talk about the economic situation in the three, starting with Atlantic County.

In Atlantic County, the unadjusted unemployment -- not seasonally adjusted, so it fluctuates throughout the year -- was 7.3 percent

in December of 2015 -- so higher than the state average. Total employment has been down 9.3 percent over the last three years, obviously due mainly to the loss of the 11,000 jobs in accommodation and food services due to the closing of the casinos. Over the last 10 years, we've seen some growth in the healthcare industry and some slight growth in retail and trade; but we have seen reductions in accommodations employment, as well as construction.

Over the last three months, we've seen job postings in a variety of industries -- hospitals, accommodations, and restaurants -- and some good numbers of good postings in retail salespeople jobs, registered nurses, sales reps, and wholesale and manufacturing technical and scientific products.

So there are some bright spots in the economy; though overall, challenges in Atlantic County.

The unemployment rate in Cape May County in December of this year -- also unadjusted -- was 12.3 percent; so quite high -- the highest of the three counties that we'll talk about today. The good news is that, over the last three years, employment has been up 6.4 percent in Cape May County; much of the job growth has been in food services, construction, and retail trade. And over the last 10 years, we've seen positive growth in accommodations and in health care; and some reductions in construction, as well as retail trade.

Looking at job postings over the last three months, we're seeing a lot of job postings, again, in health care, hospitals, health and personal care stores, and grocery stores; and we're seeing a good number of job openings in personal care aides, registered nurses, and retail salespeople.

In Cumberland County, the unemployment rate in December -- again, unadjusted -- 7.3 percent; total employment has been up 6.4 percent over the last three years, so that's encouraging. And again, major growth sectors -- health care, and construction, and wholesale trade; we've seen some good increases in construction in the last three years in Cumberland County, which is very encouraging.

Over the last three years, health care and wholesale trade have been growing, while manufacturing and retail have been declining. And looking at the job postings data, again very similar trends: large numbers of job posting in hospitals, restaurants, and grocery stores; and on the industry side -- the occupation side -- similar types of occupations to what we're seeing in the other counties.

So that's the situation that we face in this region. So some bright spots, but obviously lagging behind the positive growth at the statewide level.

So we have, as I said in my opening remarks, been working very closely with a variety of partners to make sure that we're building a skilled workforce, ensuring that people have access to economic opportunity, and that we're building a skilled workforce that can help grow the economy.

I want to talk about, first, what we did in response, and what we're doing in response to the casino closings; and then talk more, and broadly, about a variety of efforts that we're doing in partnership with the counties to make sure that we're being a good partner to address the challenges here in South Jersey.

In response to the 2014 casino closings, our Department launched a very aggressive effort to assist the displaced casino workers. We

partnered with the unions for an ACU night here -- session to help people get access to unemployment insurance. We launched the largest job fair in our state's history in September of 2014 to connect a large number of employers with people who are looking for work. And we applied for and received a National Emergency Grant from the U.S. Department of Labor to assist with job training and reemployment services.

That National Emergency Grant has allowed us to provide services to individuals who lost their jobs -- who were working at the casinos or in the retail shops at Revel, Showboat, Trump Plaza, and Trump Taj Mahal. And through partnerships with the Atlantic Cape May and the Cumberland Salem Workforce Development boards, we've served 1,200 people at 118 orientation and eligibility sessions in partnership with Atlantic Cape Community College. We reached out to every individual who we could identify who had lost their jobs in those affected casinos, and asked them to come in for an eligibility session and orientation, and to help them with their job search.

We have enrolled 627 people in training programs to help them get the skills they need to get jobs that are growing; 353 of those individuals are in occupational training, and 302 individuals in literacy training and English as a Second Language. And we continue to partner with local business groups to identify companies interested in hiring impacted workers. Businesses are being advised of the on-the-job training grants that we have available to help companies train new employees that they hire, and other funds available to help prepare displaced casino workers for new opportunities.

So it's been a tremendous partnership. We are committed to continuing to work to make sure that anyone who lost their jobs as a result of the casino closures has access to our services, and are connected to good opportunities and good training programs.

On a broader sense, we work day in and day out to make sure that unemployed and underemployed individuals in this district and throughout South Jersey have access to services through our One-Stop Career Centers. And in that, we partner with the Atlantic Cape May Workforce Development Board and the Cumberland/Salem Workforce Development Board. And at our One-Stop Career Centers we provide job search assistance, literacy education, and access to occupational training.

Each year we provide \$16.7 million in a variety of Federal and State funding to the Atlantic Cape May and Cumberland Salem Workforce Development boards to allow them to provide those services. And we work very closely with our own State staff in the One-Stop Career Centers, in partnership, to make sure that we're reaching and providing high quality services to as many people as possible.

We've also leveraged other resources in this region. Over the past five years we've awarded nearly \$2.3 million to companies in this region to help them upgrade the skills of their current workers. And those grants have allowed those companies to train their workers and to become more competitive.

We're also in the process of expanding our footprint so that we can reach jobseekers in a variety of other places and through a new partnership with local libraries. So we've released a Notice of Grant Opportunity and are hoping that some libraries in this region, and in South

Jersey in general, will get funding from our Department to be able to join in partnership with our One-Stop Career Centers to provide much need job search and career guidance assistance to as many jobseekers as possible.

So that's a broad overview of a variety of the things that we are doing in our Department -- the Department of Labor and Workforce Development -- to be a good partner in helping to be part of the solution here in the 1st District, and the 2nd District as well. And it is our commitment to work across -- with many, many partnerships to make sure that we're helping people get the skills that they need to achieve economic opportunities, and also to grow a skilled workforce to help propel economic growth.

So again, thank you for the opportunity to be here. I look forward to questions and discussion about other things that we're doing in the Department. But we remain committed to being an important partner in the work of this Task Force and in other activities here in South Jersey.

SENATOR VAN DREW: Thank you. And again, thank you for being here, and thank the Commissioner for his availability and the good work that he's done. I know we've dealt with you all many, many times over a lot of difficult issues, and you've been very accessible. So we really do truly appreciate that; and express those wishes back to him.

DR. FICHTNER: I will do that; thank you very much.

SENATOR VAN DREW: I'm sure we have some questions. I have one brief question, and it's a question I'm probably going to ask a number of times, over and over again. But it's something that's always interested me -- is that, are we training the right people for the right jobs that are really going to be available? And I know in Cumberland, and I'm

sure in every county, they're doing good work. I'm a little more familiar with Cumberland, only because I had done some work with them on that -- in that they're really trying to tie their technical school together with their college, with their Workforce Investment Board, with businesses themselves so that there is a real continuity. So that when a business says, "I need X number of people," we educate and train them that way.

Do you find that's going on throughout the district; do you find that you all are achieving in that particular way?

DR. FICHTNER: Yes, that's a great question, Senator.

From the very first day in the Department under Commissioner Wirths' leadership, we committed that we would do whatever we could to make sure that every dollar we spent was directly aligned with the needs of employers. So there's a variety of things that we've done to make sure that happens, and we're working every day to make sure that those connections are there.

And let me talk about a couple of those efforts. First, is that we have a very focused labor market team -- labor market analyst team that analyzes a wide variety of data for us on a regular basis, looking at job postings that are online, looking at data from the Bureau of Labor Statistics and other data sources to really understand where the economy is going. And we make that data available to all of our partners and on our website to make sure that everyone in our field understands those broader economic trends.

Though we know that the data is only part of the story, and so four years ago we launched our Talent Network Initiative. And I mentioned that the Retail, Hospitality, Tourism Talent Network is here at

Stockton -- thank you again for your leadership. And the Talent Network -- really, the work of those organizations is to help us get better information on what's going on, on the ground, in our industries. So for example, the staff here at Stockton, who is focused on retail hospitality and tourism, is working tirelessly to make connections with employers, in partnership with the business service reps who work for our Department, and to bring that information back to us so that we can disseminate it to others. But more importantly, to help connect individual employers and groups of employers to educational institutions so that we're developing new curriculum that's exactly in line with their needs.

And so those Talent Networks are focused on seven key industries, not just retail, hospitality, and tourism. But we have environmental networks focused on advanced manufacturing, health care, life sciences, financial services, and other industries as well, to make sure that we're getting real-time information from employers.

We've also made sure, increasingly, that we're bringing employers to the table when we're making training investments. So through our Opportunity Partnership Grants program -- that's where groups of employers come together with community colleges and other training providers and tell us what, specifically, the needs are. And we'll provide funding so that a dislocated worker can go into a training program, get the skills an employer needs, and go right to work. And we've had tremendous success, both in the healthcare industry and in advanced manufacturing, throughout the state, building those partnerships.

And you're right; it's not just the short-term training programs, but it really is helping-- And we believe, through our Talent Networks,

through our labor market data, and through the work with employers, that we are being a good partner with our community colleges, with our colleges and universities, and with our tech schools to make sure that they are also training people for the jobs that are in demand.

We're also currently working on a list of Industry-Valued Credentials. Our labor market analysts and our Talent Networks have combined -- with feedback from a tremendous number of employers -- to really understand the credentials that are valued by employers, so that we can continue to make sure that when someone graduates from a short-term program, or from a community college, they're getting a credential that's going to be valued, and portable, and stackable so they can go back to school and continue to move up the career ladder.

So we-- I'm glad you asked that question first, because that -- from the first day in the job, that was Commissioner Wirths' charge to all of us in the Department -- is we need to make sure that we are employer-driven; that we are training people for the jobs that are in demand. And so we work every day in a variety of ways to make sure that we're doing that.

SENATOR VAN DREW: Thank you.

And along those lines, one other thought I had is -- there are folks who are dropping out of the workforce sometimes too. We know that nationally, and even statewide. Are we capturing those numbers? Are we -- do we have a significant number of people who have done that, and are we able to quantify it? And if so, how do we get them back; how do we recapture them?

DR. FICHTNER: That's also a really, really good question.

I think in the early stages of the recovery we saw that around the country, in particular -- that the unemployment rate was coming down to the national level because people were leaving the labor force.

We've not seen that in New Jersey at the same level, perhaps, as the national level. So our workforce -- the number for people who are employed in New Jersey is at nearly its highest level in the history of our state. Our labor force participation rate -- 64.1 percent, much higher than the national 62.7 percent. Which says to us that New Jerseyans are staying in the labor market.

Now, obviously, we have broader demographic trends, as many of you know. The aging population leads to more people retiring or retiring early; people choosing to stay home to raise families or what have you. And so I think some of the reduction in the labor force at the national level is because of demographic trends. But in New Jersey we're seeing that the decrease in the unemployment rate that we have seen is largely a result of people going back to work, and not people dropping out.

That said, we do a tremendous amount of work though all of our efforts with our Workforce Development Boards to make sure that we're reaching out to as many people as possible, and try to bring people back into the labor market when they're interested in doing that. So just because someone has dropped out doesn't mean that we're not going to provide services to them, if they're interested in getting back.

So I think the good news is that we're not seeing the level of dropouts that we might see at the national level. And we've seen some very encouraging signs about people going back into the labor market and

getting jobs. And with the unemployment rate at a very low level here, at the statewide level -- certainly more elevated here in this region.

SENATOR VAN DREW: And then my last question; and Assemblyman Andrzejczak has a question too.

So really what's happening in deep South Jersey is somewhat of an anomaly compared to what's happening in the rest of the state.

DR. FICHTNER: Sure. I mean, I think that, obviously, the unemployment rate is higher here than it is in the rest of the state. And job losses in Atlantic County, as I said in my opening remarks -- we've seen some increases in employment in Cape May and Cumberland that are very encouraging, and we hope that those will continue.

So yes -- I mean, obviously, certainly given the realignment of the casino industry and other factors, this region has lagged behind the state as a whole. But we're hopeful that with some of the statewide increases and the increases that we've seen here in Cumberland and Cape May, that those are positive trends that will continue. And it's very encouraging that all of you and all of us are working together, to help make sure that government and all the partners around the table are helping to make sure that the conditions are right for further economic growth.

SENATOR VAN DREW: Thank you.

Assemblyman Andrzejczak.

