

# WORKFORCE

## DEVELOPMENT BOARD

of Morris, Sussex and Warren Counties

Meeting Minutes

Open Meeting

**Date:** April 28, 2016

**Location:** Farmstead Golf & Country Club

### IN ATTENDANCE:

#### Members

Anthony Abrantes (Northeast Regional Council of Carpenters), Marie Betlow (Job Search Central), Donna Buchanan (MSW Employment & Training Services, **One-Stop Operator**), Ann Marie Flake (Saint Clare's Health System), David Hollowell (D&D Associates, **WDB Chair**), Carol Hults (Highlands State Bank), Rosalie Lamonte (Sussex and Warren Schools), Gus Modla (Sussex County Technical School), Terry Newhard (NORWESCAP), Carol Novrit (Sussex County Division of Social Services), Antony Smith (NJ Division of Vocational Rehabilitation Services), Marty Telles (The High Tide Group LLC), Susan Zukoski (Abilities of Northwest Jersey, Inc.).

#### Guests

Eve Azar (Warren County Community College), Melissa Elias (Women's Center @ County College of Morris), Eva Fernandez (NJ Department of Labor & Workforce Development), George Graham (Sussex County Board of Chosen Freeholders), Sean Hendricks (NJ Department of Labor & Workforce Development), Donald Hogan (NJ Department of Labor & Workforce Development), James Hughes (Edward J. Bloustein School of Planning and Public Policy, Rutgers University), John Lehnert (NJ Department of Labor & Workforce Development), Barbara-Jayne Lewthwaite (Centenary University), Enrico Prata (NJ Association of Lifelong Learning), Kyersten Rozanski (Project Self-Sufficiency), Irene Schrader (Morris County School of Technology), Manuela Schuster (Employment & Training Services), Jaci Teune (NJ Community College Consortium of Workforce Economic Development), Carol Wilson (Literacy NJ - Sussex County Programs).

#### Staff

Jack Patten (**WDB Director**), Jane Armstrong (Senior Planner), Sallie Sullivan (Secretary to the WDB Director), Marin Regenthal-Garland (ETS Office Manager).

### ABSENT:

#### Members

William Austin, Mark Bocchieri, Paul Boudreau, Anne Marie Brown, Jenn Carpinteri, Tammy Case, Kenneth Edwards, David Fiore, Robert Glowacky, George Krevet, Scott Moffitt, Dianna Morrison, Frank Petruccelli, Steve Sitek, Ed Yaw.

*Prior to the April 28, 2016 Open Meeting, the following documents were posted on the WDB website ([www.mswwdb.org](http://www.mswwdb.org)) for review: Open Meeting minutes (January 28, 2016); Disability Committee minutes (November 4, 2015); Literacy Committee minutes (February 17, 2016); One-Stop Career Center Committee minutes (February 2, 2016); Youth Investment Council minutes (February 29, 2016); draft Executive Committee minutes (April 19, 2016); and the WDB Director and One-Stop Operator Report.*

*The Oversight Committee electronically reviews budget, performance and monitoring reports monthly. Documents shared with the Oversight Committee were available at the Open Meeting.*

## **Committee Discussions**

At 8:30 a.m., WDB members and guests visited committee stations and conferred with the chairs and staff on committee and other WDB issues. The attendees took the opportunity to network with each other and WDB committee chairs, WDB Chair David Hollowell, WDB Director Jack Patten and One-Stop Operator Donna Buchanan.

WDB Director Jack Patten introduced the Open Meeting's speaker, Dr. James Hughes, Dean of the Edward J. Bloustein School of Planning and Public Policy at Rutgers University and nationally-recognized academic expert on demographics, housing and regional economics.

### **"New Economic and Demographic Normals"**

Dr. Hughes started his presentation on economic and demographic factors at play in New Jersey by looking at the nation's current economic status and sharing several key economic and demographic insights through a PowerPoint presentation.

He began by asking: where are we today, what phases have we been in and how long will the current phase last?

Shortly after entering the current century, this nation entered an economic expansion. The 2001 to 2007 economic expansion, which he calls an "upcycle," started in November of 2001 and ended in December 2007. The Great Recession was the worst downturn since the Great Depression. It lasted eighteen months, starting in December 2007 and technically ending in June 2009. However, employment continued to decline for an additional eight months.

