
Public Hearing

before

LEGISLATIVE MANUFACTURING CAUCUS

LOCATION: Rowan College at Burlington County
Mount Laurel, New Jersey

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MEMBERS OF CAUCUS PRESENT:

Senator Linda R. Greenstein, Co-Chair
Senator Steven V. Oroho, Co-Chair
Senator Troy Singleton
Senator Samuel D. Thompson



ALSO PRESENT:

Charles A. Buono, Jr.
Office of Legislative Services
Caucus Aide

Mark J. Magyar
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SENATOR STEVEN V. OROHO (Co-Chair): Good morning.

SENATOR LINDA R. GREENSTEIN (Co-Chair): I am actually going to ask that we start with the Pledge of Allegiance.

So if everybody would rise. (all recite the Pledge)

Thank you.

Good morning, everybody.

UNIDENTIFIED MEMBERS OF AUDIENCE: (off mike)
Good morning.

SENATOR GREENSTEIN: Good morning, South Jersey.
(laughter) We're so glad to be here.

And I understand, from John Kennedy, this is our -- I think our first big meeting in South Jersey, certainly of this Caucus. So we're really happy to be here to hear about the issues that could be special to South Jersey, and to learn about your priorities, and talk about what we can do. Because action is the name of the game. We are wanting to act on many things, and wanting to do it as quickly as possible.

I'm very honored to be serving as the somewhat new Chair of the Legislative Manufacturing Caucus; and I'd like to thank you all for attending today's hearing.

I look forward to-- And I am, by the way, Senator Linda Greenstein, along with my Co-Chair Senator Steve Oroho, who will speak in a moment.

We look forward to working with all of you to develop a legislative agenda that will promote the viability and expansion of the manufacturing sector that is so critical to New Jersey's economic competitiveness and growth.

Today's hearing will start with two panels focusing on the state of manufacturing in South Jersey, and on how we should restructure our tax incentive system to ensure that manufacturers receive the help they need to expand and stay in New Jersey.

We recognize that the average manufacturer has just 33 employees; but that those employees tend to be high paid, and that manufacturing is a capital-intensive business.

We'll also be holding a series of regional meetings with manufacturers over the next couple of months to review and critique legislation we have put forward to spur the growth of manufacturing in New Jersey. Some of the legislation, such as the 10-bill apprenticeship package, has already passed the Senate. Other legislation is still being crafted, such as one that came out of a previous Manufacturing Caucus hearing in Morris County -- to codify current school district insurance policies to cover students engaged in school-sponsored and appropriately supervised work-based learning experiences, in manufacturing and other industries, so that more employers would be willing to allow students into the workplace.

Legislation is also pending to create a permanent source of funding for the New Jersey Manufacturing Extension Program by dedicating about \$1.5 million from the New Jersey Workforce Development Partnership Fund. This will enable New Jersey MEP to open a South Jersey office -- which I know is one of the big goals -- to better support manufacturers in this region, as well as support NJMEP's Pro-Action Education Network training program and other initiatives.

We know how important training and recruiting qualified job candidates is to manufacturing. It was the number one issue that came up in the various manufacturing forums we attended, and it was the reason we pushed so hard to ensure that \$400 million was included in last November's bond issue to expand vocational and technical training in our vo-tech high schools, community colleges, and four-year colleges.

We're requiring recipients of the bond money to work directly with manufacturers to ensure that the expanded training provides you with the workforce you need to compete in our increasingly global economy.

Before I turn it over to my Co-Chair, I'm just going to talk briefly about some of our Caucus legislative priorities.

We've divided that up into four areas: Number one, improving workforce development; two, supporting the innovation ecosystem and infrastructure improvements -- I don't know if it's ecosystem or ecosystem (indicating pronunciation), one of those two. (laughter) Reducing burdensome over-regulation; and lowering the cost of doing business.

So generally speaking, in the improving workforce development area, we've done a lot of legislation. We have a lot that hasn't passed yet, and an awful lot that has passed already, having to do with apprenticeship bills and career pathways. We realize how important that is. So there's an entire package of about 10 or 15 bills that has passed the Senate, but has not moved yet in the Assembly; and it's an apprenticeship bill package. Many of us are sponsors on those bills.

We also are looking at new and existing legislation to add to the apprenticeship package, such as codifying the Office of Apprenticeships in

the New Jersey Department of Labor and Workforce Development, to support employers utilizing or seeking to utilize apprenticeships.

Another is to codify the school district insurance policy, which I talked about earlier.

Another is to promote credentialing and workforce development for manufacturing employees, and to create a position in the Department of State, potentially, to support manufacturing.

And finally, requiring the Secretary of Higher Education to create a manufacturing career pathway.

So I can tell you, out of the thousands of bills that are in, there are more and more bills that have to do with manufacturing; which is a sign that many of the legislators are extremely interested and want to work in this area.

There's also the legislation I talked about earlier to create a permanent source of funding for New Jersey MEP, which is such a wonderful organization under the leadership of John Kennedy that is, you know, really moving ahead and keeping this issue in the forefront.

And the other area I'll mention -- and I'll leave the rest to Steve -- is supporting this innovation ecosystem and infrastructure improvements. We want to promote innovation in the Economic Development Authority. We have bills that -- one bill creates the Edison Innovation Science and Technology Fund in the EDA to promote research and development; another creates an EDA program designating institutions of higher ed as qualified manufacturing resource centers. There's also a bill that creates the New Jersey STEM Entrepreneur Fellowship Program in the New Jersey Department of Labor.

And that's it for those areas. So there are many bills that are being worked on; we look forward to continuing to communicate with you about our progress with these bills.

And I'll turn it over to my Co-Chair, Steve Oroho.

SENATOR OROHO: Thank you, Senator Greenstein.

It's a pleasure working with Senator Greenstein on all these different initiatives.

I just want to thank everybody for being here; and I also want to thank the Rowan College at Burlington County. I loved when I saw the sign -- Alex was telling me about the sign -- about the *3+1 program*. I know Senator Sweeney and I had sponsored that for the affordability -- for Higher Education.

And also -- and how important South Jersey is. I'm from the northwest corner, but I was married in Salem County. My wife Rita is from Salem County; my brother-in-law, Charles Hassler, serves on the Salem County Freeholder Board. So there is nothing more important to me than making sure that the South Jersey region of New Jersey gets to share in the successes of the Manufacturing Caucus, and we show the importance of this area.

New Jersey is very-- We're fortunate in that we have terrific assets. Our location, between Philadelphia and New York -- that's not going to change; I know that isn't going to change. But also we do have a great education system and a terrific workforce. When you look at all the business benchmarks, our workforce and our education system are always right at the top. That's one of the reasons for a good place to have a business.

Our infrastructure, when properly maintained, is one of our terrific assets. We have the Port, we have the railroad, we have the airports, we have a number of ways goods and services can move.

Our issue is the fact that we have become, over time, on a very much bipartisan basis, an uncompetitive business environment. And that's what we have to significantly look at, and that's what has been primarily my focus for a long time.

And I am proud of the Manufacturing Caucus, because when it was started -- I think we had our first meeting in Newark--

MR. MAGYAR (Caucus Aide): Paterson.

SENATOR OROHO: Paterson; we had the first one in Paterson. And there were discussions about the bond -- that's where the idea of the Bond Act had come from -- and a number of the apprenticeship programs, the importance of that had come from. So I am proud of the Manufacturing Caucus, under the leadership of Senator Greenstein and also under the leadership of Senator Vin Gopal, where we have worked on, very much, a bipartisan basis.

SENATOR GREENSTEIN: And Bob Gordon.

SENATOR OROHO: And Senator Bob Gordon; exactly.

And so now, one of the things I look forward to is continuing to work on government efficiency. And Senator Greenstein and myself were sponsors of a Bill, along with Senator Paul Sarlo. And I was very happy to see that Senator Sweeney said, "We're just going to make a legislative committee on government efficiency and regulatory review." To me, that's always-- Because the economic environment, the business cycle is always changing. So the idea that we need to have a regular improvement process,

or a regular review process, to me is critically important; and being as efficient as possible.

The other thing we should be looking at is -- and it's been in the newspapers quite a bit -- is the whole idea of incentives; the incentive plans. I just mentioned New Jersey's been uncompetitive for a while, and these incentive plans are what actually give us a seat at the table.

I do firmly believe the fact that you have to have sunset provisions and take a look. Because when we did the 2013 plan, we were just coming out of the great recession. And one of the key things was it was actually the first decade in history in New Jersey where there were less private sector jobs at the end of the decade than the beginning.

So the idea to have big investment, obviously, in a lot of certain geographic areas; but also throughout the State of New Jersey. But now the economy is different, so let's look at -- should there be changes? I firmly believe that there should be changes, focusing a lot on the small and midsize businesses, as well as, obviously, in our manufacturing. Because people don't realize how important manufacturing is, you know? Almost 400,000 jobs, right? And I know John Kennedy and New Jersey MEP has done a terrific job. I know John talks about the average salary, at one time, was \$96,000 -- I'm sure it's higher than that right now -- but that's because of the assets that New Jersey has.

And the one thing that we also have to focus on -- so the incentive programs, but also-- And it goes with the government efficiency. And I was very honored -- by Senator Sweeney -- for Senator Sarlo, and myself, and Assemblyman Lou Greenwald to Chair the Path to Progress recommendations, which were not just from the legislative side, but from

industry experts. And we put out a number of recommendations, and I think whether it be health care reform, whether it be pension reform, whether it be shared services, whether it be the recommendations for regionalization for schools -- a whole host of things of how you make government more efficient. So I was very proud to be a part of that.

And I'm sure -- I know Senator Sweeney is very committed and has worked extremely hard in getting that message out. So as you can tell, I'm very focused on having government efficiency and cost reform. And it's something that isn't just, you do it one time, and you're done. It's something you have to stay on top of continuously.

So with that, I want to thank everybody for being here. It's a pleasure to be here with my colleague Senator Sam Thompson, over here; as well as Senator Linda Greenstein. And I look forward to hearing from the panel.

SENATOR GREENSTEIN: Thank you so much; we really appreciate it. Thanks, Steve.

And I want to give Senator Thompson a chance to address you.

SENATOR OROHO: Who, quite, frankly -- he's always here.
(laughter)

SENATOR GREENSTEIN: Yes, he is.

SENATOR OROHO: Actually, he was down there yesterday at the swearing in for our new Senator, Senator Anthony Bucco. And as you see, he walked in with a cane. He dislocated his hip, but you cannot keep Sam Thompson down. (laughter)

SENATOR GREENSTEIN: That's true.

SENATOR THOMPSON: Thank you, my friend.

My Co-Chairs here have done an excellent job of filling in on where things are in Trenton, what actions we're attempting to take. So I will be rather brief here.

We do recognize how significantly important manufacturing is to our State's economy. And, of course, the purpose of being here today is -- we do recognize that there are some differences in what you face in Southern New Jersey, versus Northern New Jersey and Central New Jersey. So today we'd like to find out what specific problems you might face down here that might be somewhat different from what the others have.

So today this is about you more than us. We want to hear from you -- how you feel; what you feel we can do additionally to help with what you're doing here.

A couple of weeks ago I did take a trade mission to India with the Governor. I was the Republican who was there. (laughter) And I think there's going to be some real dividends come from that. The Governor did get a commitment from three firms to create 1,250 new jobs here in New Jersey. But there are many other firms that were expressing interest there. And I think we need to increase the trade between New Jersey and India -- that's the stuff you manufacture -- to see if we can create some markets for your products.

So as I say, we're here today to hear from you what additionally we can do to improve your business.

Thank you.

SENATOR GREENSTEIN: Thank you; thank you very much.

We are expecting a couple of other people to file in; and as they come in, I'll introduce them. Some people can only stay a short time today.

But I just wanted to say, also, that we are being taped, so there will be a transcript of this hearing, which is useful.

SENATOR OROHO: Oh, I want to change my comments then.
(laughter)

SENATOR GREENSTEIN: Okay.

And we're going to have two panels today. The first one is the state of manufacturing in South Jersey, where we really want to drill down on specific issues that you care about here.

Just to let you know, the names that I have here: The company Edmund Optics, Jay Budd; just raise your hand so I see that, yes, you're here.

Okay; I also see Steve Tice, or it says here Laura Basara--

S T E P H E N T I C E: (off mike) Steve, from LAMATEK. I'm here.

SENATOR GREENSTEIN: Okay.

MR. TICE: Laura could not make it.

SENATOR GREENSTEIN: Okay, thank you.

I also see LAMATEK, Bob Carlson.

MR. TICE: Bob couldn't make it either; just Steve. (laughter)

SENATOR GREENSTEIN: Oh, okay. I'm getting them mixed up here.

All right; and also New Jersey Brewers Association, Alexis Degan.

Okay.

And then on the other topic -- incentives and other topics. You know, this is a very big issue right now with the EDA and the economic incentives.

(confers with staff)

And I am just confirming this -- we have H&H Industrial, Maryann Hajduk.

MARYANN L. HAJDUK: Hajduk (indicating pronunciation).

SENATOR GREENSTEIN: Okay; and Puratos, Nihal Raval.

NIHAL RAVAL: Yes.

SENATOR GREENSTEIN: Okay.

And finally, Cheltenham House, Joe Hoffman.

Have I missed anyone, or is that generally the group that is speaking today? (no response)

Well, the first person who we want call for a welcome today is RCBC President, Dr. Michael Cioce.