ASSEMBLYMAN ANDRZEJCZAK: To go back to the first question a little bit. Are there precautions put in place as far as making sure one field doesn't get flooded, as far as people being trained and employed? Is there a certain point where you tell schools and other training facilities

that basically, at that point, they're no longer needed -- that curriculum is no longer needed because the market is a little bit flooded?

DR. FICHTNER: Yes, that's a really good question.

So in addition to the Industry-Valued Credential List, we also have a Demand Occupations List that we publish in New Jersey that governs where we spend our State and Federal workforce dollars. And we are in the process of updating that list. And that takes into account some of these issues of supply and demand.

It's a very complicated labor market; so we are obviously playing a large role, in partnership with folks in this room, to train a lot of people. But a lot of people are going to training on their own and they're making those decisions. So we think that we can do the best job of trying to educate people about labor market trends and help people make better decisions. Obviously, the career counselors who work at our One-Stop Career Centers are keeping an eye on that. The Talent Networks have been helpful to provide us information to make sure that we're not seeing people get over-trained in one occupation or another.

But honestly, we've been much more focused on trying to find those areas where employers are having trouble hiring, and trying to steer people and fund programs that get at those skills-gap issues -- so focusing more on where are we underrepresented than worried about where we're over-represented. But it's always important to keep your eye on that, because the last thing any of us want to do is for people to spend either government money or their own money going to training that doesn't lead to a job.

And so we are 100 percent focused on trying to do whatever we can to make sure that the workforce is aligning with the needs of employers. But it is a challenging issue, and we're working on multiple fronts to try to make sure that that happens.

ASSEMBLYMAN ANDRZEJCZAK: How often are the lists updated, as far as the demands?

DR. FICHTNER: So we update the list every couple of years. We have not updated it -- this is the first time we updated it in a couple of years. But we do keep an eye on the data and make sure that we aren't seeing trends that would suggest that we need to update it more regularly.

The Industry-Valued Credential List is really a new direction for us, because we believe strongly that most New Jerseyans will need some post-secondary credential of some kind to have -- and I see a nod from President Kesselman and others -- to be able to have a family-sustaining income over time. And so credentials give us a clear way to communicate, from employers to training providers and educational institutions the skills that are valued. And we believe moving in that direction is the right way to go, because we really want to see more people get credentials that then are portable, transportable, and stackable so they can continue to move up the career ladder over time.

SENATOR VAN DREW: Thank you.

So we will begin with any questions from the panel.

DR. MORA: Jeff, I have a question.

SENATOR VAN DREW: Yes.

DR. MORA: Yes, this one is on the employer--

SENATOR VAN DREW: And I will ask each time -- everybody knows, I think-- Everybody knows, but just to identify, Pete, who you are.

DR. MORA: Peter Mora, President of Atlantic Cape Community College.

This goes back, Aaron, to your original comments on more the employer-based. Could you talk a little bit more about the OJT program? That's the one -- I think it has some interest that may not be well known.

DR. FICHTNER: Great; thank you, President Mora, for asking that question.

So through our Recovery Partnership OJT Program, we use State funding -- through the Workforce Development Partnership Program -- to provide on-the-job training grants to companies that hire dislocated workers; people who have been working, and then lose their jobs. That is a 50 percent reimbursement, in essence, on the wages of the individuals up to \$10,000, with a minimum of a \$10-an-hour job. The idea there is that when companies hire somebody, certainly you want to make it worth their while to take a chance to hire someone who's been unemployed. But we also know that companies have to spend money to help people get up to speed -- to learn the firm-specific or occupational skills that they might not know. And so we found that's a tremendous tool in our toolbox to be able to work with employers and say, "You need to hire people? If you're interested in hiring people, we can find you workers who have lost their jobs and we can give you this tremendous incentive to help you get them onboard and to defray the costs of training them."

And so that's another example, President Mora, of how we're working closely with employers to make sure that we're giving them

incentive to hire more people; and that we're helping people who are unemployed connect to employment opportunities.

SENATOR VAN DREW: Freeholder-- I'm sorry; President Houshmand, and then Freeholder Desiderio.

DR. HOUSHMAND: Dr. Fichtner, you might know that I'm a member of the Affordability Commission that was established by the State to look at ways in which we can make access -- well, college more accessible and affordable. Yesterday we had a meeting and we presented an idea that I would love to share with you that speaks to how we can provide very affordable education that, at the same time, creates jobs in the region.

And one of the programs that we presented was a partnership that we're starting between Burlington, and Gloucester, and Rowan. And the idea is a 3-plus-1; that is, instead of 2-plus-2, 3-plus-1 -- three years in county college, one year at Rowan. You get a degree, and the total cost is under \$25,000. And these are stackable degrees, in that you start at a county college the first year; the second year, you get a certificate -- your second year -- customer service, sales, whatever. Third year, you get a second certificate from the county college; and your fourth year will be a certificate from Rowan. So by the time you're done, you basically have gotten an associate's degree, three certificates, and a bachelor's degree -- all for the price of \$25,000 or less.

And this kind of idea can easily apply to everywhere else -- easily. Stockton can do that kind of thing with other community colleges.

But suppose that you take this thing a little further. And suppose that we could work with the State -- especially with the Department of Labor -- to help us identify employers who are looking for

inexpensive laborers. One area, for example, could be -- the far southern New Jersey could be labeled as the Insourcing Job Capital of America, as opposed to outsourcing all these call centers that are going to India, and South Africa, and the Philippines, and others. It will be easy to come in here, in collaboration with the county colleges, and through 3-plus-1. Assuming that this student, on average, works 10 hours a week, 500 hours per year; and the employer would only pay \$10 per hour; and that \$10 (indiscernible) is not taxable and is paid towards education -- the education would become completely free; and the student would have 2,000 hours of employment training; stackable, three certificates; an associate's degree and a baccalaureate. And you could create a lot of jobs. It requires collaboration between the State, the industries, the county colleges, and the University -- working together, and creating this established--

Why not? The entire South Jersey could be such a place. There are thousands and thousands of jobs that are being outsourced that could easily be brought back. I'm sure that the kids here are as capable as kids anywhere else who speak on the phone, and who could be trained to answer questions. And I think this is something that requires a true partnership and dedicated effort. And I believe we can do it; we could create many, many jobs in our region.

DR. FICHTNER: That sounds like a great idea. And I know you've been working on similar innovative ideas for your tenure at Rowan. We would welcome the opportunity to talk more about how we could partner with you and others on that idea.

I think a couple of components that seem very intriguing to me and important -- one is the concept of work-based learning so that students

are working, while they're in class, on the side. And I think that we've certainly seen, from our programs, and from the data and the research, that people who work while they're in school are going to do better in the long run. They learn a tremendous amount while they're on the job. And I'm sure we all had experiences like that -- jobs along the way that helped influence our decisions and learn skills that really complemented what we did in the classroom.

And obviously the focus on credentials is certainly exciting -- that someone would get three credentials that would make them very attractive to employers. So we would certainly welcome the opportunity to sit down with you and your team to talk about how we could be a partner in that effort.

SENATOR VAN DREW: Thank you.

Freeholder.

MR. DESIDERIO: Thank you, Senator.

Len Desiderio, Cape May County.

Thank you, Dr. Fichtner.

I want to go over that 12.3 percent unemployment in Cape May County. Is that what the statistic was in December?

DR. FICHTNER: Yes; that was December of this year.

MR. DESIDERIO: Okay, December of this year. As we know, Cape May County is much different than, say, a Bergen County. We are primarily tourism-driven, with small businesses. And in the community of Sea Isle City, 70 percent of our homeowners are either second homeowners or third homeowners. I am a small business owner in Sea Isle; and in the summertime I employ 50 to 60 people. During the winter months, I can

employ five, in which -- that's keeping them working. Much has to do with the amount of people and the community that we are.

The municipalities are trying different things to bring people down on the weekends -- I'm saying the barrier islands. We recently had a Polar Bear Plunge; it was the 22nd year of the Polar Bear Plunge. And we had 40,000 people in our community over President's weekend.

But during that weekend, 90 percent of the businesses reopened. So the thing is, when the people are here, we're able to employ (indiscernible) to keep people hired. It's just that, as I said, that 70 percent not living here year-round is -- it's not a burden, it's actually good, as the Mayor. (laughter) But it's something that we're up against. But yet, Cape May County, as you know, generates almost \$6 billion in monies that we send to Trenton through taxes; and I believe we're second only to Atlantic County. So we are continually working to do our job; and it's that we're a group of small motel, bar, restaurant owners; that our season, primarily, is from April to October. And that's where I see us in the County.

But what is the unemployment -- if you can let me know -- say, in June and July?

DR. FICHTNER: Sir, I don't have that data right in front of me; but the average, for 2015, for Cape May County was 11.3 percent, averaged over the entire year. So obviously 12.3 percent in December is likely to be one of your higher numbers, and it will likely go down during the busy summer season too. I don't know what the number would be, but look at the averages -- close to 10 percent or lower.

So yes; I mean, obviously, that's a challenge from a workforce standpoint -- the seasonality of work. And certainly I assume there are

people who are collecting unemployment insurance when they lose their jobs in the winter, and that's an important stabilizing factor in some of those communities. And it sounds great that you're finding opportunities to bring people down throughout the year for the Polar Bear Plunge and other activities.

And I assume that there are many residents of Cape May who are commuting to Atlantic County, or Cumberland, and other places for jobs in the year-round economy.

MR. DESIDERIO: Absolutely.

DR. FICHTNER: And there are jobs in the year-round economy, as you-- I mean, 12.3 percent is high; but it also means -- the flipside -- that you've got 80, 88 percent of people who are working. So the seasonality is an important function, and--

MR. DESIDERIO: There are also many people commuting to Philadelphia on a daily basis.

SENATOR VAN DREW: Absolutely.

DR. FICHTNER: Yes. And I think that's an important point, in general -- is that if you look at commuting patterns throughout New Jersey, people are traveling long distances, and county boundaries don't constrain the labor market in any way, shape, or form. And so any solution, I think, for the challenges have to be regionally based. And so we're working very closely with all the Workforce Development Boards here in South Jersey to collaborate -- and that's Camden, Gloucester, and Burlington -- working very closely with Cape May. Because it's going to be a regional solution, we believe, just because of the fact that people are

commuting long distances to work. That's a common factor here in New Jersey, as you all know.

MR. DESIDERIO: Thank you.

SENATOR VAN DREW: Freeholder Formica.

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

First of all, thank you, Senator Van Drew, for -- keep doing this. I think it's very important.

Commissioner, the funding that we-- As the Freeholder Chair of Atlantic County, last year we put \$11.4 million into life skills, job training, and other incentive programs. I can remember, in 2013 it was about \$15 million. So as we see, the numbers in Atlantic City are devastating everybody. Just take two facts: In 2007, there were 52,000 or 53,000 people working for casinos; there is less than 20,000 working today. Just do the math. It's 35,000, (indiscernible) one half support industry, by the Department of Labor, nationally. You're looking at pretty close to 57,000 people who lost a full-time job in Atlantic County and Cape May.

So my question is -- we did a survey. And when we spent the \$14 million in 2013, I think we trained 1,577 people; I think it was somewhere around that. We landed about 200 jobs, which is a pathetic percentage and a waste of resources.

So not just to complain about it, because I know it's the system -- there are other companies that would like to do training that are specific to jobs. And what I'm suggesting is that we take some of this money and transmute it, or put it into some type of line item authorization that could take a training company like our WIB, under Rhonda Lowry -- which I

think she works as great as anybody can work, given the constraints of the system. You know, we authorized the company that had 100 tractor-trailer drivers; some have worked with the WIB. But still, it's \$3,500 to go to the course; and there may be courses that cost that. You say that's a lot of money; well, what's the cost of running \$11.2 million into 100 jobs?

I'm suggesting a policy change, if it could be done -- that maybe the Federal government-- And I know we can't do that -- or we may want-- Especially in this changing economy -- this diversification of our economy, where the New Jersey Department of Labor and Workforce Development could have some funding with things that are job-specific. And I know that may be a foreign language I'm talking here, but I just am appalled by the waste of money.

