

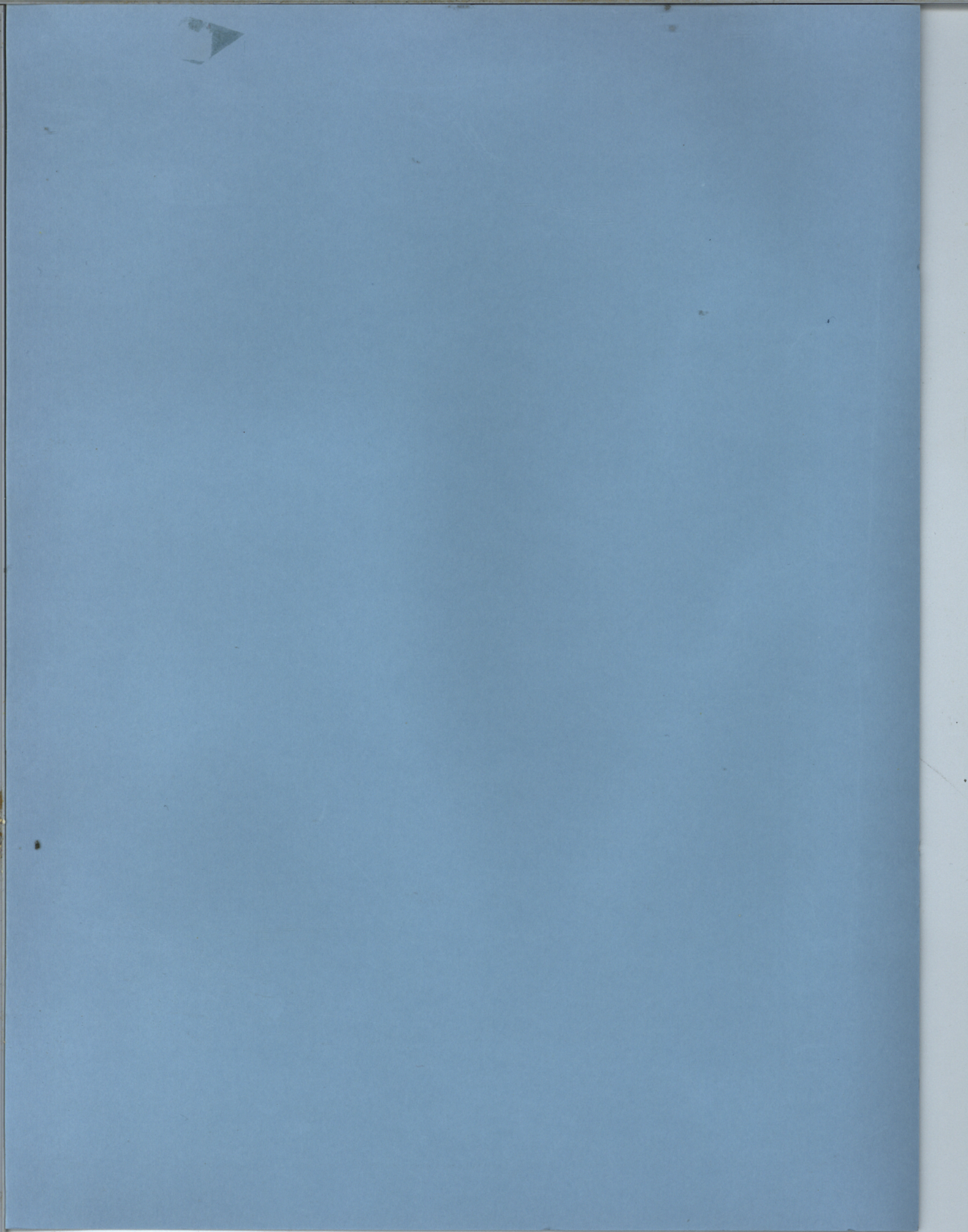
0J
10
L 514
1988a

**REPORT OF THE NEW JERSEY GENERAL
ASSEMBLY**

**TASK FORCE ON THE TWENTY-FIRST
CENTURY**

New Jersey State Library

June, 1988
State House Annex CN098
Trenton, New Jersey 08625



**REPORT OF THE NEW JERSEY GENERAL
ASSEMBLY**

**TASK FORCE ON THE TWENTY-FIRST
CENTURY**

June, 1988
State House Annex CN098
Trenton, New Jersey 08625



GENERAL ASSEMBLY TASK FORCE
ON THE
21st CENTURY

2nd FLOOR, STATE HOUSE ANNEX
CN-098
TRENTON, NEW JERSEY 08625

GARABED "CHUCK" HAYTAIAN
CHAIRMAN

(609) 292-5339

ROBERT H. LARSON
DIRECTOR

June 13, 1988

Honorable Chuck Hardwick, Speaker
The Assembly, State of New Jersey
Trenton

Dear Chuck:

Please find enclosed the report of the Assembly Task Force on the 21st Century.

Your resolution of the Assembly defined our primary mission: "identify and evaluate those program areas which state, county and local government should address as New Jersey moves into the 21st Century." We appreciate the opportunity to make recommendations affecting the future direction of New Jersey.

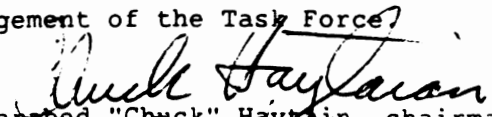
The resolution also established our means: use of information that was readily available in the state, information and views of state leaders in and outside of government and deliberations by the Task Force, as augmented by a number of outstanding public members.

The report is a blueprint for future legislation. Additional public spending will be required for some of the recommendations, offset by longer term savings. As growth in revenues occurs, the Report indicates where we feel the monies should be spent. It should help set priorities.

We suggest a couple of additional steps for your consideration:

- Public input and discussion. Our work is a benchmark for public input. This can be done by wide circulation of the Report, presentations in appropriate forums and legislative hearings.
- Program for legislative initiatives. We have indicated where some initiatives will be needed, but the Report should be screened to determine where legislation is required and how it should be handled.

Thank your for your support and encouragement of the Task Force?


Garabed "Chuck" Haytaian, chairman


John Paul Doyle, Vice-Chairman

CONTENTS

SUMMARY OF KEY RECOMMENDATIONS.....3

Part One

NEW JERSEY: A LOOK AT TODAY, A VIEW OF TOMORROW.....6

1. The future: key concerns and goals.....7

Education

Poverty

Urban revitalization

Land use and the environment

Intergovernment relations

Property taxes

2. New Jersey in the 1980s: where we are now....11

Land use

The economy

Poverty and the disadvantaged

Government

3. Looking ahead: the need to address the future.....18

Part Two

ADDRESSING THE FUTURE: ISSUES AND RECOMMENDATIONS.....20

1. Education and quality workforce.....21

2. Health, long-term care, social services, and children.....27

3. Land use and the environment.....33

4. Business support and regulation.....38

5. Urban revitalization.....42

6. Affordable housing.....45

7. Intergovernmental relations.....48

Part Three

APPENDICES.....51

1. A profile of the task force.....52

2. Members, staff, and subcommittees.....54

3. Acknowledgements.....64

4. References.....68

SUMMARY OF KEY RECOMMENDATIONS

The people of New Jersey care about the future of their state: they see many current problems as affecting their lives both today and in the future, and they see the resolution of these problems as a crucial step in maintaining or improving the quality of their lives.