ANNA PAYANZO COTTON: It's actually Dr. Cioce (indicating pronunciation), but I'm going to speak on his behalf.

SENATOR GREENSTEIN: Please; thank you.

MS. COTTON: Thank you.

Well, thank you so much for joining us.

I'm Anna Payanzo Cotton, Vice President of Workforce Development out here at Rowan College at Burlington County.

And we're thrilled to serve as the portal to South Jersey, if you will, this morning, and really as representative of the region.

We've been hard at work at solutions to some of the challenges that our local manufacturing industry representatives and partners have been facing for the last several years. We've been excited to be honoring Manufacturing Month all month here in October. It is really wonderful to be able to bookend it by beginning at the Manufacturing Day celebration as

an Honor Roll recipient, in partnership with NJMEP; and to kind of close it out here with this Caucus as well, in partnership with NJMEP.

Along the way we've showcased our BCIT partnership, and that's our County Institute of Technology, and the Machinist Program that we started in response to industry needs in 2016; and have evolved since to help to grow our mechanical engineering technology and electrical engineering technology programs through the associates programs; and now having a 3 + 1 Bachelor of Science degree offered in partnership with Rowan University.

So we're hard at work tackling the challenges that exist in the manufacturing industry. We recognize that we need educational solutions; we need to be creative, and inventive, and diverse in our solutions to the workforce challenges that exist, to ensure that we can fill the 452,000 jobs that are unfilled right now in the industry. And we recognize that manufacturing service is really a force multiplier, with every \$1 leading to a \$1.82 in additional economic impact through their efforts.

So we know that education is part of the solution; and we're really excited and honored to be a part of that solution, and to be your host here today.

And again, I welcome you to our beautiful campus, and I wish you all a wonderful day.

SENATOR GREENSTEIN: Thank you.

SENATOR OROHO: Thank you very much.

SENATOR GREENSTEIN: Thank you.

MS. COTTON: Thank you.

SENATOR GREENSTEIN: We really appreciate being here, and is beautiful here.

MS. COTTON: Well, thank you.

SENATOR GREENSTEIN: Thank you.

So we'll start with the first panel.

And actually, before we start, can we do a very quick go-through; just everybody saying who they are, so you can all know each other?

So why don't we start here (indicates).

(attendees state their names and affiliations, off-mike)

Thank you; I think we got everybody.

Thank you very much.

So we'll start with the first panel, "State of Manufacturing in South Jersey."

And if all of you who are participating in that would come up and sit here. (indicates)

Thank you.

Any if you who have business cards -- if you would give them to Mark here, and he will give them to the recorders.

And I'd say bring over additional chairs, and then you can share mikes if we don't have enough chairs.

SENATOR OROHO: I think we have plenty of mikes. (laughter)

SENATOR GREENSTEIN: We have mikes, for sure.

Okay, great; who would like to begin? It's up to you.

J A Y B U D D: I guess I'll start; sure, I'll start.

UNIDENTIFIED MEMBER OF AUDIENCE: (off mike) Hold on one second, because I think we have all panels at once.

MR. MAGYAR: Yes, we should just have the first panel up.

SENATOR GREENSTEIN: Yes, just--

SENATOR OROHO: Just the first panel.

SENATOR GREENSTEIN: --the State of Manufacturing in South Jersey, not the Incentives and Other Topics.

MS. HAJDUK: No, that's us; that's the State of South Jersey.

SENATOR GREENSTEIN: That's what you all are? Okay.

MS. HAJDUK: Those were the extra names.

SENATOR GREENSTEIN: Oh, okay.

SENATOR OROHO: Perfect.

MR. BUDD: My name is Jay Budd; I work at Edmund Optics. We've been manufacturing optics in South Jersey for the last, almost, 80 years. We employ about 240 employees, manufacturing.

One of the biggest issues we have right now are China tariffs. I think this puts a big impact on our business. I think it cuts into our margins and it decreases the ability for us to give increases to our employees and actually grow as an organization.

I think the other big issue we have is retaining talent. We have lost three technical experts in the last quarter, and the reason for this leaving of our industry is that the price of taxes -- home taxes. People can't afford to live in New Jersey anymore. When I first started working for Edmund Optics 20 years ago, I lived in Philadelphia. I moved over to New Jersey. Since then, I think, I was probably the only person living in Philly at the time at our organization. Right now, about 25 percent of our employees live in Philadelphia because they're scared of the taxes of New Jersey.

SENATOR GREENSTEIN: And you're talking about real estate taxes.

MR. BUDD: Real estate taxes, correct. So we have to do something about the taxes if we're going to keep retaining talent and keeping people in New Jersey.

The other issue I would like to say is that we are an international organization, so we do a lot of business with Japan, as well as Europe. A lot of those countries are asking for us to be more green and have more green initiatives. I'd love to see if New Jersey could help us with these initiatives. We really don't know where to go for this, and we would love advice or help in how to do that.

And that's all I have.

MS. HAJDUK: That's a lot.

MR. BUDD: That was a lot. (laughter)

MS. HAJDUK: I think that did it for everybody. (laughter)

ALEXIS C. DEGAN: We're done.

MS. HAJDUK: We're done.

SENATOR GREENSTEIN: Actually, I just want to ask a question before you go further.

Tell us a little bit more about the China tariffs.

MR. BUDD: Okay.

SENATOR GREENSTEIN: And do you think some of the things the President is doing right now are going to help, or are some of the new initiatives hurting in some way? What are your impressions?

MR. BUDD: Right now, for us to-- We have -- a lot of our sub components that we're purchasing are coming out of China. We'd love to buy them in the United States, but there's no one in the United States who is making these parts.

SENATOR OROHO: So there are no manufacturers--

MR. BUDD: There is no manufacturer in the United States who is making the parts that we're looking for. So with that, we have to bring the parts in from China. We're paying excessive tariffs on those parts. If you could do something to eliminate these tariffs which, as you know, have only happened over the last year or so -- we need to do something immediately.

SENATOR GREENSTEIN: You know, the part of that being green and having programs for that -- we're always putting forth bills to try to make everybody greener. Whether there's money for it, I'm not really sure; but it's something we can help look into for you.

SENATOR OROHO: Do you mean more for the green initiatives -- of how to do those green initiatives--

MR. BUDD: Sure.

SENATOR OROHO: --or from a tax incentive standpoint, being able to have more of an accelerated depreciation of those kinds of expenditures, or both?

MR. BUDD: I'd like to see both--

SENATOR OROHO: Okay.

MR. BUDD: --but I'm more on how-to.

SENATOR OROHO: On how-to; okay.

MR. BUDD: Because there are a lot of businesses in Europe that say, "If you don't have a green initiative or a green plan in place--"

SENATOR OROHO: A certain component--

MR. BUDD: "--we're not going to do business with you."

SENATOR THOMPSON: What is your product that you make?

MR. BUDD: We make optics -- optical components. So we sell into biomedical, we sell into defense, we sell into universities, R&D -- things like that -- automotive.

SENATOR OROHO: How much can you-- Any percentages of how much is sold within the United States domestically, as opposed to international?

MR. BUDD: I don't have that number off the top of my head.

SENATOR OROHO: You don't? Okay.

MR. BUDD: No.

SENATOR OROHO: As far as your location here, did you say where in South Jersey--

MR. BUDD: We're in Barrington, New Jersey; South Jersey.

SENATOR OROHO: You're in South-- Okay.

The idea that you moved from Philadelphia here to New Jersey-- Obviously we have North Jersey, and right here you have Pennsylvania, you have Delaware. And you said 20 percent of your employees are now coming from the Philadelphia area?

MR. BUDD: Twenty-five percent, yes.

SENATOR OROHO: Twenty-five percent. Do they also come from the Delaware area, or is it just too far?

MR. BUDD: Too far for Delaware, but Philadelphia-- It's gotten to the point where we actually have a shuttle service picking them up from the train station and bringing them back to our facility.

SENATOR OROHO: Okay.

SENATOR THOMPSON: You mentioned property taxes as being the number one reason. But there's a significant difference, also, in income taxes in Pennsylvania versus New Jersey.

MR. BUDD: Sure.

MS. HAJDUK: Yes.

MR. BUDD: Agreed; but I'm not sure if they're not aware of that, or what it is. But every time we ask them why are you not in Jersey or why are you not-- You know, we have plenty of places-- Taxes; taxes are insane. I know when I first moved to New Jersey, my boss lived in Haddonfield and I remember what he told me his taxes were. And I said to myself, "I'm never moving to New Jersey." And here I am, now, in New Jersey, you know, 15 years later, paying that same amount of taxes that he was paying. So over time, I've just kind of said, "That's the price of doing business," but I'd like to attract more people to come to our organization. I'd like to retain more talent and keep them in New Jersey.

SENATOR GREENSTEIN: I'd like to ask a question.

So you make component parts for optical work, right?

MR. BUDD: Correct.

SENATOR GREENSTEIN: And so when you're buying parts from China or other countries, those are sort of parts of components.

MR. BUDD: Correct.

SENATOR GREENSTEIN: It's sort of a smaller version.

MR. BUDD: Correct.

SENATOR GREENSTEIN: And what's your sense of why those are not manufactured here? Because you're manufacturing these parts, right?

SENATOR OROHO: Cost of labor.

MR. BUDD: The cost of labor is definitely a big thing. I don't think you're going to be able to make those parts and make a profit off of it in the United States. You're talking small, tiny pieces that it takes a skill to do; and the amount of labor that goes into it is probably the most expensive part of it.

SENATOR GREENSTEIN: And if we were looking to see some uniqueness to all of your testimony -- what makes this unique to South Jersey -- what I'm hearing, for one thing is, your people are able to live out of state in Philadelphia and still conveniently drive to this job.

MR. BUDD: Correct.

SENATOR GREENSTEIN: So I guess if it were in a different part of the state, that wouldn't be as much of an issue.

MR. BUDD: Correct.

SENATOR GREENSTEIN: But since you're close enough that's kind of what I'll call a *South Jersey issue* because--

MR. BUDD: Sure.

SENATOR GREENSTEIN: --you know, that's--

MR. BUDD: We are 15 minutes from Philadelphia.

SENATOR GREENSTEIN: Right.

MR. BUDD: So, you know, there are some people who even ride their bikes in from Philly to Jersey, weather permitting of course.

SENATOR GREENSTEIN: Thank you.

MR. BUDD: Thank you.

SENATOR OROHO: I'm sure we'll have similar questions -- we'll have for a number of you.

So we can move on; yes.

Next.

MS. DEGAN: Sure; I'll go.

SENATOR OROHO: Did you bring any samples today?
(laughter) Everybody was wondering.

MS. DEGAN: I know.

MS. HAJDUK: She's got a discount.

MS. DEGAN: I'm sorry; I'm not allowed to do discounts--

SENATOR OROHO: It's 12 o'clock somewhere. (laughter)

MS. DEGAN: --but hey, listen, we can work it out.

So good morning, Chairwoman Greenstein, Co-Chair Oroho,
and Senator Thompson.

Thank you so much for having us.

My name is Alexis Degan; I am the Executive Director of the
New Jersey Brewers Association. I represent breweries across the state, so--
But I do live in South Jersey, which makes this a uniquely South Jersey issue.

Thank you for inviting me to speak on behalf of my
membership, which spans the state and the industry as a whole. Our
membership reflects not only the geographic spread of the industry; but also
the variety of sizes, models, and priorities of our state's craft beer
manufacturers.

When people think about craft beer, the manufacturing
component of the industry is likely not the first thing that comes to mind;
everyone's asking me for samples of beer. (laughter) This demonstrates how
complex and encompassing both the brewing industry and the manufacturing
industry in our state is, as I'm sure you know. But visit any of our 114 craft
breweries -- which I encourage -- and you will quickly learn that we are, in

fact, also manufacturers. We share many of our fellow manufacturers' issues, with access to a skilled labor pool, supply chain logistics, and ecological impact. Many of the problems, successes, challenges, and hurdles our fellow manufacturers will bring to you today can be seen, at some level, at every craft brewery in the state.

However, craft breweries are licensed in the State as a statutory hybrid manufacturing facility, with a direct-to-consumer retail component that has helped drive growth and economic wellness for their communities and for the State as a whole. Over the past seven years, this model has presented both unique advantages and unique challenges. Craft breweries are often directly responsible for the entire life cycle of their manufactured product, from the starting line of concept development to the finish line of final product in the consumer's hand. Many of our breweries are installed in the more industrial areas of town, taking over empty manufacturing space or building their own. Still others are smaller and have incorporated themselves into downtowns, leveraging heavily the retail component that complements and bolsters existing town establishments, while attracting new ones.

The fact of the matter is that the proliferation of craft breweries in our state -- particularly in southern New Jersey, where Districts 1 and 8 share the distinction of having the most craft breweries in the state -- has been a net benefit for the communities which they have called home. This is due, in large part, to the very nature of the hybrid manufacture retail business model under which they operate. In today's world, where consumers are increasingly concerned with the source of their products, craft breweries can demonstrate the entire process from grain to glass.

But as with every manufacturing facility, distribution and retail are necessary to support the manufacturing. Unfortunately, our industry is currently in an ideological battle over the retail component of our business, the very aspect of which makes it so unique and so successful in and for the state. Instead of using the manufacturing aspect of our licensure to limit the retail component of our craft breweries, we should be looking at the success of this model to see where else it can be replicated, both in our industry and across the manufacturing industries in the state.