DR. FICHTNER: That's not a foreign language to us at all. We work tremendously hard to try to find every way we possibly can to make sure that our training investments are connected directly to the needs of employers. So we train a significant number of people in partnership with our WIBs to be truck drivers, because truck driving is obviously an area where we have a demand for workers. And so that's just one example.

So I'd be happy to have a follow-up discussion on more partnerships that we could have with the Atlantic Cape May Workforce Board, to find different strategies that might be more effective than some of the things that you're speaking of. But we have really been working to push the envelope, and have very close relationships and connections with the U.S. Department of Labor. So if there are any Federal restrictions, we're happy to explore what those might be and find ways to break them down.

MR. FORMICA: That would be great. And it's not only employers; it's companies that actually are specific to an industry -- that they had money for school or a training that needs funding. There are a lot of people who would like to do that; but unemployed -- they don't have \$2,500 to go to that job.

DR. FICHTNER: Right.

MR. FORMICA: And you know, as we look around our industry here, and look at what we have, you don't have to key on tourism. And as you said, we're going to try to diversify; but that's still -- about 70 percent of our summertime industry is tourism, vacations, what have you; you can't take that away. But I never saw anything training anybody for agriculture, or for the fishing industry, or the motorsport industry -- which, you know, we have a shortage of people who can work those industries.

So I think lining up -- and I think Howard will speak later about our economic -- our Atlantic County economic development. And we could probably partner with you on what specifics are changing, that would maybe -- maybe we could get together on to make more effective.

DR. FICHTNER: Yes, we would welcome those conversations and those partnerships.

Our new model is to find groups of companies that have similar needs; get them in a room, with an education or training partner; develop a curriculum that's completely aligned with the needs of those employers; get those employers to make a commitment to interview the graduates of those programs. And we've had tremendous success in advanced manufacturing, in health care, and in other industries; and we really want to expand that

model throughout the entire state, throughout our seven key industries, and other industries like the ones you mentioned.

So we have business service representatives, we have our Talent Networks. We are certainly able to sit down with our Workforce Board and with others to bring those companies together and say, "What are your needs? What does your ideal candidate look like? How do we get the citizens of this region prepared for those jobs?"

I tell you one story -- we have been working with community colleges across the state around advanced manufacturing, and training people with just this model -- identifying a curriculum that manufacturers want. And it trained large numbers of people and had a very, very high employment rate. So it's a model that we know works; and we would welcome the opportunity to find more ways to bring that model here in some of the industries that you talked about. So perhaps a follow-up meeting would be in order with Rhonda and her team, who are doing a tremendous job. And we're certainly always looking for new ways to make sure that our resources are being invested in a way that leads to jobs and opportunities.

MR. FORMICA: I really appreciate that. And I'm sure you work closely with EDA on the tremendous project -- investment and incentives they have. But we're going to be asking later on -- I guess I'll wait until later -- how we can best use those resources for diversifying our economy.

Thank you.

DR. FICHTNER: Well, and I'm glad you mentioned the partnership with EDA. We work very closely with Choose New Jersey, with

EDA, and the Business Action Center. And when we find opportunities where companies are growing or getting incentives to grow, we are often at the table with those companies. "What are your needs? How do we make sure that the workers in this region are ready for those jobs?" And so we stand prepared to continue that effort.

With EDA -- it's good to see EDA here actively involved in the Task Force. They've been a very important partner with our efforts; so thank you.

SENATOR VAN DREW: Thank you, Freeholder.

Anybody else? Otherwise, we're going to move on. (no response)

Doctor, thank you--

Oh, I'm sorry; did I miss somebody?

Yes.

MR. BAILEY: Yes. As you alluded to, it's not only Virginia that eclipses us in aquiculture. Maryland offers free training to help develop an aquiculture operation -- where they teach you the ins and outs to get a commercial-sized scale operation going to anyone in Maryland who is interested. There's an opportunity there.

SENATOR VAN DREW: That would be a great idea. But the problem in New Jersey right now would be -- we can't get the bureaucrats to agree about what the subject matter would be when they would train them. Because, as you know, when you try to -- even on your own, as an entrepreneur -- do something in that field, you hear multiple stories from multiple levels of DEP and others. And it's virtually-- I mean, I've seen

people literally brought to tears -- where they've invested their small savings to try to really put together an aquaculture facility.

So I think that's a good point; and I think what we need to do first-- And that's going to be very, very hard. I think there's going to be a lot of internal resistance to this within some of the bureaucracies themselves -- but to try to get them all on the same page. So as I alluded to in the beginning, there should-- Which would help with all this -- which would help with all this. There should basically be one application that you go in, and that you fill in, and that it is relatively easy to understand for a normal human being. And then you fill it out, and that takes care of what your DEP requirement is, as well as your Federal requirement or any other requirement that you have, so you can move on relatively rapidly. Right now, what happens -- and you know better than I do -- is you try to get involved with it. And you hear from one division of DEP, "This is what you need to do," and you're told by somebody else in DEP that that's precisely incorrect; and then you're told by-- And they are aware of this; they even know it. They even tried to hire somebody to straighten it out and were not successful in that process.

And then you have the Department of Agriculture as well, and the Army Corps of Engineers as well. So you have all these entities out there. And I will tell you, we have some pretty smart folks here, and I would challenge them -- if they want to play a brain tease, and really give themselves a hard time, and really burn out their brain cells -- try to go through this process and come out sane, because it's not easy.

MR. BAILEY: Yes, you're correct. And you just hit the nail on the head: staffing. They don't have enough staff at the offices to guide this

along like it should be. Maryland and Virginia have entire divisions solely devoted to aquaculture, where we don't. And that's killing us.

SENATOR VAN DREW: There's always a commitment-- And that's another issue, and it's nobody's -- it's a different story for a different day. But you're right; I mean, there is a commitment on the part of many states towards not only their aquaculture industry, but their agricultural industry. And even though we are a small state, our agricultural industry really contributes a great deal to what this state generates. And there should be much more of a focus towards it.

What happens is, so many folks who are in position-making -- either party; this is nonpartisan -- positions making authority don't see New Jersey as an agricultural state at all. They see New Jersey as an urban state. They understand the manufacturing, they understand big pharma, they understand the financial industry.

I always tell this story, and I will tell it really briefly because I don't want to waste time. We had a real issue with menhaden. For those who don't know, menhaden is an important bait fish, and there was a concern that our menhaden would be taken by other states; and you remember that a little bit. So we had to do legislation very rapidly. And Assemblyman Andrzejczak got it done rapidly on the Assembly side; and we had to get it done -- the Senate always moves a little slower on everything. We had to get it done so quickly on the Senate side that we had to call a special session just for that one bill.

And one of my good friends -- a Senator from the northern part of the state, from Essex County, said to me, "Gee, I came into this thing, but I thought we were voting on something about *Manhattan*." (laughter)

No idea -- nobody had any idea-- They all voted for it, but they had absolutely no idea what they were voting for. So it's an educational process too; but it's a really good point. It's one of the hardest, though. Even the tourism they understand, because tourism folks go to Atlantic City, they go to Cape May, they go to tourist areas. They really don't understand that those wonderful Cape May salt oysters that they eat -- that are the best damn oysters in the country -- are from New Jersey, are from us. And that it's a lot of work to produce them, and that you need help to do it, and that we could produce a lot more of them, and do a lot better for New Jersey workers.

But that's a much harder notion to get in their head; politically, it's hard to do on either side of the aisle.

I don't know if you have anything to add to that. (no response)

Doctor, thank you so much for being here. We really appreciate-- Hopefully, we gave you a couple of ideas, and you can continue your dialogue with some of these folks

DR. FICHTNER: Well, thank you. I think we have some follow-up discussions with Dr. Houshmand, and Dr. Mora, and Dr. Kesselman, and the Freeholder Director; but we welcome the opportunity. Thank you for giving me the opportunity to spend some time with you today. We look forward to continuing the partnerships that we've developed, and to find new and creative ideas to get people to work and to build that skilled workforce that is so important for economic growth.

So thank you.

SENATOR VAN DREW: Thank you.

Our next presentation is by somebody who certainly has known Atlantic County and South Jersey for a good many years -- Howard Kyle, who is the Chief of Staff for the County Executive, Denny Levinson.

And Howard, welcome.

**H O W A R D J. K Y L E:** All right; thank you.

I'll start by saying I'm always at a disadvantage sitting down when I talk, because I get very fired up, particularly about this topic. And I want to get you guys all fired up too.

So let me just talk about what we're doing. We have established a whole new approach to economic development in Atlantic County. And I believe that this is incredibly important, not for just us in Atlantic County, but also for South Jersey. Because the benefits of what we do should extend outside of just Atlantic County.

About a little over a year ago, we sat -- the Freeholder Chairman was involved; I know the representatives of Stockton -- Dr. Kesselman -- were involved. And we realized that something that had to change. Atlantic County, at that time, had one of the highest unemployment rates in the country; it has, and still does have the highest home foreclosure rate in the country. Our major industry -- the casino industry was beginning to decline. And we felt that we had to change the paradigm of which we were basing things on. Things just weren't working; they weren't going in the direction that we felt that it needed to go.

As a result of that, we retained a consultant, a nationally recognized economic development consultant, AngelouEconomics from Austin, Texas. They came in and, a year ago, we completed-- Actually, it

was handed in September 24 (*sic*) of this year and completed. We accepted an economic development strategy and action plan for Atlantic County.

All right; that's significant because, for the first time in this area we, the people who live here, the people who have businesses here, sat down and went through a comprehensive process to determine what is the best route to economic sustainability for this area. We did three public hearings -- one in the eastern section of Atlantic County and Atlantic City; one in the middle of Atlantic County at Atlantic Cape Community College; and one in Hammonton. We met with 13 industry groups to get their ideas on what was needed to be done. We took input over the Internet through online surveys from more than 1,200 people.

All the ideas we received were vetted, they were looked upon by an economic team, and they were determined to be -- they were evaluated for which ones really would work in Atlantic County. In other words, what ones would naturally be sustainable in the economy with the assets that we have here. And they were all incorporated into the plan.

The plan identifies four targeted industries for Atlantic County. The first is the traditional one, of course, of tourism, hospitality -- that's a given; that is important to the area and will continue to be important to the area. However, it's not enough to sustain the economy of the area. Tourism alone will not generate the jobs that pay the incomes we need to really move ahead as a region.

The second area -- and the one that the consultant felt offered the most immediate opportunities -- was in the realm of aviation and aviation research. On a parallel track, we had already begun the development of an aviation research park in cooperation with Stockton.

You're going to hear Stockton's name mentioned a lot, because Stockton is valuable to any kind of economic development effort.

We are at the point now where we're ready to begin construction of the first building of that park. We have a strong interest from several aviation-related firms. Congressman LoBiondo needs to be applauded for his efforts to get New Jersey designated as one of six UAS unmanned air system test facilities in the country. And we now have an opportunity to bring into this area a large number of people who will be receiving good paying jobs, research-level jobs; jobs in the \$80,000-plus range. So we're going to focus on that.

Let me just walk you through some background on this. The whole effort of establishing an Economic Development Corporation was that we needed something to implement the plan. There's no entity right now, on a regional basis, that attracts and retains businesses and promotes the area for economic development.

We wanted to change the way we're doing things; I mentioned that. We wanted to move away from the old way. The old way was state-centric; it was top-down. I don't mean that as an offense to representatives from the State, here. But let me give an example of that. In Atlantic County, for the last 30-plus years, economic development activity was led by the CRDA, the Casino Reinvestment Development Authority. They had, roughly, at their height, \$60 million a year for an investment. The South Jersey Transportation Authority also played a leading role in that. They also had the responsibility for developing the airport.

The problem with it being State-centric was that -- or still is -- that every four to eight years, when the Governor changes, the staff at these

agencies changed and the priorities of these agencies changed. Now we're at a point where the CRDA may have no money anymore for anything outside of Atlantic City. Well, you already know that the SJTA is financially strapped, and they're not assuming any kind of major economic development role as they had in the past.

So we need to step up and do that. We had no guiding economic development strategy; there was nothing that these agencies worked from when they were planning economic development. They just did what they felt was the appropriate thing to do at the time. And there were some good things that were done. For businesses that wanted to do business here, there was no single point of entry. And we were overfocused on one industry -- and that was, pretty much, tourism and hospitality. That was the major industry here.