If we could see ahead to the year 2000, we would find many new developments and major changes arising from current trends in New Jersey. Government policy can affect those changes. Action now on problems and issues will make New Jersey an even more positive place for our citizens to live. Specifically,

EDUCATION

- Make primary and secondary teaching more professional: thorough teacher evaluations; higher pay; flexible pay systems; private sector involvement; teachers teaching instead of monitoring.
- Assure functional literacy and maximum achievement of potential for each child: mastery of basic skills by eighth grade; no social promotion; English language competence; more preschool programs; more attention to gifted and learning-disabled children.
- Make the quality of urban education equal to or better than that of suburban education.
- Make school systems flexible and diverse: more offerings; more programs such as full-day kindergarten and after-school enrichment; more private sector resources.
- Reform school budget and election processes: eliminate voting on the school budget; schedule school elections with general elections.
- Make better use of community and vocational/technical institutions: combine administratively where feasible; transfer academically equivalent courses to state colleges; broaden the cooperation between business and education; offer more job training and retraining with private sector input.

- Make the state's universities among the nation's best: expand research and development programs; boost synergism between universities and businesses.

POVERTY

- Focus health-care services on prevention: pre-natal care for all at risk; expanded early screening; nutrition; counseling and parenting programs.
- Increase accessibility of health-care services to high-risk groups: more community centers; use of individual case management; revised Medicaid eligibility policies.
- Expand Aid for Families with Dependent Children eligibility and strengthen child support enforcement procedures.
- Develop alternatives for long-term health care, and assure that workers are covered for long-term health care.
- Provide Medicaid reimbursement for community- and home-based health care alternatives to nursing homes.
- Expand child-care and early education programs: make available to all; use schools for programs; replace caretaking with enrichment programs; ensure Head Start enrollment for all eligible children.

HOUSING

- Create a larger pool of affordable housing: use modular housing, encourage renovations.
- Establish local housing trusts: directly by developers, or by contributions from developers, corporations, financial institutions, and third parties.
- Strengthen the state's role in housing: increase technical assistance to local entities; more affordability-gap financing; dedicated fees when necessary.
- Expand intervention and re-entry programs for the homeless.

BUSINESS

- Establish consistent, long-term funding and planning processes in state government for infrastructure and business support systems.
- Increase the use of dedicated user fees, particularly in transportation.
- Use the private sector more in providing government services.
- Improve county planning of transportation needs.
- Simplify and recodify state business statutes and regulations and prepare economic impact analyses for each major new state-proposed regulation that affects business.
- Establish a state-level position of business permit coordinator.
- Use competitive market forces to generate insurance rates, such as those existing for workers' compensation insurance.

New Jersey State Library

ADDENDUM

PAGE 5A

THE ENVIRONMENT

- o Regionalize land use decisions by making counties responsible for decisions having regional impacts.
- o Conduct comprehensive impact analyses at the county level to determine the development capacity of an area.
- o Regionalize the environmental management functions of the DEP and Department of Health and institute better coordination among agencies so that "one-stop" permitting can be done.
- o Create a semi-autonomous council of scientists to advise and speak for state government on environmental issues.
- o Mitigate unwanted land uses: better risk reduction methods, use of flexible direct compensation programs.

URBAN DECAY

- o Stimulate public-private cooperative efforts to spearhead urban renewal.
- o Encourage cities to renew: state funds for more municipal strategic planning and demolishing eyesores, more innovation, effectiveness and efficiency on the part of the cities themselves.
- o Shift policies to give cities more competitive advantages: enhance Urban Enterprise Zones, wage subsidies to residents, build cultural and state facilities in cities, promote cities, develop transportation between cities and suburban growth corridors.

INTERGOVERNMENT

- o Establish intergovernmental services as a major policy: make counties clearinghouses, use state aid to encourage municipal participation in intergovernmental services and consolidation of services.
- o Reformulate several municipal aid programs into a single state revenue-sharing program based on per-capita income.
- o Require the state to pay for state-mandated services, including the costs of the court and welfare systems.
- o Develop alternatives to jail for non-violent and non-habitual offenders.
- o Create financial incentives for local residents to provide voluntary services such as fire and medical squads.