And that's my testimony.

SENATOR OROHO: One of the things I was-- If we could, as we go through, and as you're thinking about this -- and for the next panel as well -- one of the things I would love to-- Obviously, on the con side, we were talking about the cost of living, the taxes, the regulations, and whatnot. If one of the things-- What keeps you here? One thing -- what would keep you here in New Jersey? What's the number one asset we have? And then what's at the top of your list as the number one issue -- you know, talent retaining -- I hear that a lot, particularly with the low employment rate that we have today. But if you could also let us know what's the most important thing that -- why you're here -- and then what's the greatest risk of us losing you, all right?

MS. DEGAN: Sure. Well, you know, I can speak to that very easily.

Most of the reason that our craft breweries are here is that they are homegrown; they're people who live here who, when the 2012 law changed to allow that retail component and reduce the barrier of entry to

craft breweries in the state, it was New Jersey residents opening a business that didn't exist, in an industry that didn't exist before.

But now that we're seven years in, and we've had enormous success in this state -- as the craft brewing industry has grown, as our consumership has grown -- one of the big things is that there are a lot of regulations that make it very, very difficult to do business. Currently, the ABC has put out a special ruling that does, on one hand, list that there are certain activities that breweries can do; but then limits the amount of advertising for those events. Additionally, currently, you can only have one tasting room and two production facilities. So we have breweries that are looking at a second location, a second tasting room location. They're not looking in New Jersey, because they can't have it in New Jersey. I have breweries that are actively in negotiations for their second facility over in Pennsylvania.

Additionally, some of the things that are great about a craft brewery that are being curtailed right now by regulation, in the absence of statutory improvements that would secure this-- You know, a lot of-- Like when I mentioned that often our breweries are set up in industrial zones -- especially the larger ones -- there is not an easy access to food. And breweries aren't asking to become restaurants. You know, they did, in the special ruling, codify that breweries could sell de minimis snacks. And that's great; that's a very responsible bit of regulation. One of the things that the special ruling has done is it has said that breweries cannot coordinate with food trucks. So a food truck may show up to a property adjacent to a craft brewery, but it can't be on the craft brewery's property, and the brewery cannot advertise that the food truck will be there.

You know, when you look at some place like, in South Jersey, Slack Tide or Ludlam Island -- which are two breweries in Dennisville, the Cape May County area -- where there are no restaurants or very few restaurants in close proximity to them; you know, having a food truck come, most often a food truck that is owned and operated by a New Jersey resident, brings in more customers, brings in more revenue for the area. And we have seen food trucks which have gone from food truck to establishment because of the proliferation of the craft breweries being in those areas.

SENATOR GREENSTEIN: I wanted to ask, what are your ideas about why this industry grew up in South Jersey? Was it just that one started here, and then people knew people? Or was there something about South Jersey that made that happen?

MS. DEGAN: I think, you know, that the property values tend to be more reasonable with this sort of risky business; in that, before 2012, there were very few. We only had, at that time, Cape May -- down in Cape May, Cape May Brewing and Flying Fish Brewing, both of which have made incredible names for themselves because they make a fantastic product. And they've grown up and they've really increased their footprint tremendously.

But yes, you see a lot in South Jersey, because I think that there is that -- that we have a lot of farms down here, and there's a lot of coordination with our farmers, either getting the grains or giving the spent grains back to them for their--

SENATOR OROHO: Same thing in my area.

MS. DEGAN: Yes.

SENATOR OROHO: I'm in the northwest corner; we have a lot up there as well. Angry Erik has been there; a number of different brewers do an excellent job in using local markets.

MS. DEGAN: Yes; and you are seeing that -- if you see a map of the state -- and you can go to, like, *newjerseycraftbeer.com*, or I'm happy to share the map of my members with you -- we are much more spread throughout the whole state now, and you see that especially in farming areas; it's interesting.

SENATOR OROHO: Do you see-- Obviously, there's different constituencies and advocates for -- because when you do something, when you-- You know, obviously there's unintended consequences; and now we're seven years in, so you kind of have to make some adjustments. Do you see-- Obviously, the restaurant industry was very concerned about the brewers and the food trucks. Do you see, in the industry, more collaboration or more partnerships -- partnerships may be the wrong word -- but the idea of collaboration with, say, a restaurant and a brewery, or even a winery, and that they're now having relationships of how they can both help each other.

MS. DEGAN: Yes.

SENATOR OROHO: Are you seeing more and more of that?

MS. DEGAN: Oh, absolutely; and it's something that we encourage our members to do, and it's something that we are trying to do as an Association. I like to call it *market research* when I go to a restaurant or a bar that carries my members' products. (laughter) I order a beer, I take a picture, I put it on the Internet.

One of the things that's kind of -- I just noticed today -- and I'm not going to even try to say the guy's name, because I don't follow sports at

all -- but a restaurant in Westmont called Keg & Kitchen, and Double Nickel Brewing from Pennsauken, have taken-- They have a little beer fridge that's all locked up. And when someone on the 76ers makes a three-point -- their first three-point throw--

MS. HAJDUK: Embiid?

MS. DEGAN: Possibly; I don't know. (laughter) I'm not going to try.

MS. HAJDUK: Oh, no, no; I know who they are, I know who it is.

MS. DEGAN: Listen, I know beer; I do not know basketball. I'm really impressed that I know it's basketball. (laughter) You know, you'll get a free Double Nickel beer. It's something that Budweiser did with great success in another sport in Philadelphia. Double Nickel and Keg & Kitchen have partnered, and created all this buzz around the Sixers.

Kings Road in Haddonfield -- Kings Road is in a dry town. Haddonfield is kind of aggressively dry; and, you know, that's fine. But Kings Road opened, and in the two years since they've opened, they've had to expand because they're leaving money on the table. They opened conservatively, and have outpaced their ability to keep up with production. So they're doubling, or maybe, even tripling in size, moving down the road. Across the street from them is a restaurant called the British Chip Shop, which regularly uses Kings Road beer in their recipes. And then you have this great symbiosis of both of them advertising for each other.

And that's something that you'll see up in North Jersey. Untied Brewing -- they get grain from this farmer; then they give the spent grain, after it's been used to make beer, back to the farmer. He feeds his cows.

Then there's a restaurant that purchases those cows, slaughters the cows, and does a dinner that pairs the beer that the cow was fed on with the steak that was made from the cow. It's like this great life cycle of beer. (laughter) It's kind of--

But that sort of thing-- And you see beer pairing dinners happening throughout the state at places with liquor licenses. And then other fun, clever ways that folks are using craft beer and other craft beverage products in their--

SENATOR OROHO: Thank you.

SENATOR GREENSTEIN: I have to tell you, you've really made me hungry. (laughter)

Sam, did you have anything? No? Okay.

This is very interesting. Just one other thing -- where do most of your employees live? Do they tend to live here?

MS. DEGAN: They tend to live in New Jersey. They're very small businesses.

So some of them do live in Pennsylvania. I was at Forgotten Boardwalk, and most of their production staff does live in Pennsylvania, because they're so close. And that is something, too. You know, our manufacturing facilities, as they are, are all very close to other states. And so our bottom line is also impacted by what other states are doing with their regulation.

SENATOR GREENSTEIN: Great; thank you.

MS. DEGAN: Thank you.

Sir, did you -- I know--

MR. RAVAL: Hi; good morning. Thank you all for being here.

Thank you to RCBC for hosting this, and special thanks to Chris Depace, who does a great job of representing the South Jersey for NJMEP, for inviting me here today.

My name is Nihal Raval, as I introduced myself earlier. I work as a Site Director for Puratos. Puratos, itself, is a Belgium-based company, privately owned; it's been around for a hundred years -- we're actually celebrating our 100 years in business this year; and it's actually been in South Jersey for over 30 years.

So while we have some of the same challenges and similar challenges of other manufacturers at the table, we love New Jersey. We've been here for a long time. Our employees -- 90 percent of our employees are from New Jersey, and they love it here as well, despite the challenges of course.

The two or three things that we would really like help from and need help with are things that I think we can tackle if we work together and come up with policies and legislation that helps set us up for not just the short-run, but the long-run.

Since we're publicly (*sic*) owned, we don't focus on quarter-to-quarter; we're focusing on the long run. And so some of the things that I want to mention here today--

SENATOR GREENSTEIN: Sir, did you mean--

SENATOR OROHO: Publicly owned or privately owned?

SENATOR GREENSTEIN: --private or public?

MR. RAVAL: I meant private.

SENATOR OROHO: Private; yes, yes. You mentioned public.

MR. RAVAL: Privately, yes; sorry. I mentioned public. Yes, we're a privately owned company by two families that are still in Belgium. But we have manufacturing throughout the world in over 60 different countries.

So in that regard, we want to make sure that we're not just focused on the short-term, but the long-term as well, because we intend to be here for the long-term.

So two or three topics that we've continuously struggled with-- And I'll just share some benchmarking. So we did a benchmarking study within the company, but also within the industry. And since we're a food manufacturing business, we make ingredients.

SENATOR GREENSTEIN: What type of -- what's your product? What type of--

MR. RAVAL: We make ingredients. So if you eat bagels, cupcakes, donuts, cakes -- different things from Costco or Walmart, even big, large industrial bakeries, we make the ingredients that go into those finished goods products. So you'll never see our names in a retail market or on a store shelf; but you can be sure that our ingredients go into a lot of those businesses. Another one -- Dunkin' Donuts. If you eat donuts at Dunkin' Donuts, they're made with our flour, and they're also made with our icings and fillings.

So as I was saying, two or three things that we want to continue to work on -- one is the manufacturing. In the manufacturing environment, it's very important to have skilled trade labor. And what I mean by that is, maintenance technicians. The location we're in -- which is why, Senator Oroho, you asked -- we love the location, because we're in the Northeast.

We're close to a lot of different large cities and close to all the highway infrastructure, so the supply chain is easy for us; and the Northeast, being our largest region for our business.

We do lack a lot of talent when it comes to maintenance. In the last five years, especially, what we've seen is as we've continued to grow, and as we've continued to invest in our facility in Pennsauken, we're seeing less and less talent in the state for maintenance. So we're constantly fighting against other manufacturers--

SENATOR OROHO: You mean equipment maintenance, like--

MR. RAVAL: Equipment maintenance, yes.

SENATOR OROHO: Okay.

MR. RAVAL: Industrial manufacturing equipment maintenance.

SENATOR OROHO: Right, okay.

MR. RAVAL: So the majority of our equipment that we have in our plant, for example, is a combination of U.S. companies and European companies. And a lot of it is very high -- it's considered to be an advanced manufacturing plant. And so a lot of it is HMI-based automation; a lot of automation, yet it still requires a lot of maintenance work. So we just can't find technicians within the State of New Jersey.

SENATOR GREENSTEIN: Why do you think that is?

MR. RAVAL: Why we can't? One is, it's a very competitive market as it is. There's a general shortage across the board in the state; I would say also nationally--

SENATOR OROHO: I was going to say, do you see it nationally versus--

MR. RAVAL: It's nationally--

SENATOR OROHO: Okay.

MR. RAVAL: --because we have other plants--

SENATOR OROHO: And you're in 30 different -- operate, right?

MR. RAVAL: Yes, we have plants in Wisconsin, we have plants in California--

SENATOR OROHO: Right.

MR. RAVAL: --and they all experience a similar shortage.

SENATOR OROHO: Same; okay.

MR. RAVAL: And so there's generally a shortage of maintenance technicians.

And secondly, there's no pipeline. So we can't -- it's not like we can go to a local college-- Although a lot of these colleges -- RCBC being one of them -- they're working on apprenticeship programs, there is still no active pipeline that we can just go to local colleges or local schools and pick students from to hire them at even a lower level. So we've struggled very much, and it's becoming almost untenable for us to be competitive.

So as I was mentioning earlier, the benchmark we did -- we're the most expensive facility in the company, or in the plant; our facility is the most expensive facility, in terms of dollars per pound, within Puratos.

Also within food manufacturing, we continue to be very challenged by competitiveness because a lot of our competitors -- they operate out of different states, and their pay structure is, of course, lower than ours. But also, they're not having -- some of our competitors are not having the

same challenges as we are in attracting maintenance talent or industrial production technician talent -- so operators, so to say.

The other thing we're experiencing is a lot of maintenance techs have figured this out now, so they're just jumping jobs. So we'll hire a guy, and he'll work with us for three months for \$33, \$34 an hour; and then he'll leave and go down the street to, for example, Barry Callebaut, and he'll make \$35 there. And so--

SENATOR OROHO: Supply and demand.

MR. RAVAL: Yes. So it's -- I would say, in the last year we've hired 10 maintenance technicians, and 8 of them have left voluntarily. And the majority of the time it's because they've gotten more money somewhere else. So it's almost impossible for us to keep up with this, and that makes us even more uncompetitive, in terms of dollar per pound.

SENATOR GREENSTEIN: You know, with this new bond issue that we just did-- Now the money, I guess, hasn't quite started to go out yet, but it will soon. That will be a major source for county colleges to give you that pipeline.

Which would be the nearest one to where you live right now -- county college?

MR. RAVAL: For us, it's this one, because we're, like, 10 or 12 miles away. Camden County College is actually within our County as well, so that would be another one. We also have done some work with Rowan College down in Gloucester County. So we're trying to develop partnerships with all the local colleges, because not only do we believe in the state, but we also believe in investing in the people in the state, and hiring local students and employees from the State of New Jersey.