The new way -- we want local leadership where the initiative, the priorities, the agenda are established from the County up. We want to have it incorporated into a comprehensive plan that we can follow. We want to have an Economic Development Corporation which we establish to serve as a single point of entry for business. And we want to emphasize regional economic development.

Some differences and changes -- move to the second page of the handout; everyone should have a copy of this. You all have it, right?

All right. The old approach was, if you fixed Atlantic City, you fixed Atlantic County. The new approach is, fix Atlantic County, the municipalities, and so forth; work with them. And we would also fix Atlantic City.

The old approach was to leave it to the State. And I don't mean that disrespect for what the State knows best. And the idea here is we really know best what we need here.

The old approach was, "Let the State do it; we just sit back and relax." And now, "No; let's cooperate with the State and get something done." It goes from a passive mode to a more active mode.

Why is regional economic development critical? Because we have to use all the economic development assets we have in the County. They include Stockton, ACCC, the airport, the FAA Tech Center, agriculture, wildlife areas -- all of that. We have to capitalize on the assets that we have. And it's critical -- most critical that we broaden and diversify the economy.

When we had AngelouEconomics here, and they did their study, one of the things they pointed out -- and I refer you to page 5 -- a key finding of theirs, "The extent of the dominance of the gaming and tourism industry in Atlantic County to the detriment of all other industry clusters is uncommon, and should be regarded as a serious long-term threat to future economic prosperity." He's laying it out for us; you cannot depend on one industry. We've done that, and we know what happens when that industry hits a decline.

Even more recently, as recently as February 21, Dr. Oliver Cooke from Stockton pointed out, here, in the *South Jersey Economic Review*, "For the regional economy to improve, a new industry would have to take hold. Leveraging the beach isn't necessarily a good bet." So we do know we have to diversify.

Real quickly, just to put it in context. When I was up in Trenton at a hearing with the State -- I think it was the State Judiciary Committee on casino gambling, one of the Senators came over to a group of us from Atlantic City, and he was trying to reassure us, saying, "Listen, we don't want to hurt Atlantic City when we put casinos in North Jersey. We want to work with you. We want to make Atlantic City a world class resort again."

Just taking what he said -- and let's just think this through. And this is the misperception that they have up in Trenton that I think needs to be corrected. When they say *world class resort*, let's look at some -- I listed some here. New Orleans, 135 square miles-- Excuse me; let's start with Las Vegas -- 135 square miles, 613,000 people; New Orleans, 169 square miles, 384,000 people; Nashville -- one of the most rapidly growing tourist areas -- 475 square miles, 600,000. We could go down the line; the numbers are there in front of you.

Then you come down to Atlantic City, from places that all are 100 square miles or more -- Atlantic City, 10.7 square miles with a 39,000 population. And also bear in mind that 36 percent of the population is below the poverty level; yet, it's important and remains important because it's currently 22 percent of the ratable base.

If you drill down on this a little bit, and you go to the next page, and you look at what's in brown, that is the-- Out of that 10.7 square miles in Atlantic City, you are down to 3.5 square miles of developable land. That is all you can build on; that's all that's set up for development. The rest is either wetlands or it's under water. How do you build an

economy that can sustain the region on 3.5 square miles of a barrier island? You can't; you have to think more broadly. And that's the whole effort.

We need Atlantic City to thrive; we need to make it an attractive tourist destination. But we just can't stop there, nor can we ignore opportunities that proceed offshore.

The other thing I stress when I talk about this -- people in this area tend to be a little discouraged because we do have some problems. What I like to point out -- and I think it's critical that we understand this -- what we are experiencing in Atlantic County, right now, with the economic challenges that we have, is pretty much no different than what hundreds of other communities around the country have experienced. Other places have had a serious economic setback when either their major industry crashed, or a military base which sustained the community moved out of town, or something else happened that was -- a natural disaster of some sort. They've all had to go through that. And if you go through the literature out there -- the academic literature -- you will find that numerous places have recovered from that, and went on very successfully.

There's a book out called *The Metropolitan Revolution*, which points that out. It's in every area that is advancing economically -- has a regional approach to economic development. They're thinking regionally. And you have cooperation between the urban center and the suburban communities, and that's what we're trying to establish here.

Examples of places that have reinvented themselves: Pittsburgh; Duluth, Minnesota; Cleveland, Ohio; Dubuque. Pittsburgh, if you recall -- almost everyone in the room, I think, is of the age where you remember back in the 1970s or 1980s the steel industry crashed, Pittsburgh was going

nowhere, it was really impoverished. Well, go online and look up Pittsburgh. You'll find that it's thriving right now. It is a center for education, health care, and life sciences -- it's doing very well -- and technology.

Now, if the people in Pittsburgh thought the way a lot of people still think here, Pittsburgh would be nowhere, and the leaders in Pittsburgh would be saying, "We've got to make Pittsburgh the steel-producing capital of the country again."

We need to change the focus. We need to move with the reality of what the times are, and we have to focus on that.

The Economic Development Corporation -- we have formed it; it's now officially formed -- the Atlantic County Economic Development Alliance; it's incorporated as a 501(c)(3) nonprofit organization. We have articles of corporation, or bylaws. We have \$500,000 a year locked in for five years in funding; we have an additional \$100,000 so far committed in soft funding. We have office space that's being donated by Hamilton Mall. I have an architect right now, who I spoke to today, who is going to start actually doing the layout and the floorplan for that, so we'll get that wrapped up. And we have signed off on a job description and, probably over the next day or two -- if not sent out today -- we will begin the search for an Executive Director to run that organization.

Now, I like to caution people -- especially from Atlantic County -- when I talk about searching for an Executive Director, this is going to be a legitimate search where the people are going to have to meet specific job requirements. And what I want to stress is we are not looking for some savior who's going to come in with all the answers and know exactly how to

solve things for us and make everything perfect. That's not going to happen. What we are looking for is an experienced economic development professional who can work with us to implement this plan. That's what we're looking for, and I'm sure we're going to find that.

Moving to the next page: This is the mission statement of the corporation -- is to drive economic growth in Atlantic County through strategic planning and public-private partnerships that attract, retain, and support a diversity of businesses and industry; creates quality jobs; and lowers property taxes. That's the focus of this: Job one is job creation for the corporation. It's about business and industry attraction. No one is really doing that now; I have to stress that. No one is out there trying to get businesses to come here.

But we need a regional economic development. A key point here: This is not going to be a government-run entity; it's going to be private sector-led. It's going to be politically independent. And that sounds strange coming from the County because, yes, we made a deliberate decision that we want to step back; we want to keep this outside of politics. We really want to make economic development as best we can and, believe me, it's a challenge. We want to make economic development a no-politics zone. That's the only way we really feel we're going to be credible and advance as an area. And we want to make the entity financially independent, and we also want to make it open, transparent, and inclusive.

Why is a corporation necessary? As I mentioned, no one has, as its primary responsibility right now, regional economic development. If a company has any kind of interest -- just stumbles onto something that they would want to come into Atlantic County right now, there's no single

source for them to go. They might go to a municipality; they might go to the CRDA; they might go to the County -- who knows? This will be a single point of entry. The most important thing I want to stress is it would send a serious clear message that we're serious about economic development in Atlantic County. And also, without having this type of entity, we are at a gross disadvantage to communities that do have one.

I often get this question: What exactly would they do -- would this corporation do that existing agencies don't do? What will it do that the CRDA doesn't do, SJTA, or municipalities? Number one, as I mentioned, a singular focus on business retention, attraction, and marketing. We don't replace municipal economic development efforts. We've tried to make that very clear with all of our communities; we complement them. They will not be sending individuals out to a site selection conference. The City of Somers Point -- as great as the economic development effort they have -- they are not going to take someone out who might be more appropriate to be in Buena Vista Township. So it will be something that would attract the businesses in through a concerted marketing campaign, and then work with the municipalities to locate them in the most appropriate communities. We don't replace that; and we also don't do bricks-and-mortar projects. Someone said, "What's Devco doing?" Devco does bricks-and-mortar; they build things. The CRDA will build things. We will not be building things.

I talk about the functions that provide -- I'll hold that up. How it will be funded: The full budget will be determined by the board; there will be investor fees and business contributions. We will apply for some

grants, initially, to help us get started with some public funding. But the goal is to have it fully self-sufficient within five years.

The full staffing needs will be determined by the board. And as I said, we want to keep it free from pressure and political influence. And as I said, the search for the Executive Director is a legitimate, nationwide search.

Now, when will it be in operation? Well, effectively, we are meeting already. As I mentioned, we have office locations and stuff going. We intend to have the thing fully staffed and running by this summer.

And the Executive Director search is in place. And I think that this is a way we have to go. I want to see this thing get more support from the community as we go along; as people become aware of what we're doing, we are getting a lot of support. The members here -- I know that Stockton University is a member.

And with that, I just want to thank Freeholder Formica for the support we've gotten from our Freeholder Board in doing this. It has been critical; we could not have gotten this far without them.

And at this point, I'll open it up for questions.

SENATOR VAN DREW: All righty.

So do we have any questions? You've certainly taken--  
Rich.

DR. PERNICIARO: Yes.

Howard, with all the research that Angelou did -- and I know you've been involved with it -- does the State have any vision or plan for developing southern New Jersey?

MR. KYLE: To the best of my knowledge, I don't think they have anything comprehensive; to the best of my knowledge.

DR. PERNICIARO: So having said that, do you expect any resources from the State at all to help in this process?

MR. KYLE: You're raising a very interesting point; and I bring this up before the State legislators.

What we are finding is that there is a misalignment between State incentives and our economic development strategy. And I think that needs to be rethought. Using the research park as an example: I know that, in Atlantic City -- because I've been working with the Business Action Center often -- there is a significant amount of money that they're offering in incentives for a call center in Atlantic City. On the other hand, there are no really significant State incentives at the present time that can be directed towards the park. The only State money that has been dedicated to the park came as of two weeks ago when the CRDA dedicated \$2.7 million to the project.

When you look at call centers -- call centers are not a strategic industry in our report. And the reason for that is the consultant recognizes the natural economy of the community -- of this area doesn't support a call center. They only work with subsidies. Call centers also have a very low cost of entry and a very low cost of exit. When those subsidies are gone, they can leave. It's hard to anchor them to the community.

If you pay-- We've done this analysis; if you look at this, and you pay -- I think call centers pay in the \$11, \$12 range; is that right, Rich?

DR. PERNICIARO: Yes.

MR. KYLE: But we estimated at one time using a \$9 base salary, a little bit more than minimum wage. That if you attracted -- if you got 5,000 people minimum wage jobs today, it's good for the people who desperately need work. It's good, in that it will lower the unemployment rate. And it will generate approximately \$94 million, \$95 million a year into the local economy in salary and wages.

If you attracted 800 technology workers here who make \$120,000 a year -- which is a reasonable salary, I am told -- you will generate \$100 million a year in income to the area. Now, the difference and the benefit isn't that \$6 million; it goes way beyond that. The people who are working at the \$9 or \$10 jobs will not be able to buy a house or a home that's in foreclosure; will not be able to fix something up. And once they pay their rent and buy some necessities, they're pretty much tapped out for the month. So we critically need to bring in higher wage workers right now.

DR. PERNICIARO: Thank you.

SENATOR VAN DREW: Any other questions? (no response)

Well, I guess you did a good job.

MR. KYLE: Or I bored them too much. (laughter)

DR. KESSELMAN: Very good job.

SENATOR VAN DREW: No; it certainly seems like you've taken the bull by the horns in Atlantic County. It's going to be interesting to see how that works out.

MR. KYLE: All right; thank you.

SENATOR VAN DREW: And if there is any way we can help, let us know.

MR. KYLE: There are extra copies of this available, if people want one. I'll be sitting back here.

Thank you.

SENATOR VAN DREW: With that, our next presenter is going to be Stacy Forman, who is a Contract Administrator for the Atlantic Cape Workforce Investment Board.

Welcome, Stacy.

**S T A C Y F O R M A N:** Good afternoon. Thank you for having me here today.

I'm speaking on behalf of Rhonda Lowry, the Executive Director of the Atlantic Cape May Workforce Development Board.