The current economic expansion is now 82 months old. The average length of all post-World War II economic expansions in the US is 58 months. The last three expansions that immediately preceded the Great Recession lasted on average 95 months, so expansions have been getting longer in recent decades.

Next, he explored how the "go-go" 20<sup>th</sup> century economy has been supplanted by a "slo-grow" 21<sup>st</sup> century economy.

Dr. Hughes examined the state's economic roller coaster over the past 35 years. He showed total employment gains and losses for each phase of the business cycle. Since 1981, there have been four recessions and four economic expansions in New Jersey. Two powerful expansions completely tower over two weak expansions that took place after 2000. In the 1982-1989 and 1992-2000 expansions, employment growth averaged 600,000 jobs per expansion. In contrast, employment growth during the 2002-2008 and the 2010-2015 expansions averaged only about 183,000 jobs.

He proposed the key question, "Is 'slo-grow' the new economic normal in NJ?" If the two expansions post-2000 matched the two expansions from the last century, there would be over 800,000 more jobs in New Jersey today than we currently have.

Some positive news that he shared was the fact that the current employment expansion in New Jersey has been far more robust than the earlier 2002-2008 expansion. There were almost 267,000 jobs in the current expansion over 63 months, versus just 127,000 jobs over 66 months for the earlier. The current expansion is more than twice as strong as the 2002-2008 expansion.

Dr. Hughes then turned the group's attention to the national recovery projector.

He looked at how New Jersey compares to the nation during the current expansion. He started by showing slides detailing the current US job growth momentum through December 2015. In 2009, the nation was losing jobs rapidly; more than 5 million private sector jobs were lost that year. Dr. Hughes mentioned that payroll employment statistics, which have been compiled since 1939 in the US, show that the worst year ever in the history of the data series was 2009.

Stability and modest growth returned in 2010; 1.2 million private sector jobs were added that year. That was followed by three straight years of employment gains, which averaged 2.4 million jobs. In 2014, employment gains increased to 3 million, the best private sector job growth since 1997. It was difficult to maintain that robust pace; however, 2015 still proved to be a blockbuster year. Combined, 2014 and 2015 saw 5.6 million new jobs in 24 months. That was the best two-year performance in the United States since the tech bubble of the 1990's. During this period, the unemployment rate fell from 6.7% at the start of 2014 to 5% at the end of 2015. That pace of positive momentum was maintained in the first three months of 2016.

New Jersey, like the rest of the nation, was losing jobs in 2009. Stability returned in 2010 when 7,700 jobs were added. Growth then tripled in 2011 to almost 24,000 jobs, then nearly doubled in 2012 to 47,300 jobs. This very strong upward trend line continued through 2012. Unfortunately, growth decelerated in 2013. While the nation was chugging along, there was an economic pause in New Jersey as growth fell to 38,700 jobs. It then returned to 47,300 in 2014.

He felt this "soft patch" was probably due to two unique obstacles that hindered growth. Hurricane Sandy in 2013 caused very negative economic aftershocks and the second obstacle was and still is the magnitude of the resizing of Atlantic City casinos. Atlantic City was a major drag on the state's employment metrics. Both of those events had significant impacts on tourist dollars from out of state.

In 2015, there was a gain of 83,600 private sector jobs, the best job growth in New Jersey since 1999.

New Jersey has clearly been lagging the nation in the entire post-recession period. During the Great Recession and its aftermath, New Jersey lost 241,000 jobs. During the recovery through December 2015, the state gained back almost 267,000 jobs, and has finally recaptured all of the lost employment. However, that pales beside the national recovery. The nation lost 8.8 million jobs during the Great Recession, but has since added 14.1 million jobs.

Dr. Hughes provided glimpses of the "Great Era of Suburbanization Past". The second half of the 20<sup>th</sup> century was defined by relentless suburbanization, first by people, then subsequently by jobs. This was the era of tract house suburban New Jersey. He showed a slide of 35 counties in a four-state, metropolitan region centered on New York City. The region included New York, New Jersey, Connecticut and Pennsylvania. The slide showed that the phenomenon of change impacted all four states, not just New Jersey. The period represented was 1950 to 1980.