SENATOR OROHO: Have you always been a Belgium-owned company--

MR. RAVAL: Always.

SENATOR OROHO: --or is that recent? Always?

MR. RAVAL: Yes.

SENATOR OROHO: Okay; and so they located here in New Jersey as a foreign-owned entity.

MR. RAVAL: Yes, it's Puratos USA Corp. We have our headquarters out of Pennsauken now, for U.S. We just did a \$10 million investment last year, opening up our new Headquarters and Innovation Center in Pennsauken, right next to our advanced manufacturing facility.

So that's one; the other one is the operators. We're also finding it very difficult -- having a very difficult time finding trained operators. So we typically hire from temp agencies. And what we find is a lot of the temp agencies have -- they do the screening for us, but they don't have any formal training or education on food safety, food defense, FSMA regulations. So we end up doing a lot of training ourselves, which we're okay with, because it's worth it in the end when it comes to the food industry. But it would be nice to have a pipeline that we can hire from, and we do pay very competitive wages, starting at \$18, \$19 dollars an hour with full benefits. So it's--

SENATOR GREENSTEIN: Well, I think with this new bond issue, once it gets rolling, I think that will be helpful to companies like you. And I hope it gets rolling soon.

Why did you choose the Pennsauken location?

MR. RAVAL: It was-- The Pennsauken location, where we're at now, it's been there for 40-plus years. So I don't know all the history; what

I do know is that when it was initially invested in Pennsauken -- when Puratos initially invested in Pennsauken, there was already a manufacturing plant there that they acquired. So it was an easy, in terms of infrastructure, decision to already invest in a plant that's been around. It used to be owned by Kraft or Nestle back in the day, so that was the decision at the time.

SENATOR OROHO: Most of your product -- the ingredients -- are they distributed locally, or are they also shipped to a number of different locations -- international or within the United States?

MR. RAVAL: We ship throughout the United States.

SENATOR OROHO: Throughout the United States.

MR. RAVAL: And we have five distribution centers within the United States: Seattle, Miami, Chicago--

SENATOR OROHO: So you have them sectioned off; okay.

MR. RAVAL: Yes; so we ship everywhere. I would say 40 to 50 percent of our business, or our shipments, are in the Northeast Corridor, and the rest are split within--

SENATOR OROHO: So I would say skill trade and supply chain management are probably very critical.

MR. RAVAL: Yes, yes, those are huge.

And the last thing, I just wanted to mention, that we do need help with in terms of regulation; and I would say this probably applies to all manufacturers in the state. There's a specific regulation by the Department of Labor that stipulates in any manufacturing facility where you have boilers to generate steam you are required to have a boiler operator that needs to have a Black Seal, Blue Seal, or Red Seal. That is a very challenging situation, because of two reasons. One, as it is, very few people go to school for boiler

operator certification. But two, the way the law is written, in its current form, it requires that boiler operator to stay in front of that boiler for the entire duration of their shift. So what that does is, it just -- pretty much you're paying someone \$30, \$35 an hour to just watch the boiler. The design of the boiler and the safety standards in the boiler industry have come so far that you don't need that anymore. There's so many safety safeguards in place now that you can do your safety checks once or twice a shift and still be okay. But what's happening is, we just can't find-- First of all, we can't find people; but then when you finally find someone, you can't use them as a maintenance tech because they're required to sit in front of the boiler just, basically, doing nothing except for two boiler safety checks throughout their shift.

SENATOR OROHO: That's a perfect example of why it's not just a one-time thing to take a look at. Because, obviously, technology changes. I mean, you can look at-- I mean, look at this (indicates cell phone). How many times has this changed in the last 25 years, right?

So, thank you for that. That's going on the list.

MR. RAVAL: So that, I think, will not only help Puratos; but I think that will help every single manufacturer with a boiler on-site throughout the State of New Jersey.

SENATOR OROHO: Sure. I will tell you I have heard that before.

SENATOR GREENSTEIN: Very interesting.

MR. RAVAL: So that's all I have to say. Thank you very much for your time.

SENATOR OROHO: Thank you.

SENATOR GREENSTEIN: Thank you.

Sam, do you have--

SENATOR THOMPSON: No, thank you.

SENATOR GREENSTEIN: Okay, thank you.

MS. HAJDUK: I'm Maryann Hajduk from H&H Industrial Corporation, also in Pennsauken.

And I really don't want to reiterate, because the three people who preceded me have really put a lot into saying what manufacturers are having to deal with.

H&H started in 1950 -- my father and his brothers started it -- so we will be 70 years as a company, primarily located in our present spot in Pennsauken.

We have 45,000 square feet where we manufacture enclosures -- electronic enclosures and accessories. We deal with companies throughout the United States that have data centers, test equipment; we're dealing with defense contractors. We have a wide spectrum of material that we make enclosures for. Our specialty is that you could go on Amazon and buy a rack to hold your equipment. What we allow the customer to do is basically design what they want. So we're going to make it specifically to their applications, to the equipment that they need to use for the testing that they need to do. So that's sort of a niche.

We originally became a company through working with RCA; RCA was like a big company. So we're in Pennsauken, RCA is in Camden; that's why we started. My father was from Camden -- born and raised in Camden; stayed in South Jersey. At the time he started the business, South Jersey was very cheap to do business with. And all of the items that you described, as far as location and having access to major metropolitan areas,

were important because we really weren't shipping much from-- Maybe into Delaware, but primarily Philadelphia, Camden, up into -- a little bit past Manhattan, into New York, into those areas.

That business concept is not the business that I'm in today. And so I'm shipping stuff to California, I'm shipping stuff to Colorado, I'm shipping stuff to Texas. Whether I'm in New Jersey or I'm in West Palm -- which is also where I'm from -- doesn't really matter, you know, because I can still set up a business, and all of the reasons why H&H was started in 1950 are not necessarily here.

On the other hand, I have a building that I paid for, in a fairly good location, with equipment that's not easy to move. So I feel that we're invested in Pennsauken. But what's been described -- finding people. I have had a job in my shop that -- it's a punch press. And you would say, "Wow, that's really not all that difficult to fill." It is amazingly difficult to fill that position; it's been going on since January. I bring people in; people-- It's not that I don't even want to train them. I want to train them. I can't get them to stay. I can't get them to pass the drug test. By *stay* I mean, like, come in every day. We're 7:00 a.m. to 3:30 p.m. Well, I had somebody who comes in at 8:00 a.m. I had somebody who comes in, "Well, you know, my car died, my girlfriend had a heart attack." I mean, I'm not trying to mitigate that; I'm just saying that I have a production schedule with people, say, in California who say-- Like, it takes a week to get from New Jersey to California with the type of material that I manufacture. So if someone in California says, "I've got a deadline because my end-user needs to have the equipment on dock," I also -- I need to be able to predict when it's going to leave. And

it's become increasingly difficult to predict, because my workforce tends to shift.

I have a great workforce of long-term employees; people who have been with me for 30 years. It's very hard to find. They're very loyal and I am loyal to them. But on the periphery, when my 30-year people retire, I have no one to replace them with. And we've actually tried the pipeline of trying to go to the junior colleges and say, "Look, I'm advertising; send anybody who's been through your program to us. Let's at least interview them." I don't get anybody calling me.

SENATOR GREENSTEIN: It's making me-- Listening to all of you makes me realize even more how important this vo-tech bond issue was, once we get it going and actually get the money out to these county colleges. Because we're going to have--

MS. HAJDUK: I think it's very critical because we have no one to call to get in there.

SENATOR GREENSTEIN: Yes, this is very frustrating indeed.

MS. HAJDUK: It is extremely.

SENATOR GREENSTEIN: Now, one other-- I just want to ask one quick thing.

The way your business has changed, as you've gone from local, kind of, inexpensive--

MS. HAJDUK: Yes.

SENATOR GREENSTEIN: --taxes in your area, to what it is now, it sounds like you're getting a lot more business because of the shipping. You're actually -- you have the potential to do a lot more business, because it is--

MS. HAJDUK: Well, no; I would say that I have to go where the business directs me. And a lot of the more technical companies are not located in the Northeast anymore, okay?

SENATOR GREENSTEIN: Yes.

MS. HAJDUK: So I have to go where they are. Those businesses-- I mean, RCA--

SENATOR GREENSTEIN: Sure.

MS. HAJDUK: --blew up, and it's all over the place. Well, in its smaller components, they don't necessarily need a lot of what I make. So the business-- My father died 25 years ago; it was changing even prior to his death. But we were still doing business with companies in Mount Laurel, in Cherry Hill, in Blue Bell, Pennsylvania. I had a truck; we could deliver our stuff and save them money on shipping. I can't do that anymore.

SENATOR GREENSTEIN: Right.

MS. HAJDUK: I have to go to Federal Express, or Federal Express Custom Critical. Now, when someone's buying from me and they have to pay Federal Express Custom Critical transportation charges, that puts me-- If my costs for my equipment is going to be higher than some people who are making it out of Texas, and then my transportation is added on top of that, that makes it very hard for us to be competitive.

SENATOR GREENSTEIN: You have a whole new world of competitors--

MS. HAJDUK: Absolutely.

SENATOR GREENSTEIN: --so it's completely different.

MS. HAJDUK: It's not just around the corner.

SENATOR GREENSTEIN: Yes.

MS. HAJDUK: In my dad's era, it was very regional and we delivered the stuff ourselves.

SENATOR GREENSTEIN: Well, we have to get you good people, new people--

MS. HAJDUK: Absolutely; I'm dying for them.

SENATOR GREENSTEIN: --to work for you.

SENATOR OROHO: I have a question.

One of the key things, obviously, for any company, is skilled trade; having the ability to keep and retain talent. We've done a lot to try and build that pipeline through the idea of stackable credits and the cooperation between the employers, and our community colleges, and our higher education, and our vocational schools. Is there something more we can do with, say-- Because the technicians coming out of the -- and school trade coming out of the military, or anything like this -- has anybody used that kind of-- Is there something more we can do? And the question mark here is, like, how do we help?

MS. HAJDUK: Well, I think even at the high school level-- I mean, a lot of what I'm looking for-- You could have a decent life, and you can have guys making into the \$20,000s. But I can't afford to pay somebody \$15 an hour who has no skills at all and has trouble reading a tape measure. We're not teaching kids the math skills-- And I don't mean like computer science; I'm saying like being able to measure how long is this table. You know, we deal-- When I'm making something, when we're manufacturing, I'm making pieces and I'm welding it together. So if somebody's off on one of the pieces, it's not going to fit together. It's like a Lego; I'm using that as an example. But, I mean, like the pieces need to fit together for my enclosure

structures to function properly. So if someone in one of my departments can't cut it right, can't cut it straight -- so now it's on an angle -- now I have to throw that piece of material away because this person can't read a tape measure to say, "I'm out of square." It's as simple as that. It sounds really, really easy; but the kids who are coming out of high school who are applying to me-- And I want to take them. We're actually at a point when we meet people and we're interviewing for a position, we're like, "Okay, here's the best of the bad bunch." Like, "I think we can work with this guy." And sometimes-- I picked up a guy earlier this year, and he has turned out to be a blessing; absolutely terrific. But I still have a position where -- it's a punch press. You put material on it, you put in numbers that you're told to put in; but you need to be able to measure. You need to be able to put tools into a turret and you need to know the right tools and how to set them. It doesn't require a college degree; it just requires the ability to measure. You know, if I put a quarter-inch in something and it's supposed to be an eighth-inch, and I put it in the machine, the machine will crash.

So it's things that-- I want -- I'm looking for young people who we could take -- who don't want to go to college, but would like to have a decent career. And I think we can provide that, but we can't get them into the building to interview.

MR. BUDD: So is there a way we could get a centralized portal or location, where you're getting the people from the military, you're getting the people from the junior colleges--

MS. HAJDUK: Yes.

SENATOR OROHO: That's a good idea.

SENATOR GREENSTEIN: A hiring center.

MR. BUDD: --you're getting the people from the high schools. It's kind of a hiring pool, too -- somewhere where we could kind of go somewhere and see this information so we can kind of pick from there. Right now, we're exhausting resources, looking all over the state.

MS. HAJDUK: Yes.

SENATOR GREENSTEIN: You're all duplicating functions.

MR. BUDD: Yes.

SENATOR OROHO: I know we have the Department of Labor back here; but actually there is -- what's it called? -- *Jobs for New Jersey* or something like that on the web that we should look into.

MR. BUDD: Sure.

SENATOR OROHO: Are we using that enough?

MS. DEGAN: And there is-- I'm sorry, to your point of that, there is a-- One of our breweries has started a nonprofit apprenticeship program for veterans called *Arms 2 Artisans*--

SENATOR OROHO: Yes.

MS. DEGAN: --which gets veterans into brewery-related jobs.

SENATOR OROHO: I will tell you my youngest son was an Army Ranger, and you see the kinds of training that they get through the military. My daughter-in-law is a Captain in the military right now, and my brother is a Black Hawk helicopter pilot. And you see some of the training that they have. Are we-- And something we should be asking the Department of Military and Veterans Affairs is are we doing enough there to help with the talent attraction and the kind of training that they have. And, quite frankly, are they getting the certification-- I know we've looked at this as well

-- the certification thing. If they got it in the military, can they get the reciprocity here for their licensing, and whatnot?