Dr. Mora is Treasurer of our Workforce Development Board; I just wanted to acknowledge that.

As you know, the Workforce Development Board is responsible for the development, funding, and oversight of workforce development initiatives in Atlantic and Cape May counties. Workforce development plays an integral role in economic development, as initiatives help prepare the workforce that meets the needs of new, relocating, and growing businesses.

We have been working for years to ensure that Atlantic and Cape May counties have existing and available workforce resources tailored to meet the needs of our local business community. But businesses changed recently. During these challenging economic times, our Atlantic Cape May Workforce Development Board has focused on training residents for actual job openings -- encouraging residents to accept employment opportunities to sustain their families, attempting to initiate some level of stabilization by

ensuring residents are able to maintain self-sufficiency and contribute to their communities and local economies.

But this comes at a cost. Residents are not seeing the same wage increases as in the past; there is little upward mobility, even though career pathways exist; and there is very little growth of family income. How we would like to see business done: We endeavor to train residents for anticipated job opportunities in occupational clusters based on actual economic development initiatives. Partnering with the Atlantic County Economic Development Alliance, the WIB desires to develop new workforce development initiatives that address what's to come 3, 5, 10 years from now.

The WIB also desires to give our residents tangible skills that result in higher paying jobs, career pathways, and advancement opportunities that contribute to sustainable employment and income.

Our local Workforce Development Board understands that we live in a society that values reading and writing skills, and we have an educational system that favors those who do well with those skills. Those who are not strong in these academic modes generally experience less success; those who subsequently are not successful in traditional learning systems receive less formal education and are challenged in developing a strong sense of worth, and are ultimately at a disadvantage competing in the labor market.

Since education is clearly associated with employment opportunities and financial success, our local Workforce Development Board is committed to assisting our residents in upward mobility and in developing education.

Although the WIB agrees with the legislation and funding emphasizing occupational education and career pathways, there continues to be a gap in service and fewer funds available for workforce development related to adult education.

There is a lot of emphasis and resources that have been allocated to training and placing individuals in employment, as Freeholder Formica mentioned. There are fewer resources allocated to building business relationships and matching clients' interest, skills, and aptitudes to the actual job openings that we have in this community. And there is even lesser funding available for after-placement to ensure that both clients and employers are satisfied with those outcomes.

OJT -- on-the-job training -- it works well; we've seen it. The model can work, but post-placement case management is needed to enhance these types of programs. You place an individual in a job, and then we're done; but that's not really how it works. There is a component on the back end of that that needs to be established.

Since July we have trained -- we have 346 individuals in training. Broken down, there are 278 in Atlantic County and 68 in Cape May County. In the past five years we've trained more than 2,700 adults and dislocated workers, with 1,900 of those securing employment -- and that's about a 70 percent rate. So you're looking at a time period where we had a decline in our local economy.

We also run WorkFirst New Jersey programs, which serve those who are on public assistance. And as of January 2016, Atlantic County has 1,475 open TANF cases. Those are individuals -- Temporary Assistance for Needy Families. And then we have an open SNAP case -- those who are

employable -- of 1,361. We have been working with Stockton University, who has been partnering in providing work activities for these individuals. And what we find is that placing individuals on public assistance in educational environments promotes continued education, which leads to job security. So we're very proud of that partnership, and I wanted to acknowledge that as well.

We also receive literacy funds. In Atlantic County, we are now a testing center for the high school equivalency program; we're also very proud of that distinction. Since July 1, we have had 191 individuals take advantage of the testing in Atlantic County, with 152 of those passing -- which is a 59 percent rate (*sic*); and for that population it is very good.

In Cape May County, as well, we offer -- the Cape May County Technical School offers high school equivalency testing. And we also have Workforce Learning Links, which assist adults, dislocated workers, and community residents upgrading their reading, math, and language arts skills.

In the past five years we have provided more than \$15 million to community partners to provide services to low-income adults, dislocated workers, and at-risk youth. We have served 1,422 youth in the last five years, at a cost of \$5.5 million. We have served 6,773 WorkFirst New Jersey clients -- those who are on public assistance -- at a cost of \$6.3 million. We've served a little over 1,200 in literacy, at a cost of about \$500,000. And we have trained 815 individuals, utilizing \$748,000, in industry-driven training. That is training that directly comes from employers. So employers will approach us; they'll let us know the different

job titles that are available; and then we train individuals for those jobs. So \$748,000 has been dedicated to that.

We have also been applying for grant applications. And over the last five years, we've secured an additional \$1.8 million in grant funds to supplement our State-awarded Workforce Development funds. We've received them from the Kessler Foundation and the Department of Transportation. Since the inception of our Workforce Development Board, we've secured an additional \$15 million in grant funds to supplement our State-awarded workforce development funds from, again, the Kessler Foundation, the Robert Wood Johnson Foundation, the U.S. Department of Commerce and Economic Development, CRDA, and a few local businesses. The reason why we've been applying for grant funds is to diversify our local workforce system; to serve those underserved populations -- mature workers, ex-offenders -- and to expand our scope of services beyond what our allocation of Workforce Development funds allows us to do.

Programs and services that I would like to highlight that we're especially proud of are the industry-driven trainings that we've done. We recently have started a Travel Industry's Sales Technology Program. It's a 300-hour training program in which clients, who successfully complete, will sit for the Travel Agent's Proficiency Exam. It prepares participants for entry-level positions in the travel and tourism industry. We are partnering with Brownstone Group and Atlantic Cape Community College on that.

What's significant about that specific training is that they are virtual jobs. People can live anywhere; they can live in New Jersey and

Atlantic County, and work for a company in California. So the virtual job is sort of what makes it -- it gives it a distinction.

We are also working with Atlantic Cape Community College and South Jersey Industries. Together they run a 124-hour program in plastic fusion, installation, pipe inspection, regulation of gas meters, and location markers called *Operation Gas Technician*. In 2014, we trained 11 individuals, with 100 percent of them securing jobs. So there is where the industry comes to us and says, "We need these employees." Atlantic Cape Community College and South Jersey Industries developed the curriculum, 11 individuals were trained, and 100 percent of them got a job.

We did the same model with the Utility Line Locator program, which is a 70-hour training program; again, with South Jersey Industries and Atlantic Cape Community College. This is reading and interpreting maps, visual inspection of pre-defined construction sites. We trained seven individuals, with 100 percent of them, again, getting jobs.

Now, I know it seems like really small numbers in terms of the numbers trained. But the fact that they come into the program, and they're trained for a specific job function, and then they're hired -- that speaks to the model that we've developed.

We also, through Atlantic Cape Community College, run an Entrepreneurial Training Program, and this is to assist individuals in developing ideas for businesses, writing plans, securing funding. And one significant business opening, is located out in Egg Harbor Township near Jo Jo's. It's a business that's called *Rejuicimates*. So if you're out towards that way, near the Jo Jo's on the Blackhorse Pike -- he's running a tremendous program; he's really successful at it.

So we thought that the Entrepreneurial Training Program is great because you bring new ideas to the community, and people are self-employed, and then they employ individuals in your community.

So we have great partnerships with Atlantic Cape Community College, Stockton University, our local vocational schools -- Atlantic County Institute of Technology and the Cape May County Technical School.

And I'm really happy to be here and present before you. And I can take any questions you have.

SENATOR VAN DREW: So -- and I know you mentioned some on a small scale -- do you have any situations where there's an employer -- I know you mentioned South Jersey Industries but, really, it is going to require-- Are there ever times -- let me see if I want to reword this -- where, among county government, and an employer, and you all, where somebody says, "You know, we're kind of interested in coming in, but you don't have the kind of workforce, as far as education, that we need. And we need 150 people."

MS. FORMAN: Right.

SENATOR VAN DREW: Does that ever happen, or is that just something larger, bigger than anything you ever deal with?

I only ask that question because we've lost so many thousands of jobs. You know, it's hard; and I know -- I respect the work that you do. But it's hard sometimes when you hear that you've lost 8,000 jobs, 5,000 jobs -- whatever the case may be. And we were able to find 2, or 3, or 5, or 10, or 12, or 20. Are there any bigger things that we're working on?

MS. FORMAN: Well, I know that the Department of Labor and Workforce Development has been working with Ms. Lowry, and they work on larger projects. So I just have the smaller scale numbers on the contracts that I work on. So she does work -- they're working with businesses that have relocated out into Galloway and some businesses that plan on coming into Atlantic City. But I think our Board is really looking forward to working with the Atlantic County Economic Development Alliance to begin to look at what types of jobs will be here in the next few years, and how we can begin to train our workforce to meet those specific needs as businesses relocate to this area or they grow -- they expand.

SENATOR VAN DREW: Okay

Questions?

DR. MORA: I have a question.

SENATOR VAN DREW: Yes, President.

DR. MORA: You just -- with respect to the employer-based theme we've been talking about -- talk a little bit about the makeup of the Board, with respect to private sector leaders.

MS. FORMAN: Oh, absolutely.

Our Workforce Investment Board has 57 percent private sector businesses. They represent hospitality and tourism, of course; aviation and research -- we have a member who sits there from that group; we have four or five members from the healthcare community, in which -- we certainly are seeing a growth in that area. We have members who represent the educational institutions; labor representatives as well. Mr. Foster is a Board member on the Atlantic Cape May Workforce Development Board.

But having 57 percent of our Board membership as private sector members, we feel like we get sort of an inside scoop on what they're really looking for from us. And they are a very active Board, and we've been encouraged by that.

SENATOR VAN DREW: Okay; thank you.

Thank you for being here today.

MS. FORMAN: Thank you so much.

SENATOR VAN DREW: Next, we have Christy DiLeonardo, from the Division Director -- who is the Division Director of the Cumberland/Salem Workforce Investment Board.

**CHRISTY DILEONARDO:** Good afternoon. Thank you all for having me today.

Kevin, I think I'm going to be your new best friend. We spoke on the phone so many times about coming to this event, so I'm thrilled to be here. So thank you for having me.

So Dr. Fichtner spoke about 10,000 feet in the air. And what I would like to do is, I would like to bring it a little closer to home and talk about some of the things the Cumberland/Salem Workforce Development Board and our Business Service Department has been doing to identify some of the skill gaps that we know in our local area -- that employers are looking for.

So back in 2010 there was a Talent Network Grant that Cumberland County had applied for. And what that grant was to do, was to have some partnerships.

And before I even continue, I just need to say -- you cannot have economic development without workforce development; and it goes

the opposite direction as well. We have to work together, we have to establish partnerships. We also have to not only establish the partnerships, but we also have to have relationships and continue those relationships, especially with our private sector.

And I think that that's one of the things that makes our local area successful in some of the projects that we have been working on since 2010.

So we met with our community college, we met with our vocational school, our Economic Development, as well as our Workforce Board area. And prior to us even putting out our strategic plan, we identified some of the high-demand industry sector programs and industries, frankly, that were going to be up-and-coming in Cumberland and Salem. And one of those was the advanced manufacturing sector.

So along with the Talent Network and our Economic Development Office -- along with you, Senator Van Drew; you are a part of the initial phases of this project, so thank you -- we established a focus group that specifically dealt with and invited only people from that industry. So we had about 23 private sector members from advanced manufacturing -- from food processors to the glass manufacturing industry. And what we talked about is, frankly, what keeps them up at night, what skill gaps are missing, and why they cannot find quality, trained employees.

From that conversation, it led to that entire group developing the curriculum that our local community college wrote. We debriefed after the curriculum was developed; and in addition to that, not only did they debrief it, but they also made a lot of suggestions, moving forward, in order for that program to be successful. One of them was that the individuals

who sat on that focus group -- the private sector employers -- they really, really had a vested interest. So what they wanted to do is, they wanted to actually interview the candidates prior to being able to even go into that particular program. Will they be a successful candidate? Won't they be a successful candidate? And the employer was the one who actually allowed that individual to move on into that training program. So that was one.