Part One

NEW JERSEY:

**A LOOK AT TODAY, A VIEW OF
TOMORROW**

1. THE FUTURE: KEY CONCERNS AND GOALS

New Jersey today is diverse, dynamic, and growing. As the twentieth century enters its final years, the state faces the future from a position of strength and achievement. Yet the growth and development of New Jersey, and its current economic success, have brought new concerns.

The twenty-first century is only a dozen years away: issues that are of concern today will continue into the next century unless public and government leaders take steps to deal with them now. The purpose of this task force and its report is to help leaders to identify the issues and to develop effective means of addressing them.

Addressing the future is in many respects a question of achieving balance. Imbalances can be found in many critical areas: rich versus poor; unequal opportunities for different races and sexes; health-care needs versus spiraling costs; decaying cities versus overdeveloped suburbs; government regulations versus business growth; over-reliance on property taxes versus other taxes; pressures for development versus environmental protection; declining manufacturing versus growing service industries. As society changes, so do the imbalances; the goal of a progressive government should be to achieve and maintain healthy balances.

Too often in the past, there has been a one-problem, one-solution approach to dealing with issues which fails to take into account the interconnection of critical aspects of our society. Each of the key issues identified by the task force is related to the others, and mandates a broad, unified approach to programs for change:

EDUCATION is crucial to our future. Quality education is the tool that enables people of all ages and abilities to be useful, productive, and self-sufficient citizens. Education means better jobs, improved financial resources, and increased opportunity for the individual; it means a well-trained, diverse, and capable workforce - an essential ingredient for a healthy economy; it means an informed and thoughtful public capable of being responsible citizens in influencing government and enriching themselves. Failure to educate both children and adults has a

profound effect on the cycle of poverty that traps so many people for their entire lives.

POVERTY especially affects the predominantly black and Hispanic populations of cities, which are isolated from the white suburban mainstream of the state. Poverty creates enormous demand for public expenditures. Unfortunately, many existing programs and policies tend to maintain the status quo for the poor, making it difficult for them to break out of the cycle of poverty. Education and job training are crucial to helping to lift the poor out of poverty; child care when needed, adequate health care with emphasis on prevention, and affordable, decent housing are necessary to provide the most basic needs for everyone. The REACH program (Realizing Economic Achievement) is an important step in this direction. Since poverty is mostly urban in New Jersey, urban revitalization and changes in intergovernmental relations, particularly in the ways state aid is allocated, will have a profound effect on the poor.

URBAN REVITALIZATION is crucial for New Jersey's cities to cease being dumping grounds for problems. The loss of jobs in cities and the flight of the middle class to the suburbs have resulted in severely eroded economic and tax bases, which in turn hamper cities from dealing with problems of unemployment, crime, drugs, poverty, and physical deterioration. The cycle of urban decay is self-perpetuating: the eroding amenities of city life cause further flight to the suburbs, spurring overdevelopment and increasing strains on inadequate suburban transportation and service systems. Reduced revenues in cities cripple local governments from stemming the tide of decaying streets, sewers, housing, schools, and parks. High local taxes, combined with reduced amenities and city services and a poorly-trained workforce, encourage even more businesses to leave, further eroding the economy. A major commitment on the part of the state and city governments themselves is needed to break this cycle. Without this commitment, growth in New Jersey will not occur in the cities, and the cities will continue to be a substantial drain on the state.

LAND USE AND THE ENVIRONMENT is the other side of the coin of urban decay. New Jersey is suffering from haphazard, unplanned, and uncontrolled growth. The flight of the white middle class from cities has resulted in crowded highways, overtaxed

sewers and water systems, and serious environmental siting problems. Overdevelopment is reaching a critical point in New Jersey, and a streamlining and readjustment, based on new government partnerships and more effective intergovernmental relationships, is essential to maintaining economic growth, to ensuring quality of life for residents, to managing pollution and waste, and to preserving farms and undeveloped lands.