But those are things we need to -- we certainly need to look at to make it easier.

MS. HAJDUK: A military person is also attractive, a lot of times, because they are used to discipline, they are used to following the instructions, and they're usually pretty -- the people who we've hired have been pretty good at being good, responsible employees. They may not have the skills, and if we can find them we would like to train them.

SENATOR GREENSTEIN: I really love this idea of trying to get some kind of a central--

You know, I'm thinking of, besides using the veterans or the military -- which is great -- I'm thinking-- I grew up in New York City; my husband went to a high school called Brooklyn Tech.

MS. HAJDUK: Yes.

SENATOR GREENSTEIN: And I think we need Brooklyn Techs right here in New Jersey--

MS. HAJDUK: Yes.

SENATOR GREENSTEIN: --because they produced a pipeline of the very kinds of people you're talking about. And they're a high school, and they're still doing it. So I think we need more of that in New Jersey.

I understand we have somebody here from the vo-tech schools.

JACKIE BURKE: (off mike) Yes.

SENATOR GREENSTEIN: Do you want to, maybe, come up and just say a few words--

MS. BURKE: Sure, I'd love to.

SENATOR GREENSTEIN: --to respond to some of these--

SENATOR OROHO: And we have one more speaker, too.

SENATOR GREENSTEIN: Yes, and then we have another speaker.

SENATOR THOMPSON: Well, in addition to the problems we have in finding people with the background training, and so on, we're seeing the down side of a good economy -- that is, when you're down to 3 percent unemployment, and so on, people have an easy time finding jobs. And consequently, if they do have any skills, the job is available for them. If they don't have skills, well, that's the 3 percent.

SENATOR GREENSTEIN: But these jobs sound wonderful. It's really a shame that it's so hard to find people.

But maybe you can speak to that.

MS. BURKE: Sure.

I'm Jackie Burke, from the Council of County Vocational and Technical Schools.

And Senator Greenstein, what we strive to be is the Brooklyn Tech for New Jersey. We have county vocational schools in all 21 Districts offering a variety of programs. And especially -- I thank you for mentioning the Bond Act. The Department of Education is working on the regulations; we hope to see those soon so we can get moving on the projects.

And the major focus of the Bond Act was on providing training in areas such as advanced manufacturing; training in areas that do not require a four-year degree but do require some additional training. It doesn't say that it has to be an associate's degree; it can be apprenticeships, it can be any type of post-secondary training such as credentials, work-based learning. And that

is where we see the majority of the need for skill right now -- where the majority of the deficit in workers is.

Advanced manufacturing has become a major priority of our schools. They're opening advanced manufacturing programs across the state, and we hope to be your pipeline. One of our challenges is having businesses connect with our schools; our schools are always desperate for businesses to serve on the advisory boards. We have advisory boards for every single program, every program of study, so that those businesses can inform our schools of what they need: What training do you need; on what equipment do you need this training; how do we prepare students for your needs now and in the future? And for career pathways -- you know, a lot has been said, rightly so, of this idea of lifelong learning, and on-ramps and off-ramps.

There are a lot of businesses that have been fantastic. They'll take the kids, they'll train them, they'll pay for them to go back to school. It's really starting to be a good synergy, but we need your help to reach out to our schools so that we can put you in touch with our trainers, our teachers, our programs; have you on the advisory board. Tell us what you need, and we will try to provide that for you, and become that pipeline. That was -- the goal of the Bond Act was really economic development; it was really about creating that.

SENATOR GREENSTEIN: Can I ask you-- Based on what you've heard here so far today -- because we do have one more speaker -- what would you suggest to these people, in terms of getting really solid workers for the kinds of jobs they have?

MS. BURKE: Reach out to our schools. Tell us what you need, connect us with the programs, and we will try to provide those students. We

have students coming out of training; and I will say, with the unemployment rate, there are people coming out of our HVAC and electrician programs that are just snapped up immediately.

SENATOR OROHO: Welders--

MS. BURKE: Welders -- and they're starting at \$70,000, \$80,000. I mean, it's a very good living.

But we need the businesses to help us create those programs, because we want to be that pipeline. And we're hoping-- I mean, we're going to expand the schools, hopefully by a huge amount when this money gets released, for exactly the programs that you're looking for.

And we're also trying to create-- We have businesses across the state, kind of a one-on-one, connecting with the schools. We're trying to make a more universal portal system. I think we're going to try to do it through LinkedIn, a special group in LinkedIn, so that across the state businesses can coordinate and go to this portal. And the students can say, "Oh, here are the jobs that we need." Because, right now, every district has a point person to work with businesses; but in a centralized -- our schools have been talking about the need for this centralized location, and trying to figure out the most efficient and effective way to provide that. Because we need the businesses, and the businesses need the students. It's just about--

And a lot of people don't know about vocational and technical education schools. I mean, we have an incredible system in New Jersey; a very-- I mean, compared to other states, it is a really strong system. So I would really encourage you to use that.

And we hear you about the centralized location; that's a fantastic idea, and one that we've been working on. And it would be great to even connect it with the veterans and other groups, moving forward.

SENATOR OROHO: The other area for -- and it's really important -- the membership on those, say, the Board of Trustees of a community college, or your vocational school, or just-- Because it is very important to have. None of those that-- Say, the community college -- you know, someone who has experience with the high school coming through.

And robotics has become a big issue right now, which is terrific. Have you ever been to a robotics competition? I was a football coach for 12 years; you want to see some of the most interesting, and engaging, and energizing type of thing? Go to a robotics competition. (laughter) You have the music, you have everything. It's terrific.

MS. BURKE: I will do a shameless plug. There were some great ones at the School Boards convention recently from our students.

SENATOR OROHO: But the membership of those boards -- to have, like, from the high schools as well as from business. Because that's where it is -- where you have somebody from high tech and the advanced manufacturing so their voices are heard. But that membership is critically important.

MS. BURKE: Yes, absolutely. Our schools are always looking for business partners; always. Because that's what informs the program. That's how you build-- In Ocean County, there were manufacturers that saw a need and they said, "We have no skill trainers." They went to Ocean County Vocational School District, they partnered with them. They have this beautiful program now that is in direct response to the manufacturing

needs. They use the County College; they educate adults. This is great partnership. But that was in direct response to business going to the school and saying, “We need this; build this for us.”

And also there have been some great partnerships with County College -- like at RCBC with Burlington County Institute of Technology to do the manufacturing. And you all saw, in one of your meetings, the partnership between the County College of Morris and Morris County Vocational School -- that beautiful facility.

SENATOR OROHO: Right.

MS. BURKE: So it’s definitely growing across the state.

SENATOR GREENSTEIN: I was going to see if any of you had any questions for-- What is your first name?

MS. BURKE: Jackie.

SENATOR GREENSTEIN: Jackie. Could you also say your contact information so they can get it on the record?

MS. BURKE: Sure.

SENATOR GREENSTEIN: They want your phone number.

MS. BURKE: Yes, it’s Jackie Burke, B-U-R-K-E; and my e-mail address is *jburke@careertechnj.org*.

It’s easier than *councilofcountyvocationalschools.org*. (laughter)

SENATOR GREENSTEIN: Did you all get that?

ALL: Yes.

SENATOR GREENSTEIN: And do you all have any questions for her, while she’s up there?

MR. BUDD: I just think we need to partner up soon.

MS. BURKE: Great. Like I said, our schools are always seeking business partners, because that's how they graduate prepared workers.

SENATOR OROHO: I 100 percent agree.

SENATOR GREENSTEIN: That's terrific; thank you.

SENATOR OROHO: Thank you.

SENATOR THOMPSON: Actually, I would think that what we need to do is get more information into the public high schools to the kids themselves -- of the opportunities that exist out there. Because your average high school kid never even thinks about the availability of these opportunities, where they can go, and etc.

MS. BURKE: Exactly.

SENATOR THOMPSON: So we need to come up with some system -- getting more information into the public schools so kids can make up -- when making up their minds, "What am I going to do?" As has been emphasized throughout the public schools is, "Go to college." But they need more information about the availability of the kinds of jobs you're speaking of, because certainly everybody is not cut out for college.

SENATOR GREENSTEIN: Do you know when I was in a big public high school -- when we needed to study for the SATs, every single day at lunchtime one of the professors tutored us. We spent our whole lunch hour being tutored. This would be a situation, I think, where if somebody says, "Oh, we just don't have time on the calendar," use lunch hours for career information. Have something every day where students have to go and they can find out about career opportunities. Because I would say a lot of students would say, "I have no idea what jobs are out there. I don't think I'm going to be able to get a job." They don't know.

MS. BURKE: And can I just add one more thing?

I absolutely agree with you; and in the 7th and 8th grade -- a lot of our schools start in 9th grade. So reaching out to counselors in 7th and 8th grade to even talk about these programs is enormously helpful.

But also, even for the comprehensive schools -- the kids think *manufacturing* and they think, you know, dirty floor, low-wage jobs, no career pathway.

SENATOR GREENSTEIN: Right; they don't know.

MS. BURKE: But if you bring-- I mean, these advanced manufacturing programs are so complex, and the computers needed to run them in all the schools. If you bring the students out to see them, or manufacturers in; bring their parents. The parents need to get on board because, of course, they're all thinking, "My kid's going to go to a four-year college." They don't know these other opportunities.

And also let everyone know what they pay. I mean, when they hear the kind of money you can make in these jobs, jaws drop. And the fact that you're going to pay me to continue to go to college? They're really--

And I know guidance counselors have so much on their plate right now. But they don't know about these programs either. So even having field trips for guidance counselors to come out and see these programs -- look at what they are, look at the skills that are required -- I think really makes a difference. Because there's -- we've been on that "all college for everyone" mindset; and it's starting to change, especially with the cost of college.

SENATOR GREENSTEIN: Right.

MS. BURKE: And this is a great opportunity and time to leverage those -- showcase some of those programs.

SENATOR OROHO: I love the idea of the lifelong learning, because it doesn't stop; it never stops.

MS. BURKE: Yes, the average person graduating now will have, I think, eight or nine jobs in their lifetime -- careers.

SENATOR OROHO: Yes.

MS. BURKE: All right; well, thank you for letting me plug the vocational schools.

SENATOR GREENSTEIN: Thank you.

SENATOR OROHO: Thank you.

SENATOR GREENSTEIN: And now for our last speaker on this panel.

J O E H O F F M A N: Good morning.

SENATOR OROHO: You're very patient.

MR. HOFFMAN: Thank you, Senators.

Usually I go first, but I'm glad I went last this time. (laughter)

My name is Joe Hoffman; I am the Vice President of Environmental Health and Safety for Chelten House Products. Over 22 years I've been at the facilities in Pureland, where I was the Vice President of Operations for 18 years.

And I would like to speak today about the labor skills gap, education, and public transportation.

So our facility is in the Pureland Industrial Park, the biggest industrial park in the State of New Jersey; one of the top 10 in the world. There's over 200 businesses in our park; over 9,000 jobs covering, probably, about three acres.

And I think the biggest threat right now to businesses today is the inability to attract and retain qualified and skilled workers. We've gone around the block with this today. But I think we're talking about lagging, and then I'm hoping to talk about leading indicators, which is the education part, because it's not going to happen overnight. But I will tell you this. We need to start teaching traits that have long been forgotten in order to get out of this hole that we're in. And unfortunately, even with an unemployment rate that's at 3 percent today -- that's not really the biggest concern to me. The biggest concern is your skilled operators and maintenance mechanics, who have retired or since been gone. And there's no pipeline right now.

But there are ways to get out of this. And I believe, from the education part of it, we as a company at Chelton House-- So we are a fourth-generation privately held sauces -- organic sauces and dressings manufacturer with over 400 employees. And we have two buildings in the Pureland Industrial Park. One is our main manufacturing facility, and the other is our distribution facility.

So if you've ever been into Trader Joe's, or Whole Foods, or Wegmans, or Costco, we supply just about, throughout the country, every pasta sauce, all the organic ketchups, all the natural ketchups, sauces, marinades -- you name it. So we're pipelining the entire country.

We are located where we are in southern New Jersey because of, obviously, the supply train in the East Coast Corridor for freight. So Whole Foods -- we have over 200 items in all of the Whole Foods in the United States. And they can come up to our building, and probably with 26 pallets of different items on their truck. So they sit-- So the win there is the freight cost; they don't have to jump from place to place.

From an educational point of view, we supported the funding request for the 2021 budget for New Jersey Manufacturing Extension Program. And I thank Chris for that, who's here today. I believe that that is the bridge to educate and link both worlds, which is the workforce and education.

Gloucester County Institute of Technology -- we're beginning to hear the term *advanced manufacturing* and *applied technology*. So thank you to the State. Gloucester County Institute of Technology is going to put together a curriculum and call it the *Academy of Advanced Manufacturing and Applied Technology*. And I'm on the committee to try to put that curriculum together, because it's more well-rounded. The technical schools do a great job, but they're siloed in welding, or electrical, or plumbing. This advanced manufacturing, this terminology that we're seeing today, is so important to gain what we lost from retirements and people passing on. It's the bridge that's going to get us out of the muck that we are in now with unskilled labor.

And on top of that, you find your workplace safety starting to suffer because you have unskilled people working positions that are there for skilled workers. So I wanted to bring that up.