The other one was, they just didn't want to have an entry-level program. Durand Glass is one of our biggest customers in Cumberland County, frankly. And that customer, Tom Reed, who serves on our Workforce Board as well -- he said he just doesn't want to have an entry-level employee. What's the success of that? You know, the gentleman who left talked about these \$10-an-hour jobs. It's not a sustainable job to support a family, frankly, no matter where you want to live in New Jersey. So what that group decided to do is, they wanted to make it almost an upward mobility type of a program. So you would start out as an entry-level employee -- as a certified production technician; and then you would be able to progress into all the different divisions, and you would be able to have the opportunity -- firsthand, prior to them going outside of the company -- to move up in that particular organization. So that was another item that the employers requested.

And to date-- We've run the program since 2010. Currently the College Consortium of New Jersey has -- we've given them that particular curriculum so that the rest of the state will be able to utilize that as a model.

Every manufacturer runs totally differently -- the food processors as well as the glass manufacturing industry. So is it tweaked

every now and then? Absolutely. It has to be a fluid document to make sure that what is being trained currently is real, and it's what the employer needs at this time. Because technology is forever changing; so we also need to make sure that we're changing with what the employer needs.

Currently, we're meeting about three times a year -- that particular group. And we still have the Certified Production Technician program.

In addition to that, we also have the on-the-job training program that Dr. Fichtner had mentioned. We also run that program outside of our office. In addition to the successful candidates that graduated from those training programs, we have a 98 percent placement.

So what does that mean exactly? So the 98 percent placement -- what that really means is that those employers that not only were around that table at the time -- because they're still a round -- but we have additional employers who have bought into that idea because they have such a vested interest. And they will have -- if, at the time, they have job openings, they will hire directly from that training program. So we now have, currently, people who will graduate from that program who will be hired prior to them receiving their certificate. So that's one of the successful programs.

I know that, Freeholder, you had mentioned -- and I just wanted to actually address one of the items about training. And one is in manufacturing, so this is why I wanted to bring this up.

So even though the employer-- Because, frankly, they're the best type of person to do that pre-screening in order to find that individual -- whether or not they're going to be successful or not in that training

program. But I have to tell you, I cannot say how many times an individual can pull the wool over somebody's eyes -- who said, "Yes, I want to be in that training," and "Yes, I'm going to go get that job."

So we had about 143 individuals who lost their jobs from the casino industry in Cumberland County. And we have identified, obviously, who those individuals are; half of them, frankly, were working at the time when we were doing our outreach. And a few of them, frankly, were saying that, "We just want to be able to--" And it's not just the individuals from that casino industry; it's everywhere. They want to go to training because they need their unemployment extended. So in order for their unemployment to be extended, they had to go into a training program. So once they complete the training program, some of them just don't want to go back into work because, frankly, they're depressed. They have bills that they're unable to pay.

MR. FORMICA: Why should they work when they're getting free money?

MS. DiLEONARDO: Listen, I agree.

MR. FORMICA: Well, that's my point.

MS. DiLEONARDO: I agree.

MR. FORMICA: They game the system; it's \$11 million that went through our county, and we have no way to stop it. And to be honest with you -- and I'm glad you have a success story -- do you know how many manufacturing jobs there are in Atlantic County?

MS. DiLEONARDO: Right, right.

MR. FORMICA: Thank you.

MS. DiLEONARDO: I know, I know.

So what I then would like to talk about -- if it's okay with the group-- So the Advanced Manufacturing Training program, once again -- it's probably one of the best programs that we have available in Cumberland County that actually fits in our County, frankly, because we do have a lot of manufacturers. And through the Grow NJ program, through EDA, we've had a lot of companies that are either expanding, or some potential -- and I'm not going to steal my partner and colleague's thunder -- but they are expanding and, frankly, we have some prospects that are coming into this area. So we want to make sure that we have a trained workforce as soon as they get, and hit, and break ground for that particular company.

So the next project that we started to talk about -- and it's not just the Workforce Development Board; it's Economic Development, it's our community college, and it's our vocational school.

So in our strategic plan and the rest of our group, transportation, logistics, and distribution is another industry that we know is in demand and we know it's growing. So the Department of Labor -- and I wish Dr. Fichtner was here -- has no money for us. We are consistently getting decreased because we are a very small county, frankly. Cumberland and Salem combined doesn't even come to the amount of what Atlantic County is. But what we did find is that we are very resourceful, and we were able to receive a grant through United Way of Greater Philadelphia to actually put together a strategic business development plan for transportation, logistics, and distribution.

So what we did was exactly what we did for the advanced manufacturing group. We put together all of the key partners in transportation, logistics, and distribution -- from warehousing, to CDL

drivers, to forklift operators. So we took all of the big warehousing and transportation facilities, and we all convened in one group and we talked about, once again, “What keeps you up at night? What can we do so that we will be able to help you grow your industry?” “We need employees.” “But what’s your biggest barrier?” “They can’t pass a drug test.” It’s very, very difficult -- that was a huge barrier for that particular population.

So we met with these employers and, once again, they put together the curriculum that is able to help them be able to either grow their business, or successfully be able to hire people right out of this particular training program. Some of the employers that were a part of this plan was Groupe SEB USA -- and you probably don’t know who that is, but they actually make T-Fal, Rowenta-type products. And they have a huge warehouse in Millville. They have been begging for a program like this for such a long time; but we couldn’t do it just for one employer, because we just didn’t have the funding to do it.

Another company is WhiteWave. They make the soy milk, so they have another huge warehousing industry.

And then, you know, South Jersey Paper Products, General Mills/Progresso, Courier Systems, RLS Logistics. So they kind of cross over counties as well.

So we talked about some of the things that they are looking for in an employee. And we put the curriculum together based on what their needs were. We shared it with our community college; there is curriculum that’s available. However, at this time, until July 1, we do not have any funding to put anybody through for this particular training. We are in negotiations right now with the New Jersey Department of Labor, looking

for some funding -- because we do have dislocated workers, we do have people who would be a famous fit for someone to be successful, someone who could actually be able to have a self-sustaining life through working in this industry.

So right now, at this time, we're just waiting for some funding to come through; and then we're hoping, by July 1, we'll be able to have the first launch of this particular training program ready to go for our employers.

We are still going to go through that same process of having the employer do that interview process right up front. It makes sense, frankly; they know better about their business than the Workforce Development Board does. So that's one of the other types of training programs.

Health care is health care; we have Inspira Health Network that sits on our Workforce Investment Board in both Cumberland as well as in Salem. And they actually are able to give us intelligence of current training programs that exist today that our community college and/or our vocational school will be able to modify, when needed. So we didn't have to actually develop a plan for that. And they are very involved. Health care is huge; there are a lot of positions available in health care, not only in the South Jersey region, but throughout the State of New Jersey.

And what was the other item -- I wanted to talk about one more thing.

So we also have some barriers in our County. And one of the largest barriers for us is transportation. It's very, very difficult to get from the eastern side of the County -- if that's where you live -- to the western side of the County. The transportation just isn't there. New Jersey Transit

just does not run through the County without having to change buses at different locations. So if you live in East Vineland and you need to take a bus to Bridgeton, it will probably take you 45 minutes. So it's very, very difficult.

We've actually -- we're not in the transportation business; but my former Executive Director is very good at grant writing. And he was able to actually establish a grant for us. So currently we have shuttle transportation -- very similar to the jitney system that's in Atlantic City -- that runs through our Millville Industrial Park; it also runs through our Vineland Industrial Park, and now currently it's running on the Boulevard. And that's so people can get to work. You can train all the people you want in entry-level positions, but if they can't get there it's not going to work. So that's one of the -- it's a very, very large barrier for us.

SENATOR VAN DREW: You know who else might be interested in that is the South Jersey Transportation Authority. They might have some interest; you might give them a call.

MS. DiLEONARDO: Okay. All right, great.

SENATOR VAN DREW: Stephen Dougherty.

MS. DiLEONARDO: Steve -- I know who that is too. Okay.

And that's really about it. So we're really, really working hard in trying to make sure the business community has the voice in our County, as well as in Salem County. We also do a lot of-- It's extremely important to have new business come into the area. But the other piece of this is to make sure we have business retention. So we are out-- As a Workforce Development Division Director, I am out in the community; I am visiting with employers. We have a whole marketing packet, and included in our

marketing packet, frankly, is our economic development pieces that are relevant to what that employer is looking to do -- whether it's expand or whether it's, "You know what? I'm actually doing okay. I don't need a workforce right now; I'm very good where I am right now."

But we do have a team that is put together -- and we don't step on each other's toes -- so we go out into the business community. We speak at Chambers of Commerce; we are a part of the South Jersey Economic Development District. We want to make sure that we're all rowing in the same direction; because if we're not, we're all going to be in trouble.

So we're not perfect; but we're really working in that direction.

SENATOR VAN DREW: You are. Thank you; thank you, Director.

Any questions? (no response)

You either did good, or everybody is getting tired. (laughter)

MS. DiLEONARDO: I think so.

SENATOR VAN DREW: No, you did good.

Next is Jim Watson, who is the Director of Construction and Economic Development for the Cumberland County Improvement Authority. He's going to discuss that; and Jim has done a lot of innovative and interesting work, certainly, in Cumberland County.

**J A M E S B. W A T S O N:** Good afternoon. Thank you for having me.

It is difficult, after you have been here for a couple of hours, to keep staring and looking. And I'm not as pretty as these young ladies back here, and so I have a PowerPoint for you to look at that. (laughter)

So you may need to turn around a little bit -- and it's really pictures of what has been going on in Cumberland County the last couple of years.

The last time I was here was in 2014 -- when you started this up, I believe -- and I chatted with you, kind of, about our strategy, where we're headed, and what our plan was. And so I want to take you over the last couple of years of where we've come from and where we're headed.

**(Mr. Watson refers to his PowerPoint presentation, a copy of which is included in this transcript)**

This is really-- And most of you are in business, if not all of you, really -- are in business and you have to have a purpose. What's our purpose? What's our direction? Cumberland County, a couple of years ago, moved-- And you heard Howard Kyle kind of changing up their economic development. You see that happening in county after county, many times, because county budgets are difficult. No different in Cumberland County. A couple of years ago, they moved Economic Development over to the Improvement Authority, and it's worked fabulously.

Our purpose and our direction, I want to share with you this afternoon; as well as give you an update of where we are today and where we're headed.

Number one: Without a doubt, in Cumberland County -- as Christy just shared with you -- to kind of give a transition into economic development -- our number one purpose for at least the next five to seven

years is workforce development. Workforce development is crucial. Without workforce development, economic development does not, will not happen. Tomorrow-- Christy and I are a team; we work together -- Christy with workforce, myself with business development. We are meeting tomorrow, all day, with an Israeli baking company. They want to come in; 120 jobs; 40,000 square feet, up to 100,000 square feet in the first year. They've looked at a few counties; they want to come to Cumberland County. We're meeting with -- we met with them up at Newark; we're meeting with them tomorrow, all day; and hopefully we're going to concrete a deal with them.

So that's just a quick highlight of how economic development and workforce development work together.

So workforce is key; strategic investments, added business expansion and growth, and partnerships are really the keywords of shared services.

First, workforce development. Some of you have heard about the *Economic Development Triangle*. What is that? That is really the college, over there, up on the upper left hand side; the technical high school, which we're going to talk about in just a minute, which we're building now; and then the Center for Workforce and Economic Development, which is 30,000 square feet, built on one side of the campus over near the hospital, Inspira. The tech school is going to be on the southern end of the college campus.

And that is our Economic Development Triangle; all fibered together, all working together for the purpose of workforce development. All of the workforce development, County, Department of Labor, and

everyone moved over to that Center for Workforce and Economic Development, and are now working as a synergy. And we're working now, again, and you'll see the production of what's going on at the tech school.

First, the Center for Workforce Development and Economic Development -- that's where we're going to meet these folks, at the end of the day, tomorrow; right in through that glass, as a matter of fact, right, Christy? That's a nice conference room that we have on the second floor. And we're going to meet with them around 2:30 tomorrow, and we're going to make a deal with them to come into Cumberland County.

So all of our Workforce-- That's where Christy lives -- I mean, works; kind of lives (laughter); and where I work, as well -- I have an office there. This is the inside of the building.

This, now, is the tech school, on the other side. This was just a couple of months ago. This 200,000-square-foot, \$70 million tech school is going to be the state-of-the-art tech school throughout the state.