INTERGOVERNMENT RELATIONS are a critical factor in effective implementation of government programs and policies at all levels. New Jersey's complex and overlapping systems of state, county, and municipal governments, each with its own priorities and procedures, have encouraged the often chaotic development and governance of the state. The provision of services on an intergovernmental basis at local levels is minimal, and state aid formulas are not targeted on areas where needs are greatest. The task force has suggested priorities for intergovernmental relations in its issues and recommendations: quality education, breaking the cycle of poverty, revitalizing the cities, improving land-use decisions, and implementing environmental policies.

PROPERTY TAXES contribute to problems of governance, since in New Jersey, the burden of taxes placed on property owners is amongst the highest in the nation. This over-reliance on property taxes increases the cost of doing business, encourages overdevelopment, adversely affects local school systems and the provision of social services, and contributes to urban decline. Failure to correct the imbalance between property and other taxes will only add to the difficulty of addressing key issues.

The state should target key goals for the next century:

- a top-quality education for all students, regardless of where they go to school, their grade-level of study, or the kind of career they want to pursue.
- workers knowing that they can get a job when they need one, and that job training and re-training will be available to help them to get jobs.

- cities renewed as centers of commerce and culture, while improving the lot of the urban poor without displacing them.
- decent and affordable housing and quality health care assured for all citizens throughout their lives.
- government decision-making at regional levels, sensitive to local needs.
- equitable means of allocating state tax revenues which will encourage healthy social, environmental, and economic policies.
- environmental policies and regulations that the citizens can trust to protect their homes and health.
- a diverse mixture of service and manufacturing industries integrated into a balanced state economy.
- business regulations that stimulate growth yet adequately protect the environment and the workforce.

2. NEW JERSEY IN THE 1980s: WHERE WE ARE NOW

With over 1,000 people for each of its 7,521 square miles, New Jersey is the most densely populated state in the nation. The 1980 census showed a population of about 7.5 million which is expected to reach about 9 million by 2010. The state's dense and growing population, however, is not distributed uniformly throughout the counties and municipalities. About three out of four New Jerseyans live north of Trenton, and 60 percent within thirty miles of the regional hub of New York City. Almost 90 percent of the population lives in areas classified as urban, making New Jersey the second most urbanized state, after California [1].

LAND USE

New Jersey's highly urbanized areas have experienced a population decline since 1950, with a resulting population increase in other areas of the state [2]. This shift of population and economic activity has left New Jersey's cities with high concentrations of some of the severest problems facing the state: poverty, crime, declining tax bases, decaying housing and infrastructure, and homelessness.

Poverty in New Jersey is more urban than rural. While the state can boast of having the second-highest per capita income in America, the affluence created by this high income level is with few exceptions concentrated in suburbs and small towns. In 1979 only 3 percent of the residents of Saddle River were below the poverty line. At the same time about one third of the people in Newark and Camden were poor. This urban concentration of poverty is a major factor in the continuing decline of New Jersey's cities and in the array of social and economic problems that affect the lives of city dwellers [3].

Residential and commercial developments outside of cities - what once were suburbs - are now becoming "metroplexes." Metroplexes are large, diffuse areas of development without definable centers, and with medium population densities of less than 1,000 people per square mile. The structure of metroplexes

is usually linear, with a mixture of high-density residential areas, office complexes, light industrial centers, and retail commercial developments - such as shopping malls - strung along corridors on, or within short distances of, major highways.

Commuting patterns reveal the growing prevalence of metroplex environments: more and more workers are driving from their homes in metroplexes to their jobs in metroplexes, instead of to and from center cities on mass transit. A particularly important aspect resulting from the linear and decentralized nature of metroplexes is that they cross municipal boundaries.