Also, we as a company are tied and linked with Rowan University. So Rowan University has a pure talent program, which is basically a program that helps with your emerging leaders and your key leadership, and they develop your own employees. So it's-- You need, today, to not only develop and educate, within your facilities, your workforce; because if you don't they're going to jump to Puratos, they're going to jump to wherever they want to go.

And we have to get out of this slinky of people going and jumping here and there just for the money, because it's just not -- it's not going to be a survival situation for us, as a manufacturing sector, to continue on.

So I thank you for having me speak today. I believe that, from an educational point of view, in particular, this advanced manufacturing subject matter -- it's probably going to be, maybe, four or five years out. But it's going to be such an incredible piece of learning that we can grab onto and secure positions in the State of New Jersey that we are so short on right now.

SENATOR OROHO: How many employees did you mention you have?

MR. HOFFMAN: We have over 400 employees.

SENATOR OROHO: I thought you said 400.

MR. HOFFMAN: Yes, yes.

So we-- I forgot to talk about the transportation part of that.

SENATOR OROHO: Yes, yes.

MR. HOFFMAN: We are-- And I know Senator Sweeney's working on this -- when the new Governor took over in New Jersey, we had the Mayor and an engineering firm go up to Trenton. We are lacking public transportation down in the Swedesboro -- in this area. Because what's happened is, you have facilities that were basically in that Park on a one-shift, going way back 20, 15 years ago. But as you gain business and you don't want to build elsewhere, you start a second and a third shift.

But the transportation -- the public transportation shuts down at 5:00 p.m., and there's nothing going on the weekends. And so we need a hub so desperately there, because what's happening with attracting employees-- I'd say about 10 years ago, we started to attract employees from

Delaware. And then we-- Salem County was our big hub, and down into the Bridgeton and Vineland area, where we got all our employees. And as that got sucked up, we started, now, having people coming over from Philadelphia and Upper Darby. But we can't attract the people from Cherry Hill, and Camden, and Pennsauken because some of them need the public transportation to get there, and it doesn't exist. And we find that out by going to job fairs. Beyond our stretch of real estate that we felt our comfort zone was, many years ago, is now expanding because we're all so desperate for employees.

SENATOR OROHO: One of the reasons why New York and Manhattan gets a lot of our talent is because it's easier to get there by taking mass transit, than it is to get to, say -- whether it be Newark or Jersey City if you're in the northwest part of the state. I commuted into the-- Obviously, the jobs are there as well, but the interesting thing about the public transportation -- it was easier to get there; that's a major factor as to, "Am I driving, or am I using my time on public transportation to more advantage for myself?"

Senator Singleton.

SENATOR GREENSTEIN: Yes; I want to introduce Senator Singleton, from this part of the state, who was able to join us.

I told them, when we first started, people were going to come in and out. So you're welcome to join us up here, if you'd like.

SENATOR SINGLETON: (off mike) I'll be the part that goes in and out. (laughter)

SENATOR GREENSTEIN: You're more in the *out* than the *in*; okay.

SENATOR OROHO: Senator Singleton was the primary sponsor of the majority of the apprenticeship -- the work that has been done. And he also has been very important in the 3 + 1 program, and stuff like that.

Thank you, Senator.

SENATOR GREENSTEIN: I want to ask, before we finish with this panel -- which was excellent; I know I learned a lot -- we just want to ask you what we're going to be talking about in the second panel: the tax incentives issue.

Do any of you have any thoughts? Because my understanding is, not a whole lot was done in the EDA tax incentive program when it came to manufacturing. And we're looking for ideas on that.

Do any of you have any thoughts or ideas on that issue -- what you'd like to see in the way of tax incentives? Anything that might--

SENATOR OROHO: Just lower taxes? (laughter)

MS. HAJDUK: Yes; that's the big one.

MR. HOFFMAN: That's the big one.

SENATOR GREENSTEIN: Yes; if we could figure that one out, we're going to be in good shape.

Thank you all very much.

SENATOR OROHO: Thank you very much; thank you all very much.

ALL: Thank you.

SENATOR OROHO: You did an excellent job; thank you,

SENATOR GREENSTEIN: Thank you.

We are now going to take a 10-minute break, and then we'll be back at that point.

Thank you.

(Committee recesses)

(Committee reconvenes)

SENATOR GREENSTEIN: Okay; so we are now going to call the second panel, on how tax incentive programs could be better designed to support manufacturing.

And before, we talked about who was coming up for that one. So everybody just come on up; and I know John Kennedy is also going to join us to fill in some of the gaps.

I don't know if some of these people-- Is H-- Well, H&H -- I guess we--

MS. HAJDUK: (off mike) That was me; I've (indiscernible).

SENATOR GREENSTEIN: --heard from; right.

SENATOR OROHO: We heard from them.

SENATOR GREENSTEIN: Actually, we did hear from all of these people before, interestingly. Almost all.

Okay; so why don't you say your name and begin?

MR. TICE: Sure; I'm Steve Tice. I'm Director of Operations for a company called LAMATEK in West Deptford, New Jersey.

We've been in New Jersey for 36 years; we started out in a 1,800-square-foot building in Berlin. And we moved a couple of times, and now landed in about 100,000 square feet in West Deptford.

So I started there 21 years ago; I started as a basic-level machine operator. I have done every single job in the company, and now I run the entire operational side of the business.

We manufacture foam tapes and gaskets. So if you look at the construction industry, windows and door manufacturers are our primary customers. So everything that makes your window airtight -- all the tapes and gaskets inside -- we make. Cell phones -- the gaskets inside that keep them from-- You know, when you accidentally drop them in the toilet, you can still use them because now they're all--

SENATOR OROHO: Did you see mine go in there? (laughter)
Is that why?

SENATOR GREENSTEIN: It didn't work with my phone.

SENATOR OROHO: Get one of those--

MR. TICE: The newer ones.

But what I wanted to do, quickly, is-- Obviously, we share the same pains as some of the others from the previous panel. Up until a couple of years ago, I wasn't available -- I didn't know of all of the resources that were available to me. So one of them that I want to speak to, to the previous panel, was -- we used Manufacturing Day, for the last six years, to have students in our facility. One thing I can't figure out, in manufacturing, is why there are brick walls, right? You can't see inside. And when we brought these kids in, they had no idea that this was in their backyard.

So we had GCIT, Rowan College of Burlington County, and Gateway High School. So one of the ladies mentioned getting into the high schools -- so Gateway High School has a program run by a woman named Melissa Eckstein. I would encourage anyone who could to reach out to her

to see if they could replicate what she's doing. She's starting at 7th grade, and bringing students through a program that directs them into manufacturing and other, just, direct-to-jobs out of high school.

So companies like ours, and a lot of these companies that I heard from earlier, are actually-- I think one person said Barrington; that's very close to Westville and Woodbury, where Gateway High School is. So I would recommend that you contact this woman to help fill your labor gap. As much as I would like to keep these kids for myself, I'll share the wealth. (laughter)

SENATOR GREENSTEIN: Sounds great; that sounds great.

MR. TICE: But what they're doing is they're bridging that gap. You bring these kids in, and you show them what they do, and you can show them what we make -- it's interesting. We make phone tapes and gaskets, but we also kind of take a left turn and we make some consumer products, like underwater pool art, for instance. When we're printing this at our facility -- we have a company that has MLB and NFL licenses -- so we're printing logos that go on the bottom of your pool. The kids love that.

So we have CNC cutters, where we're cutting different types of materials. And obviously, we make it fun and cool when the kids come in. But the idea is, we had 106 kids in our facility on Manufacturing Day a couple weeks ago. And the number one thing that we asked them, at the end, "What did you get out of this?" was, "When can I work here; when can I start?"

So these are 15-, 16-, 17-year-old kids, so obviously they have a couple of years before-- But they had no idea that this was in their backyard.

So I would share that to you guys to use that resource. And obviously, the community colleges as well. I was just speaking to the woman

earlier -- Jackie, correct? -- my son went through the community college, GCIT adult education program, automotive tech service technology. He got a job at CarMax the day he graduated, because his instructor knew the manager at CarMax and put them in there, and he's thriving. My other son is at Camden County College, through the GM program right now, that can also -- he can also grow into that industry; which she was informing me that there's a major shortage in that industry as well.

So getting on to this topic here -- the tax incentives -- basically, what we're looking for is a level playing field. We have competition-- I would say, in our industry, we have some direct competition and we had some indirect competition, where they compete in certain fields. But I would say when I go out to the trade shows, I would say roughly 10 competitors that can compete with us on every aspect of what we do.

To give you an example, there's a company out in Red Bud, Illinois, that was given a grant to build a new facility, okay? So they're building a new facility; so at that point, I'm not really sure what business taxes are out there, but the upfront cost of building a new facility, as everyone can imagine, is a tremendous cost. So where we are, we're paying over \$40,000 a month in rent for 100,000 square feet. So if there were tax incentives for investing in growth and expansion in your facility, this would also help bridge the wage gap of being able to pay employees more, to help retain people in New Jersey to work in New Jersey.

And the other thing is, the grants for capital investment, new equipment, automation, robotics. Chris from NJMEP -- we've been working with the Knotts Company, a robotic company. So they come in and they show us all the cool things that these robots can do. And then we have a

pallet robot. I was in the Amazon facility -- the new one, right across the street from us -- they have 300 robots moving around and picking parts. And, you know, you click "buy now," and the robot brings it over, and then it's on your door the next morning. So obviously we're not looking at 300 robots, but we're looking at one; and when you buy one, a pallet-moving robot is \$80,000. So my boss was, kind of, like -- he kind of smiled and said, "It's neat," and "We're not purchasing that," because either we don't know about it, or there is no tax incentives for capital investment, such as automated equipment or robotics.

So what I would suggest is -- again, if I'm uneducated, please tell me -- but if not--

SENATOR GREENSTEIN: No, you're educating us; we appreciate it.

SENATOR OROHO: As far as, like, tax incentives for like-- Because it sounds like it could be capital-intensive, with respect to robotics and whatnot. The idea of either some form of accelerated depreciation so you could get the money back quicker. I know, on the Federal level, there's the 179 deductions, where you can take a certain amount immediately.

MR. TICE: Correct.

SENATOR OROHO: I don't know if we-- We'd have to take a look in New Jersey; I don't think we have some of those kinds of programs here in New Jersey. Are those the kinds of thing that would actually help?

MR. TICE: Yes, that's--

SENATOR OROHO: I would think so.

MR. TICE: Again, if I'm uneducated and I don't know about these programs, how can we get that information to businesses like us?

SENATOR OROHO: How? That's true; yes.

MR. TICE: If these programs are available. And if they're not available, obviously, look at starting some dialogue on what we can do to create incentives.

Because again, it comes hand-in-hand. I was actually supposed to be in Germany this week -- I told Chris -- at a trade show, looking at equipment. And unfortunately, a flight issue happened. But we're looking at equipment that's, you know-- Right now, our average machine is, say, \$100,000, \$200,000. We do a lot of work by hand, with the equipment. I'm looking at more automated equipment, so I'm actually heading to a trade show in mid-November in Cincinnati, where we can get more automated equipment, more CNC; kind of set it up, and it runs itself, and you just need maintenance technicians to keep the machine running. But those types of pieces of equipment -- we're looking at \$500,000; in excess, sometimes, of \$1 million. And we're a small company, 55 employees, annual sales of about \$12 million. So putting out \$1 million in capital investment is just not -- it's a pipe dream for us. It's not something that we can do to help attract more jobs in the State of New Jersey. And then also, too, help bridge the wage gap to be able to pay these people more to afford our ridiculously high property taxes -- again, which I agree with the gentleman from the optics company.

So, you know, we're looking for those types of programs, and how to find out where that information is, or if it is even available.

SENATOR OROHO: I think some of the things-- In the economic incentive plans, as I said before, we need it because New Jersey's uncompetitive with respect to the total tax structure; and that gives us a seat at the table.

Unfortunately, we focus on -- how do we bring in more jobs? How do we bring in-- Not *unfortunately*, but as part of those incentive programs-- Part of that program should also be geared towards the idea of allowing existing companies that are here a quicker return on their investment as a part of -- as an integral part of any sort of that incentive kind of program. And I don't think that we actually had something like that. And that's really part of our corporate and individual tax structure. So it's something, as we develop the new one -- part of what I'm hearing is part of that, is how do we incentivize capital investment, or any kind of investment, and be able to make sure that there's an incentive in there, as far as we can recoup that investment quicker.

MR. TICE: Correct.

And also, too, technology; everybody knows technology is changing. That printer that I mentioned -- you know, how many times do you change your iPhone? Once a year? So these printers now are five years old. So you're putting \$100,000 out for a printer, and then they don't support them after five years. So then you have to reinvest. And obviously they get faster, and they get better, and all this good stuff. But then your ROI on the printer needs to be five years or less, obviously, to recoup that.

But the technology as well, too, is tracking materials through your warehouse. I'm working with the New Jersey Consortium, now, with Gloucester County -- Rowan of Gloucester County, with Joe Pranzatelli and John Taggart, I think is his name--

J O H N W. K E N N E D Y, Ph.D.: Yes.

MR. TICE: Okay -- on training grants to -- when we introduce these new software pieces. So we're looking at a mobile warehouse software

piece. Everybody knows when you go into Home Depot, you have an app and you can say, "I'm looking for this screw." It'll tell you, "Aisle 7, Row 3, Shelf 2," and there's your screw, right? So in our warehouse, we kind of -- organized chaos, I guess, right? I mean, we have everything in certain areas, but we don't really have an organizational system.