One interesting comparison that he made was of the employment levels of New Jersey and New York City between 1950 and 2004. In 1950, New York City had 3.5 million jobs; New Jersey had 1.7 million jobs. In 2004, New York City had 3.6 million jobs and New Jersey had 4 million jobs. New Jersey had added 2.3 million jobs to New York City's 82,000 jobs. However, New Jersey's job base has flattened while New York City's has exploded. During the 2004 to 2015 period, New Jersey has added just 23,000 jobs total while New York City has added 673,000. This is a stark change from the 1950 to 1980 period.

The bottom line is that New Jersey thrived during the post-World War II era of unbridled suburbanization. Unfortunately, that era has come to an end.

Dr. Hughes then turned to demographics, illustrating another structural shift. He pointed out the greatest age-structured transformation in history, which consists of three demographic long waves:

- Baby Boomers - age: 60's to 70's
- Generation X (also called Baby Busters) - age: 40's
- Generation Y (also called Echo Boomers or Millennials) - age: 20's and early 30's

These structured changes are long-term, not cyclical.

These three generations are now totally redefining New Jersey. They are differentiated by stage of career, different value sets, and technological savvy, and all face very different realities in the housing market. What they can afford varies tremendously.

Dr. Hughes concluded by briefly summing up the current condition of widespread economic and demographic change. He said the change looks like a fundamental disruption of what was once seemingly our immutable 20<sup>th</sup> century assumptions. The suburban economic and demographic "locomotives" of the second half of the 20<sup>th</sup> century do not appear to be the economic locomotives of the future.

Jane Armstrong referred to Dr. Hughes' 2014 presentation in Sussex County and asked about the current situation there. He said their local economy has to look in another direction, such as tourism, going forward. He remarked that it's difficult to predict the economic engines of the future. He also said the old "locomotive engines" (large companies) will not be coming out that far from the metropolitan area.

Jane also asked what Dr. Hughes thought of self-employment, such as Uber. He said the options there are beneficial, although it's also causing centralization with "hot spots" nationally in cities, but not smaller areas. However, he indicated it's really not known how that will work itself out.

Following Dr. Hughes' presentation, the business meeting was called to order.

### **Meeting Opening Remarks**

At 9:59 a.m., WDB Chair David Hollowell called the meeting to order and read the Public Meeting Notice. He recognized Sussex County Freeholder Director George Graham and Centenary College\* President Barbara Lewthwaite, and thanked them for their participation. He then asked those present to introduce themselves.

*\*Since the Open Meeting, Centenary College's name has been changed to Centenary University.*

### **WDB Board Business**

WDB Director Jack Patten reported on the following:

#### **Workforce Development Board Certification**

The One-Stop Partner Memorandum of Understanding and Morris-Sussex-Warren Workforce Development Consortium Memorandum of Understanding (described below) are required elements of WIOA certification, conducted by the New Jersey State Employment and Training Commission (SETC). These MOUs, unsigned, were submitted to the SETC in March with eight other required submissions relating to board composition, meetings, budget, performance, staffing and annual reports. As soon as they are all signed, we will forward them to the SETC.

### **One-Stop Partner Memorandum of Understanding**

The Workforce Innovation and Opportunity Act requires an MOU between the WDB and the One-Stop Career Center Partners. The WDB prepared this MOU which is in the process of being signed by the Partners. The MOU details how Partner programs and services will be provided in the Morris, Sussex and Warren One-Stop Career Centers and how Partners will share costs.

### **Tri-County Workforce Development Consortium**

The Morris-Sussex-Warren Workforce Development Consortium Memorandum of Agreement between Morris, Sussex and Warren counties renews Morris County's designation as the administrative entity for workforce development funds received for the three counties. The new MOU, updated to include Workforce Innovation and Opportunity Act and Workforce Development Board language and to insert a clause on removal of members, is under sequential review, beginning with the Sussex County Freeholders.

### **North Jersey Regional Planning**

Jack reported that all of the regions in New Jersey met with the State Employment and Training Commission's (SETC) consultant, Thomas P. Miller, who is actually writing the Regional Plan for the SETC. Jack said the regions expected more direction and communication from the consultant by this time, but have heard nothing since the March 12 meeting.