This is moving together so quickly -- we really started construction of this about a year ago. And you know how slow sometimes these things can go. Well, this is where we are just a couple of months previous from that other shot. This is going to open September of this year, with 220 students; and will go up to 920 students -- opening in September. This is another shot a couple of months ago; a new shot coming up. There's a dome clock tower in the center, there; that dome just came in -- that's about to go up as well. That was a couple of months ago, and this is today. So it's a beautiful facility; over 100 construction workers there every day.

And why do I talk about this? Because workforce is number one, and we're doing the project management of this project at the Improvement Authority.

Some of the workforce statistics, just very quick. Over the last few years, 600 new jobs have come in. Manufacturing is one of our largest employers, as well as health services and retail. Unemployment has really gone lower than that now; it's more in the 7 -- I believe the Director said 7.2 percent today.

In 2015, we've grown by 400 workers; and this year, 2016, looks to be better than that.

Strategic investments: What are we doing in terms of strategic investments? At the Improvement Authority, one of the things you can do is you can do project development. We've purchased the Social Service building -- which I'll show you in a minute -- and contiguous to that spot was an old bank building. Well, the State said, "We need more space." So we purchased that bank building, redeveloped that spot, and built this. Now this is in Vineland, on Park and Delsea; it's the brand new Motor Vehicle station.

What happened was, all the Workforce Development folks left the building that we purchased in Vineland. Social Services at the bottom floor, 60,000 square feet; this is 45,000 square feet, second floor. Now it's empty; what do we do with that? Well now, again, the Improvement Authority owns that building; so what we did is we gutted that building and we now have contracts with the State. Hopefully, I get a call soon -- I have a CO today -- and this is the inside of the building today. They're going to

start moving the State Department of Children and Families into that facility next week.

In that facility we have Gateway Community Action Partnership, Children and Families, WorkFirst New Jersey, Department of Agriculture, as well as the Board of Social Services. And these are just site work improvements that we made to that facility as well.

Other projects that we're working on is-- And these are ones that we don't necessarily make money on; however, they are ones that are crucial for tourism and economic development in the County. So we have created a partnership -- a shared service with the County of Cumberland; with the Improvement Authority -- us; and with the Maurice River Historic Society.

This is the East Point Light House; a beautiful facility, in much disrepair. It needs repointing, needs some new roofing. Beautiful; again. This is the inside which, again, is going to be renovated. Right now, what was happening was the Maurice River Historic Society -- and you know how historic societies go -- they couldn't necessarily have the wherewithal to really renovate this building. So we get involved with the County, and we have \$860,000. It started out at \$600,000; it's now at \$860,000. The DOT threw in more. So the Department of Transportation is funding that, along with the Historic Trust -- the New Jersey Historic Trust. And bids are coming in next week. They're going to be opened next week so that we can start this project in the spring and get it done by September. So it's going to be -- it's a fun project, as long as you don't have big bugs. I heard there are a lot of big bugs down there in the springtime. (laughter) But around the springtime we're going to start this project, and it's a fun project.

So there are some of the expansion things that we're doing, in terms of project development.

Business expansion and growth: We've gone through an extensive branding campaign; hopefully you've seen that: *CumberlandYES.com -- Your Economic Solution*. That's getting out there all over the place. You know, especially being here on a university campus, that social media is very important. And our social media people said that I need to come here and take a selfie. I'm not going to do that, because I'm not a big social media person. I should be, but I'm not a big selfie person. So they're going to hurt me when I get back. (laughter) But I hope that's all right with you.

We've worked on some brochures that we worked through -- which you have this in front of you -- we worked on because we have 65,000 acres of agriculture -- number one in agricultural sales, by far, in any county within the State of New Jersey. So we came up with a two-page sheet, front and back, that we now get out to other counties-- I mean, not other counties here, but other parts of the state; really, internationally. This is going out to-- We've met with four foreign companies that have come into the state that we've met with, handed these out to them; so we send them out. Because horticulture is very big in Norway and some of the other countries that are over there, and we're trying to attract more international companies. And I think you'll see some of the things that we're doing right now -- which is one reason why an Israeli company is coming to us right now.

SENATOR VAN DREW: Maybe we'll have our next Task Force meeting in Norway. (laughter)

MR. WATSON: Well, I'm sure there's funding that the State has for that, right?

SENATOR VAN DREW: I don't know that we-- I don't know if we can pull that one off.

MR. WATSON: Yes, well, working the budget -- you have a lot power there. (laughter)

This is a food processing and agriculture -- which is really just a map that shows the manufacturing that we have in terms of agriculture; all of the food processors that we have within Cumberland County.

This is another ad that we put out.

This is an e-mail blast; another one just went out. We do this four times a year, starting this year. We're getting-- Now, look, when you do advertising and economic development, you don't really get many hits or leads. It's just like business; you're looking for leads, we're looking for leads. This is the only thing that is really generating leads. Each time we send this out -- that's right; you'll see Freeholder Quinn in there; good picture, good looking man.

SENATOR VAN DREW: Do you want to autograph that? (laughter)

MR. WATSON: Every time we send this out, we're getting 20, 25 leads from this, which is phenomenal. And so this, again, goes internationally. I just got one, as a matter of fact, while I was sitting here, from another country who said, "We're looking to put manufacturing within the state. We'd like to talk with you." Just from this, that went out two days ago. It's phenomenal. So the email blasts are working very, very well.

We also have redevelopment -- the traditional redevelopment marketing sheets that we have for our properties. So how is it helping us right now? We're working on another major website upgrade; it's much more interactive, with property sites. We've gone to, this last year, the PMA Expo, which is food processing; it was down in Atlanta. We have three good leads from companies that want to have Northeast expansion and want to come here to bring either distribution or, primarily, manufacturing.

So I won't go all through these, but you can tell that we do have an extensive marketing campaign. And we have to put that up there, right there, because we have Freeholder Quinn right there. (laughter)

Some of the expansions that have gone on -- Hank Sauce, which is actually over in Sea Isle City. They've come into Millville; they're building, right now, a 10,000-square-foot manufacturing facility.

Northeast Precast -- they're building right now. Nature Labs in Vineland; Bridor is expanding -- a French baking company that bakes a lot of the products for Starbucks and some of the other coffee companies that are out there. They've just expanded a year ago when they cut this; they're now expanding again. They want to buy the company that is near them. That company wants to expand; they're moving into Vineland and building another business. So expansions are growing.

Millions of dollars in expansions, as well as, of course, we always try for new business. That's Bridor.

Arts and Innovation Center: Why do I put this in Expansions? This is a project that just went underway; it broke ground a month ago. The blockwork is going up; footings just put in. This is a 20,000-square-

foot college facility that is going to put 500 students down in downtown Millville every day. So we want to grow our economic development and business development in our downtowns. Three new businesses have come into downtown Millville since we announced that this was coming in.

So now you're going to have students with some money -- expendable money -- that will be able to come out onto the streets. So almost a little, but in a very small scale, like what Rowan has done -- is trying to get back into those downtowns and to work with the communities. And we want to have that college presence throughout the County.

Here's another view of the Arts and Innovation Center. Inside they're going to have gallery space; all of their arts, paintings -- the business is going to be there, Clay College is going to be there. They're going to have, again, some retail gallery space as well as the student gallery space.

Grow NJ: You've heard a lot about that; we've been able to take some advantage of that. Allied Foods -- you see at the bottom -- they are going to go out to bid for their project in Vineland for \$13.2 million. It's actually just slightly under that, in terms of the project. That will be the largest State manufacturer within the County, and they're going to bring over another 100 jobs.

Expansion and growth: Over \$80 million this last year; \$23 million in Grow NJ approvals in 2015. We have five companies right now applying for Grow that are striving to retain over 300 jobs, as well as another 350 new jobs. Fifty-five mid- to large-size companies expanding. Much of our growth is going on-- Look, nothing happens unless you're healthy, and a healthy community is key. And you see a healthy community when companies are growing. When the companies are

growing, recruitment really, kind of, will happen. Because they know where they can make money. And so if we open it up, and we make it easy for them, and we help them, then they're going to be able to come into the community.

Economic development partnerships: I'll hit this last. This is really the shared services. The CCIA is taking the leadership, along with the County, to head shared services; and this continues to grow. And if you know Jerry Velazquez, he's very, very-- The man doesn't sleep, I think; he doesn't sit down. And so we're looking to share services all the time -- much of it happening over at our Solid Waste Facility.

Regional Hub: We've just had a project developer, now, announced a couple of months ago -- our project developer, Constellation Energy. They're going to be producing all of this on our Solid Waste Facility. We're going to have a G2E, which is a gas-to-energy facility; photovoltaic -- a solar system, which is going to be 100 acres right now. A CNG facility just opened up; you saw it over in Paulsboro. We are going to open up one here. We have 200 trash trucks coming to our facility every day. We'll have a CNG facility there.

And then this -- we just started to talk to a company about a cogen plant, actually tying it to the tech school on the college campus that will help with electric, help with the heat, with the water, the HVA system; and bring-- They were looking to spend \$1 million on boilers; they don't have to now because now we're working with a company to be able to put a cogen plant there. So it is all about shared services. We're working very closely, again, with the College and with the County to try to help that.

Other shared services we're doing -- again, really, business development and my department is a shared service. Fleet maintenance -- over at our Solid Waste Facility we have a large garage. You say, "What are you going to do with all this space?" And we have a couple of mechanics; we hired a couple more mechanics. We now do all of the fleet maintenance for Cumberland County College; over 300 cars and trucks. We're able to save them money.

Reduced lease expenses for the facilities that I showed you. We're reducing the lease expenses for the Department of Labor and for County functions, as well as real estate and property management.

Another facility that we're able to help out with was the County Administration Building. They had a lot of space there; they moved into another renovated location in downtown Bridgeton, which was a focus that they wanted. They wanted to move closer to downtown, which they did. But then they had this large County building that was sitting there; what were they going to do? We renovated that, and we were able to help sell that, through the Improvement Authority, to the Bridgeton Charter School, which is now a beautiful building that is there, right on Commerce.

So we've actually become, now, for the County, almost, kind of, their Realtor. We're taking all of their space that they have throughout the County that they need sold, and we're going to help sell those properties or redevelop those properties. So for Economic Development to be with the Improvement Authority is just a no-brainer for us; it just works very, very nice.

These are the four things that we talked about from the beginning: Workforce is key, number one, again; and then everything else really comes from that.

And our purpose is the development, financing, and management of projects and programs most vital to sustaining the economic and environmental future of the County.

Thank you very much.

Any questions?

SENATOR VAN DREW: I think we're good.

MR. WATSON: Very good; thank you.

SENATOR VAN DREW: Actually, Assemblyman Andrzejczak has a couple.

MR. WATSON: Yes, sir.

ASSEMBLYMAN ANDRZEJCZAK: How do you reach out to potential new businesses? So you have companies from Israel, and worldwide, at this point. How do you -- do they reach out to you? And if that is, is it due to marketing? How do you--

MR. WATSON: Yes, it is all because of us. (laughter) No.

You know, nothing happens without a partnership. We have a good -- we try to partner with everyone -- Choose New Jersey, New Jersey Business Action Center. I'm on the phone with Joe Constance all the time, "What else do we have?" It's constant; you're out there prodding, and moving, and grabbing, getting whatever you can. And so it is all about relationships. Just like in your jobs, it's about relationships; in our job, it's about relationships.

I didn't even really mention something that's crucial for us in the next couple of years -- is our relationship with the Food Innovation Center. The Food Innovation Center has kind of been a little stagnant over the last couple of years. Now with Lou Cooperhouse, Director, coming back in -- he is our international arm. Somehow Rutgers has some money that is sending him to different locations. We're on his team. And so we don't get to go with him, unfortunately; but when he goes to Israel, and he goes to different locations, they come back here and we meet with these companies.

We just had Latin American companies -- 12 of them come. And we met them up in Newark with Choose New Jersey, with Business Action Center. We did a presentation for Cumberland County for the Food Innovation Center.