So these software pieces-- Again, they're not just off the shelf. You pay \$50,000, and then everything is great. You have the upfront investment, the maintenance of it; they're constantly evolving, because they want to make their money. They're going to upgrade it every year so it has all these new features. And then the training portion of it, as well, too. So you have your existing employees who know that they have to, kind of, go to the back right corner of the warehouse to get foam to make this gasket; and then now we're going to have to train them on how to use the technology available to tell them it's in Aisle 2, Shelf 1, Space 3.

So I'm working with John and Joe to see if there are grants through the College to where they can help offset the training cost. Because now I'm pulling people off the line, from their regular job for two, three, four days, to train them on this. And then, again, we're incurring all of those costs.

So I think I'm talking to the right people with stuff like this, and especially through NJMEP. We have two apprentices right now, through the New Jersey GAINS grant; which has been great. The two guys who are doing it -- they love it, and they're happy that we're investing in them.

So more of this is just, kind of, where can I go on the capital side for the software, for the equipment, for the expansions -- all that stuff.

SENATOR GREENSTEIN: Thank you.

SENATOR OROHO: Thank you.

SENATOR GREENSTEIN: Thank you very much.

MR. TICE: Yes.

SENATOR GREENSTEIN: John.

DR. KENNEDY: We'll just talk a little bit about incentives, because we hear it. We work a lot with the Business Action Center, and so on, throughout the state to talk about these plans.

And part of the problem is geography. You know, the State wants to lean towards certain urban centers. And the fact is, most of our manufacturers aren't in urban centers, so they can't apply for that. So if you're telling a company that's in Parsippany, that's growing, that they need to move to Newark where there's absolutely no space for manufacturing, and they have that option or South Carolina-- Guess where Kent Bicycles brought back all the manufacturing, all right? They still have a New Jersey out; their headquarters are in New Jersey, but they went. Because again, we look to geography.

That's all fine, but we're a small state. So part of the things -- we were talking about transportation; how do you get people to jobs? That's one of the problems with it.

Senator Oroho, you brought up the point about -- a lot of these tie into multiple jobs. So a small company of 30 people -- we're going to give them an incentive if they can hire -- add five people. What's the percentage of adding five people to a company that has 30? It's a huge lift. And especially if they're looking at, like Steve said, new equipment, and so on, that costs millions of dollars. Talk about high tech; you know, you're not

buying a Bridgeport for \$30,000 anymore; you're buying a million-dollar laser cutter or something.

So these are part of the problems when we talk about incentives for manufacturing. And then they'll see something-- You know, a couple of years ago I think we gave \$154 million to a company for a guaranteed 200 jobs, or something like that. And they look at that, and then the Business Action Center comes in and tells you, "Well, sorry. You can't get an incentive because you're in Chatham, New Jersey, and that's not part of it." You know, why stay?

You know, you look at the-- Steve and others said the same thing: level playing field. They're not overly concerned, necessarily, about China, or Korea, or something. They're concerned about Pennsylvania, and New York state, and other states that have less taxes, a lower minimum wage -- all of these things -- so that's who we're competing with; and that's a problem.

And Senator Thompson, you mentioned about the 3 percent. Yes, it's true; but manufacturing -- we've destroyed the pipeline of talent anyway. We destroyed it 20 years ago; and it's not just in New Jersey, it's across the country.

So we're making a lot of steps that are positive; and I think the work that you guys did to support the CTE vo-techs-- We have great schools, but there's not many of them. With a 17,000-person waiting list, that's not good.

So I'd love to see that money get released before I retire.
(laughter)

SENATOR GREENSTEIN: John, just a question.

When you said that about 20 years ago “we destroyed the pipeline.” Can you explain that further, please?

DR. KENNEDY: No one went into manufacturing; manufacturing was dead, remember? We heard that for years.

SENATOR GREENSTEIN: Yes.

DR. KENNEDY: No reason to go into manufacturing; it’s dead. We’re going to be a service economy. But if you don’t make anything, you have nothing to service. And then we sent the service out to various places like India, and Taiwan, and so on. So we did ourselves a disservice; not just New Jersey, the nation.

But we have over 11,000 companies that are doing great work. You know, you look at LAMATEK, Chelten, Parts Life. I mean, these companies-- And I appreciate them coming out, because there are other places they could be running production.

And that’s what we’ve done, though; and we have to look at it. I love New Jersey, but we have a lousy business culture. And some of it’s self-inflicted, when you look at incentives that only incent certain companies. There’s a company in Moorestown, New Jersey, that wanted to get-- They’re 100 percent carbon-free. They’ve built entire arrays of solar, and everything; a company called OPEX, a great company. They have about 700 employees. They wanted to build another facility, but they wanted New Jersey to come up with some support, because they had read about other companies getting the support. They were told “no,” because they’re not threatening to leave the state.

They bought a company and hired 75 welders -- high-tech welders, making about six figures each, in Louisville, Kentucky. Are we kidding ourselves? I mean, you can't do some of this stuff.

So when I look at incentives, they've got to be realistic. And look, it's great to bring companies in; but I want to keep LAMATEK here.

SENATOR OROHO: The issue of-- I mean, let's face it. I work in an industry where you're always looking at clients. The thing is, you know, retaining a good client that you already have is a lot more valuable than necessarily going to search for another client.

DR. KENNEDY: A lot easier; it's cheaper.

SENATOR OROHO: So one of the things I think we absolutely have to look at -- and what I think New Jersey has missed for years -- is the expansion. If I'm here and I want to grow, I'll end up looking, because-- You know, I worked for a number of different companies; I used to work at W.R. Grace, and Young & Rubican, and Price Waterhouse. And obviously, what a company looks at is, "Okay, if I want to grow--" A lot of times, the best place to grow is, like, right where you are. It happened to be like now.

DR. KENNEDY: Yes, it's cheaper.

SENATOR OROHO: So therefore, the idea of having an incentive for the growth area of existing companies -- I think that's something that has to be in there. Whether it be through-- Quite frankly, I think we can get there through having a more competitive tax structure for everybody, a level playing field that way. But if we're going to have the incentive plan, there has to be some way-- What are you doing for your existing clients?

MR. TICE: Well, if we look at our company, like I mentioned, we started in 1,800 square feet.

SENATOR OROHO: Yes.

MR. TICE: And we're in 100,000 square feet now.

SENATOR OROHO: A hundred-thousand now; yes.

MR. TICE: So we did all that on our own; no incentives, no help -- no State help, or anything like that.

SENATOR OROHO: Very true.

MR. TICE: So once we started learning about our competitor in Illinois getting a grant for a building, it's like, again, now we're not on a level playing field with them, and we have this enormous debt to pay every month as a mortgage or a lease.

DR. KENNEDY: Yes, it's just the way that-- You know, and one of the problems we had putting together this second panel was that we got a lot of feedback from companies that said, "We've talked about this before; no one listens."

And the great thing, I think, about the Manufacturing Caucus is, you guys have actually listened.

SENATOR GREENSTEIN: Well, it's not only us listening, but right now this whole incentives thing is such a big State issue that there really is an opportunity for us to try to make some change.

DR. KENNEDY: Yes, very much so.

SENATOR GREENSTEIN: So it's the time.

DR. KENNEDY: And just as a segue and a tie-in to the earlier panel, is that -- I was really glad that you're hearing some of the same things that you've heard at other caucuses.

You know, South Jersey has differences; that's absolutely true. But everybody is fighting for the same things, you know?

SENATOR GREENSTEIN: True.

DR. KENNEDY: And the CTE vo-techs -- important stuff. Our county colleges are incredible. But that's one of the things -- and I'm not trying to blow our horn -- but we believe that NJMEP is the connective tissue between all of these things so that we can help create those pathways. When we work in silos, nothing happens. So that you look -- New Jersey has a complete database of people, and so on. Jobs for Jersey -- we've had three or four different ones. But they're so cumbersome, to companies and people, it becomes an issue.

MR. TICE: A lot of the programs that we've gotten involved in too, recently, through NJMEP, and the Consortium, and the colleges -- no red tape. That's the big kicker to businesses that want to get involved. If you inundate them with hundreds of pieces of paperwork, we don't even look at it. So when we had Joe Pranzatelli come out, sit down with our HR people, and fill out a three-page form with our people to get these people signed up for this stuff -- your businesses are more willing to participate in these types of programs as well.

SENATOR GREENSTEIN: Interesting.

Is there anyone else in the audience who wants to comment on this topic?

SAM THEVANAYAGAM: I would.

SENATOR OROHO: Come on up.

I'm Sam Thevanayagam, and I am the President and CEO of Parts Life, Inc. I own a company in Moorestown, New Jersey. And through acquisition, I also own a company in Philadelphia, Pennsylvania, called

DeVal Lifecycle Support; and another company that I just bought in Rahway, New Jersey.

I really like the spirit of what I saw today. Because having been a South Jersey resident for about 32 years, recently it seemed like the leadership in New Jersey has just not been there to make sure that we are protecting the tax base, and the cost of living, and that kind of stuff. So I have to say that the spirit of what I saw here was awesome--

SENATOR GREENSTEIN: Good; thank you.

MR. THEVANAYAGAM: --and it gives me a lot of confidence that there is empathy, and that you are listening, and that you're engaged, and that you have a good understanding of the issues. So I really appreciate that.

And because we have done-- For instance, I hired somebody from BCIT; and not only did we promote him internally, you know now we actually moved him over to our Philadelphia facility. So he went from being a machine operator, to doing more work in manufacturing, to now he's actually programming -- sitting at a computer. And we actually gave him some money so that he can go buy khakis; you know what I mean? Because he doesn't have to wear steel-toed shoes anymore.

We've done that with somebody on the Philadelphia side, where we brought somebody out of prison, right? We gave him some of the stuff that he had to do for his -- for welding; and today he's one of our supervisors; a good leader.

So we are finding ways and means of being able to transform lives. Because, you know, one of the things that I am so thankful for -- for what I do -- is because we make a lot of investments in machines, right? I

bought one of the most state-of-the-art pieces of equipment that measures stuff to 0.004, because I do work with the DOD on one side, in Philadelphia. So in Moorestown, New Jersey, we bought something called a *floating tool*, where we actually are able to do a lathe and a mill all in one machine.

The amazing thing is, none of these investments are as important as the investments we make in people. Because I was reminded, on Sunday morning when I woke up, that these are the only-- The people are made in the image of God. And there is nothing that is more important than the investments that we make in people. Because the rest of it you can buy with money. You see what I'm saying?

So this is a beautiful thing; and, you know, I'm glad that you're on that side, because you have a tremendous responsibility. A lot of the decisions that you make -- I was just thinking about the brewery issue -- right? -- if you do this, what happens to the restaurant?

SENATOR OROHO: There's always something; yes.

MR. THEVANAYAGAM: So you're in the-- You know, you have to be a Solomon -- right? -- in order to be able to make these decisions in what you would do. So I have tremendous respect for what you do.

And I heard a little bit about what you were saying, with regard to how you're planning on moving forward; some of the recommendations you're making. And I heard some holistic things, like being able to re-district schools, or to bring schools together so that you can lower acquisition and stuff like that.

I want you to see who was here today; there were not too many people like me, who are entrepreneurs and business owners. There were more people here from the public -- you know what I mean? -- more on the public

side than on the private side. And if you see, there is quite a bit of overlap. And also one of the things that I really would hope that the State of New Jersey does is to start looking at those things, you know, to see where there is overlap, where there are places that private enterprise can do things better than government. Because government cannot do everything.

SENATOR OROHO: I've always said government is 25 years behind business. Because that's the way it is -- I mean, from innovation--

I have to give kudos to New Jersey MEP, John Kennedy; BIA, Mike Wallace was here, from the BIA. Because one of the reasons why we have more public sector people here is because private industry -- they're working, you know?

MR. THEVANAYAGAM: That's right.

SENATOR OROHO: They're out there actually doing -- making sure that the service happens. That's why those associations with and the education that, say, a legislator will get from the Manufacturing Day, or the fact that we had put the Caucus together, quite frankly is so important. Commerce and Industry, BIA, New Jersey MEP--

MR. THEVANAYAGAM: And some of our peers are putting their heads down working, trying to keep it going, right?

SENATOR OROHO: Yes.

MR. THEVANAYAGAM: And the last thing I would say, sir, is one of the things that I studied was the building of the Panama Canal. It's really what set up the American Century, right? It was created by government, but it was taken advantage of by private enterprise. It set up the American Century.

And New Jersey -- we need to go back and take a look at some of these things, and to start to cut certain things so that we can continue to be competitive. Because there is a five and five going on; there are five states that are gaining people, and there are five states that are losing people. And you are a very smart people; there are some common denominators in every one of these things that tell you a story. And it's important for us to listen. This is more than just doing something because you want to pass something, right? This is a strategic issue, and it has to be handled with the utmost integrity.

And that's all I have to say.

SENATOR GREENSTEIN: Thank you very much.

SENATOR OROHO: Actually, one of the real good studies that is out there -- CNBC puts out a really good business evaluation for states. And it's something I know I look at all the time. And you look at the five top states, you look at the five bottom states; and the good thing about that study is that there's consistency -- that you can see the real trends.

But thank you very much.

MR. THEVANAYAGAM: You're welcome.

SENATOR GREENSTEIN: Thank you.