Jack noted that the State Unified Plan, which precedes the Regional Plan, was due to the US Department of Labor on March 1, 2016, but New Jersey received an extension until April 1. There was to be a 30-day comment period; however, the actual period turned out to be one day. There were many complaints about the short time for review and feedback.

Jack also introduced Jane Armstrong, the WDB's new Senior Planner.

### **Old Business**

Chair Hollowell opened the floor for any old business that was pending. There being no old business, the Chair moved to the next item on the agenda.

### **New Business**

Chair Hollowell opened the floor for any new business.

Jack Patten reported that on May 26, 2016, the NJ State Employment & Training Commission will partner with the NJ Department of Labor and Workforce Development to hold a High Quality Partnership Summit. A High Quality Partnership is "a team, driven by a group of industry employers, partnered with education, workforce, organized labor and economic development, which utilizes industry data to create career pathways for individuals that result in industry-valued credentials, certificates or degrees."

Sussex County Freeholder Director George Graham shared that the situation in Sussex County is complex. They are known for their natural beauty and open space, but currently have a high foreclosure rate and are finding it difficult to keep young people in the county. He said they are seeking a better vision on ways to reinvent their region, and told the group that they are open to ideas. He said Sussex County is open for business.

Chair Hollowell asked Jack Patten to begin the labor market discussion.

## Meeting Topics

### Labor Market Discussion

Jack said that, on the positive side, unemployment is currently quite low in the tri-county area. Morris is at 3.7%, Warren is at 4.6% and Sussex is at 4.7%. Sussex was over 10% just 18 months ago. Jack commended Freeholder Director George Graham on Sussex County's drastically lowered unemployment rate. Director Graham said there is also somewhat of a debate on what the unemployment rate really measures. Jack agreed with Director Graham, saying the unemployment percentage has generally been abandoned as a meaningful statistic, but is valuable for month-to-month comparisons.

The leading statistic now is Labor Force Participation (LFP): What percent of the total population between the ages of 18 and 64 is actually working? It's not so dependent on labor force status to get the whole big picture. Related to that, the LFP is going up nationally and in New Jersey. Some economists have predicted that LFP at about 53-54% will lead to higher-paying jobs and worker mobility; there will be wage pressure leading to better jobs and fewer part-time jobs. The current rate is 53%.

New Jersey gained 77,900 jobs in March 2016, mostly in the private sector. Just recently, the NJ unemployment rate slipped below that of the nation. The number of unemployed residents has gone down by 80,000 in a year. At the same time, initial unemployment claims have gone up 7,600, which could be due to the seasonal nature of the data.

On the national scene, January's job growth in the US was the third largest since December 2000. What is needed now are more permanent jobs with good wages.

Jack summarized an article in *NJ Biz* which notes factors why companies stay in New Jersey:

1. Highly educated workers. NJ has probably the highest educated workforce in the country, and lots of them. Access to skilled labor is New Jersey's strong suit.
2. State incentives. Some employers have stated that the incentives are compelling to them. They have worked well in some areas of the state.
3. The "hip" factor. New Jersey has a certain cachet among the workforce, particularly in Jersey City, but it's moving outward. Just as Jim Hughes said, Millennials want to be where things are happening 24/7.

A different way of looking at the labor market is by the percent of college graduates, age 22 to 27 with at least a Bachelor's degree, who are working jobs that typically do not require a degree. In the article below from the New York Times, 63 different college majors are listed. The one with the least underemployment is nursing. The major with the most underemployment is criminal justice. Of the top 12 majors with the least underemployment, eight are engineering. English is in the middle. (See the chart, "Job Success, by Major" in the article "A Brighter Job Market, for Some?" at: <http://www.nytimes.com/2016/04/10/education/edlife/a-brighter-job-market-for-some.html? r=0>).