We have a Columbian company -- a snack food company that's coming in; we're talking with them. We are now looking at a phase 2 for the Innovation Center; the feasibility study is almost done. We talked with EDA -- U.S. EDA, which will work through South Jersey Economic Development District -- Lou's group. And we are going to be looking for about \$4 million, half the cost of a new facility we will build behind the Food Innovation Center, that will house these companies that -- if all of a sudden they need to grow, they can't spend money on 100,000 square feet, \$30 million. We're going to have a facility where now you have economies of scale. You need 3,000 square feet, 5,000 square feet, 2,000 square feet -- you can use the facility; that they'll be able to purchase the equipment, use economies of scale with warehousing, with refrigeration, freezing; everybody is sharing that. And they'll be able to live there for a three-year lease or so

-- whatever they need. You can't do that in the Center, the way it is now. Now they'll be able to grow their company in this facility of five, six, seven companies, and then be able to grow from there. And our goal is to keep them in Cumberland County, somewhere in the region within South Jersey. Ultimately, my goal is always Cumberland County.

So there are a lot of things going on right now. And it's an exciting time.

And the e-mail blast I told you -- they come from there, and really through Lou from the Food Innovation Center. And it's been very good.

SENATOR VAN DREW: Anybody else? (no response)

MR. WATSON: Good.

UNIDENTIFIED MEMBER OF TASK FORCE: That was good.

MR. WATSON: Thank you.

SENATOR VAN DREW: Thank you, Jim. Good job, as usual.

Last, but certainly not least, my friend Carol Johnston, the founder, owner, and Head Director of Medical Consultants Instructional Training Center, who has done a wonderful job in the private sector in training. And we're all really proud of the work that she's done.

**CAROL JOHNSTON:** I appreciate that.

So as not to keep everybody a long time-- And I lost my voice right before coming here today. (laughter)

But anyway, if you have the brochure, the folder, for MCITC Training Center, I think I can speed up things here a little bit.

I do want to go over a couple of things that were mentioned. And one was about jobs in the \$9, \$10 range in Cumberland County. And every day I see, personally, myself, people who come in and they would like to take training. But when they look at it, and they're going out, they're looking for jobs that aren't \$9 and \$10 an hour. Because let's face facts: Insurance alone-- For them to come off of the insurance that they have currently through TANF -- for them to come off of that insurance, it would never pay them. They would have to pay anywhere from \$400 to \$800 for a family, and that's not the highest priced insurance. That's barely making it by with high deductibles and things like that.

So we need jobs in Cumberland County, we need jobs in New Jersey -- period -- that are going to bring growth and the revenue back into our state that we really need. And these jobs -- the kind that you're talking about -- are anywhere from \$15 to \$67 and more an hour.

At MCITC Training Center, our programs are anywhere from -- well, it depends. Eight weeks is about our longest; two months. And we're going to be enlarging a program for construction trades that is going to go beyond that, too, so they can get a secondary level skill in the trades. We're going to be doing the commercial trades -- plumbing, electrical, and-- What's the other one we have?

UNIDENTIFIED MEMBER OF AUDIENCE: Welding.

MS. JOHNSTON: Welding; commercial welding.

So we're going to be working with that.

Because this is where we're getting calls, and they're telling us that they are going to China to bring the people over here that they need. That shouldn't be.

And I'm here in New Jersey, and I'm trying to get jobs even-- Not just what we do here, in training; but I'm trying to get people to come to New Jersey and work hard, even on something with oysters, and we spoke about that last time. I'm meeting with a woman in three weeks who - - she's very interested in doing something here and she has the money to put into it.

So there's more to bring to the plate here than just to say *training*. Training is what I'm all about; but I'm also here for the people of New Jersey and especially our area, District 1 -- Legislative District 1. I'm here to try to do whatever I can in any area. And the training that I'm bringing for the jobs -- this training is around \$4,000 maximum, and that's for an eight-week period. That's for, like, the construction trades, landscaping trades -- these are certified jobs, national certifications. And we're looking at -- you can go through this when you have time -- you'll see that these trades that we have there are ones that are credentialed -- again, credentialed trades. And some of them have two and three credentials in one eight-week period.

The people are coming in, they're getting out, they're getting jobs. We're working with many people including, just recently, one of the most well-known, the Earls, on construction. They're doing most of the road work throughout the upper part of New Jersey, and in New Jersey here. We're working with some of the other ones -- that construction workers are needed desperately right now; you have people retiring. I had a guy who just came up to me at church on Sunday, and he said to me, "You know," he calls me Carol; he said, "Carol," he said, "I can't thank you enough." He said, "They just raised me again." And I said, "So what are

you making now?" And he said, "In the five months I've been there, I'm now up to \$67 an hour." And that was with Southern Railroad (*sic*).

And Chris Kramer from Southern Railroad said to me -- he said, "Send me whatever you have. I need them; I need them with TWIC cards." He said, "I'll even take some ex-offenders for jobs that I can put them in, where they will be -- where there's a safety measure in progress for there."

And then the other part is my veterans, my homeless veterans. And here today I have the Veterans Haven group with me -- a tremendous job that they're doing up at the Haven. And we're helping -- we're trying to get them to-- Because they're trying to get people through in Atlantic County and several other counties. They're trying to get people through so that they can get these homeless veterans trained, and that I can get them in these construction programs. And as far as I'm concerned, there shouldn't be a homeless veteran. So my part of it is, how do we get them out of the homeless phase and help them to stay out of it? And that's by getting them the jobs that they can afford to take care of their families, have health care, and be able to not go back on the roll.

The same way with recidivism rates. I mean, Cumberland County and Legislative District 1, recidivism rates are ridiculous. And there is a way to stop it; it's by taking and getting them training, getting them the things that they need. Many of them are looking at it like, "I need -- if I go on Medicaid, and I stay on Medicaid, at least I have insurance; I don't have to worry about being fined by the IRS for not having insurance." Which is, you know, again -- that's something that's going on.

So we've got a lot that's going on in the school. Training, of course, is our number one priority. And we train at reduced rates. The construction field, right now, like I said -- \$16,140 for what we're charging \$4,000 for. And it comes under -- within the One-Stop, unemployment training, TANF -- whatever.

But we definitely could use the students; we need them desperately for the jobs. We have 143 CNA jobs right now that we need-- We have employers who want CNAs. And so, you know, the biggest challenge -- and I have been working with them; I told them, "You want CNAs. I'll help you get the CNAs, but you have to also raise what you're paying them. You can't pay them \$8, \$10 an hour and think they're going to stay with you for the next four years."

So that's going to be one of the biggest tasks that needs to be worked on. And I'm working on it, and I challenge other people to work on it. And together I know that if we work together, we can make it happen.

Any questions?

SENATOR VAN DREW: Thank you.

What's the greatest need you see at all? I mean, what are the real hot ones? Welding, for example? Truck driving?

MS. JOHNSTON: Welding, construction, heavy equipment construction. I mean, basically, they go through an eight-week period of training; and it's on the four major groups: the excavator, the front-end loader, the backhoe, bulldozer; and now we did the roller and skid steer. So now we're taking and going on into another level, which is going to be asphalt paving and things like that. That's coming down the road as well.

And then the other thing is the health care -- the CMAs. I don't know how many of you know about it, but the nursing, the LPNs -- they found out that the LPNs are making on the average of the 20-some-dollar bracket. Your CMAs were making about \$14 an hour. They have found that they can come up nationally to around \$16, \$17 for the CMA; and our CMAs have full phlebotomy, full EKG. Your nurses don't even have that. And so they're finding out that they're going to be able to help the situation with healthcare costs by getting more CMAs out, and that's one of the things even Inspira has talked to us about -- about doing CMAs, and other people that are in need of CMAs -- for urgent cares. Because our CMAs can also interpret. They just don't do EKGs, they can interpret them. And that's what the big need is. Because anybody can do an EKG; but what if you send that patient out the door, and here they're really in the middle of a heart attack? So they need that interpretation part, and that is what we put into our program. That program is \$4,000; many places with interpretation and full EKG, full phlebotomy -- that same course is anywhere from -- I think they told me \$8,400 to somewhere around \$16,000. So for \$4,000 they can get in, they can get out in eight weeks, and we can get them off of public assistance. We can get them out there and get them trained. And above all, they're trained, they're out there, they're getting off the rolls, they're getting into roles where there is insurance, where there are benefits. And whenever possible, we try for full time. So that's what we're looking for.

SENATOR VAN DREW: Very good.

Carol, I appreciate it.

Any questions?

ASSEMBLYMAN ANDRZEJCZAK: For the veterans, do you accept the GI Bill or vocational rehab? Are you tied into that at all?

MS. JOHNSTON: Yes, we are.

ASSEMBLYMAN ANDRZEJCZAK: Both of them?

MS. JOHNSTON: Both.

ASSEMBLYMAN ANDRZEJCZAK: Both of them?

MS. JOHNSTON: Both.

ASSEMBLYMAN ANDRZEJCZAK: Great.

MS. JOHNSTON: Yes, we're just needing to get the word out. I mean, Gladys, and John, and Will -- they're trying their best to get them through. We're finding kind of a lull -- a tight spot of when they go to get grant training from the One-Stop, it's taking an average of anywhere from, maybe, two months to three months to get into training. Quite frankly, Gladys does the TABE testing right at the Haven. And she's -- Atlantic County has accepted that. They said that they would gladly work with her.

And so that's kind of like speeded up the process. Now we're up to around three, four weeks that we're looking at, post going in and wanting the training. What we're looking at, and more concerned about, is the fact that -- why shouldn't the other counties fall into it too. Speed up the process; get the people off of TANF, off of unemployment; and be able to have them self-functioning and able to have the insurances they need, and the things -- without the county paying for it, or without Legislative District 1, and wherever county paying for the needs of people who could be self-sustainable? So that's the other thing.

ASSEMBLYMAN ANDRZEJCZAK: What is the average wage upon completion of the program? I'm sure it varies, depending on which program. But let's say, what is the minimum wage, I guess, as far as--

MS. JOHNSTON: Minimum in New Jersey, right now, for-- What they have, in this brochure here -- we took the stats, a lot of the stats off of the Labor Board -- the New Jersey State Labor Board site and things like that. With CMA, you're looking at somewhere around \$14 to \$17 an hour. With CNA -- I've been working with some of them right now -- \$12 on up. There are a couple who are still in that \$10, \$11 range. And I'm working with them because I told them, I said, "The other thing is, the State of New Jersey has a program where they can get training and they are making the nursing homes and long-term care facilities pay them back in full for their training." So they come to us; we only charge \$1,875; most of the schools are charging \$2,300 to \$3,200. We're charging less, plus we're paying for their certifications and their books. We allow them to use the books so that they don't have that expense.

So we should be seeing just the largest amount coming to us. But they're scared to get off of unemployment; they're scared to get off of TANF because they said when they're on TANF, they at least know they're going to have insurance benefits for their family. And they're afraid to go off of it because they said they can't work for \$10 an hour. So that's why I'm out there, and I'm talking to the companies, and I'm saying, "Raise up your rates and I can keep the people in there."

The heavy equipment, the landscaping -- we put certifications with them now so there are two or three certifications for one job. So when you're looking at that, now ours has gone from, with landscaping -- is right

around \$15 to \$23 an hour. Because they know that they can go back with the insurance companies and get a reduction on the insurance because they're trained and they're OSHA certified, and things like that.

The other one is heavy equipment. Heavy equipment is literally -- it used to be we would consider it somewhere around \$15 to \$23 an hour. Right now, most of the jobs have been starting out at around \$20 to \$23 an hour; and actually, within 90 days, they're usually making close to \$29 and more.

And so, you know, with that kind of money coming in from one household, they can literally see their way clear to-- And the insurance benefits that they get also.

ASSEMBLYMAN ANDRZEJCZAK: Thank you; that's all I had.

SENATOR VAN DREW: Thank you so much, Carol.

MS. JOHNSTON: No problem. I appreciate it.

SENATOR VAN DREW: Thank you all for being here. We will notify you of our next, and possibly last -- we will see -- meeting that we will have. And certainly we'll digest all of this information and move forward.

But it was very, very instructive; very productive. And I appreciate you being here.

Thank you.

**(MEETING CONCLUDED)**