SENATOR THOMPSON: Madam Chair, there was -- when we were doing introductions, there was someone from Choose New Jersey here. Is that individual still here? (no response)

I thought perhaps we could gain some knowledge from the work they've done, that's why I was asking.

SENATOR GREENSTEIN: What is the organization? I'm not--

SENATOR THOMPSON: Choose New Jersey. This was something established during Christie's Administration, and it was a group that sponsored a trip to India, the trip to Germany for the Governor, and etc., trying to get more business here--

SENATOR GREENSTEIN: Oh, okay.

SENATOR THOMPSON: --and develop business. I thought perhaps their experience might be helpful if they were still here.

SENATOR GREENSTEIN: We'll get them next time.

SENATOR OROHO: Sam, that's a great point. It's a public-private partnership between Commerce -- I think it was the Chamber of Commerce and I think it was a number of different organizations that invested their own money into it. And I know--

SENATOR THOMPSON: They're doing work in bringing new business here and keeping businesses here, etc. So I thought they might have something to contribute.

SENATOR GREENSTEIN: That would have been a good-- All right, we'll get them.

Okay, anybody else in the audience want to speak, please come up.

Thank you.

ARLENE WEICHERT: Good morning.

My name is Arlene Weichert; I'm with Automated Control Concepts in Neptune. We help manufacturing companies become more effective and more efficient through technology, like digitization of manufacturing, operations management platforms, Industry 4.0 -- things like that.

And I'm just passionate that by investing in technology like this -- in manufacturing intelligence and automation -- that it really helps manufacturing companies compete with states that are lower cost, and offshore manufacturing.

So just anything you can do to encourage investments in technology, in automation, and information and manufacturing intelligence-- You know, it certainly helps companies like mine, where we employ about 42, 43 people in Neptune. But then that incentive flows through to really help the manufacturing base in New Jersey.

SENATOR GREENSTEIN: Thank you.

SENATOR OROHO: And you said you're high-tech manufacturing? What's your company?

MS. WEICHERT: So we help companies where automate-- We provide services for helping companies automate processes.

SENATOR OROHO: Okay.

MS. WEICHERT: One of the gentlemen who spoke earlier talked about HMI and automation industrial control systems. We do that; and we help companies implement operations management platforms that help them with leveraging information -- production information, quality information, maintenance, inventory. By leveraging that information, it really helps them become so much more efficient by driving decision-based manufacturing. Instead of making decisions based on gut feel, to actually use real-time information, quality information, transactional information.

SENATOR GREENSTEIN: Very good; thank you.

MS. WEICHERT: So thank you; we appreciate the interest and the vibe here this morning.

SENATOR OROHO: Thank you.

SENATOR GREENSTEIN: Thanks for the input; thank you, thank you.

Anyone else want to say something?

Yes.

L I N D A B O B O: Good afternoon.

SENATOR GREENSTEIN: Hi.

MS. BOBO: Do you need my name for the record? Linda Bobo, Rowan College at Burlington County.

SENATOR OROHO: From where? I'm sorry, where? From Rowan College; okay, right here. (laughter)

MS. BOBO: Rowan College; right here, yes.

SENATOR OROHO: Okay.

MS. BOBO: So I just feel-- In order to make my comment, I need to give you a little history.

So back in 2014, we had recognized, through an economic development analysis of our region, that manufacturing was experiencing a skills gap; all those factors we talked about this morning. What we did is convene our industry partners -- some of them in the room here today, like Sam from Parts Life, and Townsend Machine who was here earlier -- to help us identify what skills were necessary. In some cases, they helped us even evaluate curriculum; and in other cases, as well, they've even helped donate machines. We identified a location at our vocational school, Burlington County Institute of Technology, to stand up a machinist program. This was done through donations of machines, some purchasing of machines using generosity from companies like Inductotherm, which is the Rowan family.

And we've been running a machinist program there ever since. It's very, very successful; in fact, the last few cohorts had a 100 percent placement rate out of this program.

So I had to give you the history to kind of get to my comment now; so forgive the long explanation.

So what we found -- and I don't know if our Department of Labor rep is still here -- is that there are plenty of opportunities to get people who are classified as *dislocated workers* through training programs like this, to give them a chance at a better life and family-sustaining wages. What there isn't in place is the people in between, right? So these are the people who are working menial jobs, can't afford a training program, so it continues the cycle. So they're stuck in the menial jobs, even though they have an interest to get trained and move into a more skilled profession, and a profession that pays well with these companies that take care of them, will continue their education.

So if you come away with something today, my request is -- let's look at some opportunities to get these types of people trained and the opportunities for a better life.

SENATOR GREENSTEIN: Can I ask you-- You're mentioning that you do have some good programs. Do you have any trouble finding the people to match with the programs?

MS. BOBO: That is an excellent question.

So when we started the program, I will say our cohorts were larger. They're definitely smaller, so it is difficult to find more people. But I also think it's because-- So to run a machinist program, it costs. So our machines are expensive, the materials are expensive, our instructors are highly

skilled. So I'm paying them for their expertise. And this is where-- So if you're a *dislocated worker* -- by definition of the Department of Labor -- I can put you in one of these programs for free. If you're this *working poor*, I'll call them, who don't have an extra couple of hundred dollars to go through a program -- they can't afford to go through this training program. And these are the people that we're missing, and this is the opportunity, I think, to feed these pipelines that every single person up here talked about today.

SENATOR GREENSTEIN: Yes, that was the big topic today; mostly what we heard.

MS. BOBO: Yes; so we're missing a whole group of people who can't afford to enroll and get the training, but have the interest and they have the desire to better their lives.

SENATOR OROHO: Something like an *upskilling* type of thing.

MS. BOBO: Yes, they're pumping gas, and they possess all of the other traits that would make them successful in some of these programs. Occupations where they're on your feet all day, and there's a little bit of a physical component to what they do. So they have all those transferable skills, but just not the skill set to get them hired.

MR. TICE: To her point -- every time I see one of those people who go above and beyond in a Big Lots, for instance, I give them my business card (laughter), and I tell them--

MS. BOBO: Sam does that too.

SENATOR GREENSTEIN: That's great.

MR. TICE: I say, "Come apply and work for me."

SENATOR GREENSTEIN: Do they apply?

MR. TICE: Yes, yes.

SENATOR GREENSTEIN: They do?

MR. TICE: We've gotten a few people from Wawa pumping gas, and one guy at Big Lots who blew me away. And another one at Raymour & Flanigan; and the Raymour & Flanigan guy is my second shift manager now.
(laughter)

SENATOR OROHO: There you go.

MS. BOBO: Especially women; when I see women--

SENATOR OROHO: Personal recruiting.

SENATOR GREENSTEIN: Yes, really; it's great.

MS. BOBO: When I see women in these roles, I'm particularly motivated to hand them a flyer. Because companies like these want to diversify their workforce with women.

MR. TICE: Well, I was telling Jackie earlier, I have a 3-year-old daughter now, so my passion for getting women more into the manufacturing industry has definitely grown. Because I don't want anyone to have to tell her she can't do something. So that comes with also educating my peers, as well, too. We had a supervisor who was saying, "We lift a lot of heavy things." And I'm, like, "Okay, well, I can't lift that. I had back surgery last year, so--"

SENATOR GREENSTEIN: But there's machinery that helps you, right? You could use a machine.

MR. TICE: Yes; so as I say, how do we look for roll handling equipment, and stuff like that, to make the jobs more accessible to not just women, but someone like myself who -- I can't lift something 50 pounds that maybe I could have 10 years ago.

So I appreciate that comment. And my passion towards women in manufacturing-- And our Vice President is a woman, and she's definitely passionate and involved in those types of organizations as well, too.

MS. BOBO: Thank you.

SENATOR GREENSTEIN: Thank you.

SENATOR OROHO: Thank you very much; and thank the school for allowing us to be here.

MS. BOBO: Oh, it's our pleasure.

SENATOR OROHO: I have to tell you -- what a beautiful setting here, you know, for a school.

MS. BOBO: We're very proud.

SENATOR OROHO: I want to go back to college tomorrow.
(laughter) I really do.

SENATOR GREENSTEIN: Who else in the audience -- anybody else like to make a comment of any kind?

C H R I S D E P A C E: (off mike) I would.

SENATOR GREENSTEIN: Yes.

MR. DEPACE: My name is Chris; I'm the Account Manager for NJMEP.

First of all, I'd like to thank the Caucus for coming to South Jersey. I've been covering South Jersey for a few years, with John and team, and there's a new focus, obviously, to take care of things.

And I think fast-forwarding five years from now, what's going to happen is-- The worst thing that can happen is if there's not enough communication about the Caucus' successes and what's going on. And, you know, when I go talk to Steve, or I talk to Jay, or I talk to Maryann, they care

about their area of New Jersey. They love New Jersey, just like he talked about. So however it can be set up to make sure that we're communicating to the customers-- Because myself, and Mike, and others will be out hitting those customers, many times per month; and the message that we need to get out is, "Yes, we had this Manufacturing Caucus; you should have been there, and there's great things coming, and the future is coming, and the great things at Rowan are coming along."

So that's the message I'd like to say -- is we can't just say, "We were here this year," and come back three years from now.

So thank you very much, and I think it's a great thing.

SENATOR OROHO: You're welcome.

And there has been a lot of focus. Because when I think of that first meeting up in Paterson; and then, Bob Gordon -- Senator Gordon had hosted us up there. And the Bond Act came -- the idea of the Bond Act, the idea of a lot of the apprenticeship programs that Senator Singleton did a terrific job in shepherding through the Legislature. The issue of the 3 + 1, the college affordability. A lot of those things came out of that.

So I've been involved in a number of different caucuses; I think in one of the areas where -- and this had been brought up by NJMEP -- is the idea of, "Hey, listen; manufacturing" -- the branding in New Jersey. Manufacturing is not dead in New Jersey. We have, you know, a half-a-million people, almost, employed within advanced manufacturing -- manufacturing in New Jersey. So I think that there has been-- And that was the whole idea of bringing the Manufacturing Caucus together. But I do think it's very important that we keep that kind of focus on it.

And I have to tell you, I know John; I get a lot of e-mails from John Kennedy (laughter). I know he's doing a good job making sure that focus stays, as well.

But it's also very critically important that we actually hear from -- and I thank everybody who came prepared for today -- that we hear from you, because we're going to leave here today and there are a few things that we know we have to do. You know, believe it or not, I mean, that Black Seal thing is going to be an issue that we actually have to do. The issue in the incentive plan that, you know, keeping our clients -- doing something for our clients who are already here type of thing.

So there are a number of things that we we'll take from here.

MR. DEPACE: Right; thank you.

SENATOR OROHO: Thank you.

SENATOR GREENSTEIN: Thank you.

Any other questions or comments? (no response)

Okay.

First of all, I want to thank all of you for coming. I know I got a lot out of this, and I hope you all did too.

And I want to thank John Kennedy and the MEP for the great work they do. I don't think there's a better cheerleader in New Jersey for manufacturing. (applause)

I would say -- I've been, now, involved with this for a couple of years. What first got me interested was that my late husband was in the field of manufacturing for many years. And just by osmosis I picked a lot of it up to through him. But I definitely have learned a lot in these years being involved, and one of the things was just what Steve said earlier -- how many

manufacturers we have here in New Jersey. I really thought that that whole concept of manufacturing being completely dead all over America was true. I would have predicted, "Oh, we have a handful of companies; maybe some big ones, not too many small ones." Well, I was 100 percent wrong. We have many, as we hear at these different meetings; they're active, they're vital. They just need a little help, and whatever we can do on the government level to help -- we want to try to do that.

So we look forward to working with all of you, and thank you.

SENATOR OROHO: Thank you; thank you for coming.

SENATOR GREENSTEIN: Do you want to make any comments?

SENATOR OROHO: Senator Thompson?

SENATOR THOMPSON: Well, I'll just address a comment made earlier.

One gentleman was indicating that one of the problems he has are the tariffs. The tariffs have caused an increase cost for him in purchasing certain components he needed from other countries.

But really, the purpose of tariffs was to make the manufacturers here more competitive with the manufacturers where they have the cheap labor. Thus, it was mentioned, 17 years ago everything went down the tubes, etc.; manufacturing went down. And that was the reason. They moved offshore for the cheap labor.

By putting in tariffs -- while you might have to pay more for some component you want to put in, but it makes a good (indiscernible) manufacturer more competitive with what they're manufacturing. And that has led to a significant increase in manufacturing in recent years.

So there's bad to tariffs, but there's good to them, too.

MR. TICE: Well, you're speaking of unintended consequences to tariffs. What we're seeing in our industry is that domestic prices are rising because now they can get more money for their product because the Chinese prices are up. So there's no--

SENATOR THOMPSON: So that's beneficial to the local manufacturers.

MR. TICE: Yes, it is beneficial to those; but people like us, where we're buying a sheet rubber -- which is very common from rubber -- now we're buying it out of Ripley, Mississippi, and we're paying more, even though we were (indiscernible) to buying, to the United States. We buy barely anything overseas, other than equipment that we can't get here. So now I have to pay 10 percent more on my sheet rubber from a United States company, when I'm buying American the whole time. So we're being indirectly affected by the tariffs because they can raise prices.

SENATOR THOMPSON: Well, manufacturing is coming back to the U.S., thanks to the tariffs.

SENATOR GREENSTEIN: Thank you; thank you all.

SENATOR OROHO: Thank you very much. (applause)

(MEETING CONCLUDED)