The following meeting attendees joined the labor market discussion:

**Marie Betlow** of Job Search Central reported great growth in all sectors except for manufacturing. She mentioned that Baby Boomers are very attracted to healthcare and Millennials are attracted to IT. Marie gave the following specific examples of growth within the different sectors:

Construction: project managers

Education: program coordinators

Financial: staff accountants  
Healthcare: medical assistants  
IT: software development  
Leisure: front desk agents  
Manufacturing: maintenance technician  
Retail: customer service  
Transportation: delivery driver

Marie also shared some recent trends. She indicated that some of the occupations attracting current graduates are: data scientist (in the past month, some of her clients have had two interviews in a day), statistician, audiologist, cyber security, big data, software (people are now building careers around software).

She also shared outside trends of the engagement process:

**Retaining Top Talent:** What do we do to retain top talent?

**Encouraging Professional Development:** Do we encourage them in professional development?

**Employer Brand:** Companies are more cognizant of their employer brand through social media like LinkedIn, Twitter and Facebook. They want a social media presence to attract top talent.

**Employee Referral Programs:** Increase in employee referral programs.

**Boomerangs:** These are individuals going back to their former employers. The number is up to about 25%. The IT sector is experiencing the largest Boomerang phenomena.

**Flexibility:** To retain their employees, companies are making their environment very attractive and offering more perks.

**Inner Community:** Getting people more involved with their inner community.

Marie mentioned that Uber is classified under the freelancer category.

**Jane Armstrong** of the WDB reported on an emerging occupational trend, the Community Health Worker (CHW). The CHW serves as a link between the healthcare system, social services and the community. The position has evolved due to Medicaid reimbursement practices and the need to reduce the rate of hospital readmissions.

The Community Health Worker Training (Pilot) Certification Program is an Opportunity4Jersey grant based at Rutgers School of Management and Labor Relations, and is funded by the New Jersey Department of Labor and Workforce Development through a partnership with the New Jersey Healthcare Talent Network. The CHW training focuses on health education and promotion, as well as specific skills for work in underserved, low-income and/or non-English speaking communities. The current requirements call for 160 hours of classroom training and 2,100 hours of on-the-job training.

The training and educational requirements vary across states, cities, employers and employment sectors. State certification is not yet required, but a Bill introduced January 2016 established the "New Jersey Community Health Worker Program" in the Department of Health to facilitate linking medically underserved communities with health care resources.

Jane also reported on two new tools that she acquired at a March 21 workshop presented by Andrew W. Hait and hosted by the U.S. Census Bureau. The "Census Business Builder" tool provides information for small business owners by county, state and zip code. The CBB suite of services provides selected demographic and economic data from the Census Bureau tailored to specific types of users in a simple to access and use format. Another version of the tool is the "Census Business Builder Regional Analyst" which is helpful for regional planners and others involved in economic

development. The CBB (Small Business Edition) can be found at [www.census.gov/data/data-tools/cbb/sbe.html](http://www.census.gov/data/data-tools/cbb/sbe.html) and the CBBRA (Regional Analyst Edition) can be found at [www.census.gov/data/data-tools/cbb/rae.html](http://www.census.gov/data/data-tools/cbb/rae.html).

**Rosalie Lamonte** of Sussex and Warren Schools reported that they are in dire need of school business administrators. They also see a lack of trade teachers, who are difficult to replace because they have a very specific set of skills. Math and science are still fairly strong; they see fewer candidates for these jobs than for the traditional courses such as English.

Rosalie also shared that increasing partnerships and collaborations in the high schools and community colleges can help to keep young people in the local area.

**Gus Modla** of Sussex County Technical School (SCTS) said they are looking for an electronics teacher. In addition, a new program, Natural Resources, is being offered at SCTS next year.

WDB Chair David Hollowell welcomed Dr. Jane Armstrong to the staff, saying the WDB is fortunate to have her. Jane shared some of her background with the group. She has a Doctorate degree in medical research from the State University of NY Health Science Center, and a Post-doctoral fellowship from Rutgers. She is a tenured faculty member and former Chair of Biology and Mathematics at Centenary College. She then moved to Administration in County College of Morris for 12 years as Dean of Health and Natural Sciences, then Dean of Corporate and Community Programs where she was responsible for federal grants and workforce development. Jane is delighted to serve the WDB and the three counties.

David Hollowell announced that the next WDB meeting is scheduled for July 28. He thanked all for their participation and asked for a motion to adjourn. The motion was made and seconded, then passed unanimously. The meeting was adjourned at 10:39 AM.