Rural and agricultural lands were a dominant feature of the New Jersey landscape until the Second World War, but farm land and agricultural activity have been severely eroded by the changing economic and environmental profile of the state. It is the farms and fields of New Jersey that have for the most part provided the space for the spreading postwar suburbs, and, more recently, for the growing metroplexes. Agricultural land in New Jersey has declined by one million acres since 1950.

Environmental amenity areas are the rivers, lakes, reservoirs, beaches, wetlands, oceans, bays, mountains, and woodlands that residents think of as "nature" or "wilderness." These areas of New Jersey are remarkably diverse considering the relatively small geographic area of the state. Environmental amenity areas are in peril since the very qualities that make them attractive to residents and visitors also make them attractive to the kind of development and increased use that can seriously alter, or even destroy what made them attractive in the first place.

THE ECONOMY

New Jersey has a diverse economy, with a range of goods and services that covers the spectrum of the nation's output and activity. The economic profile of New Jersey, however, has changed radically in the last forty years. In 1950, almost half of all jobs in the state were in manufacturing, higher than the national average. By the mid-1980s, only about one out of five employed residents worked in manufacturing, a figure comparable with the national average.

Employment has grown rapidly in New Jersey. Between 1970 and 1980, 475,000 new jobs were added in the state, a considerable number considering the population increased during the same period by only 200,000. During the 1980s, as the population increased by another 200,000, an additional 300,000 jobs have been added [4].

During the 1980s, the maturing of "baby boom" children, and the entry of more women into the work force were primarily responsible for this large increase in workers. The profile of the workforce in New Jersey is also influenced by the overall makeup of the population: according to 1980 census figures, the state has proportionately fewer children and retirees among its residents than other states, and more residents in their prime earning years, between age 35 and retirement [5]. However, this profile is gradually changing as more workers retire.

The economic boom of the 1980s has been particularly strong in New Jersey, in part due to the major shift from manufacturing to service industries during the 1970s. For that reason, the "mini-recession" of 1981-1982, unlike the recession of the mid 1970s, when unemployment reached double-digit levels, had a relatively mild impact on the state. Currently, employment is at all-time highs, and unemployment levels are substantially below national averages.

New Jersey boasts the second-highest per capita personal income in the nation. The state's per capita income in 1986, for example, was over \$18,000, or \$4,000 higher than the national average, second only to Connecticut, which has a similar suburban-metropolplex profile. In 1985, the statewide income from dividends, interest, and rents ranked third among the states [6]. Median family income is unevenly distributed among races and ethnic groups, however, with Asian and white families the highest, blacks and Hispanics the lowest.

In some areas the state's economic performance in recent years has not exceeded that of the nation as a whole, and rapid decline in New Jersey's manufacturing sector which began in the 1970s has continued. Although the per capita income in New Jersey is second in the nation, the state is 34th in average hourly manufac-

turing wages, and the rate of manufacturing investment per production worker is also well below the national average [7].

POVERTY AND THE DISADVANTAGED

In spite of the overall prosperity of New Jersey, there are many living in the state who are poor, socially disadvantaged, and at high risk of enjoying the fewest benefits of good jobs, adequate housing, and quality health care.

Poverty in New Jersey - as in the nation as a whole - is heavily weighted along racial lines. In 1968 the report of the National Advisory Commission on Civil Disorders (the "Kerner Commission") [8] warned that America was rapidly becoming a nation divided into two societies - white and black, rich and poor - and that this division threatened the very nature of democracy in the country. The previous year the Governor's Select Commission on Civil Disorder (the "Hughes Report") studied the same issues in relation to New Jersey, and issued the same warnings [9].

Since the late 1960s, little progress has been made in ameliorating these conditions, and some have worsened. When the Kerner report was issued the proportion of Americans living below the official federal poverty line was 12.1 percent [10]. In 1986, it was 13.6 percent [11].

The gap in poverty rates between whites and nonwhites in America is virtually unchanged since the Kerner report, and New Jersey statistics reflect this. In 1983, 8.5 percent of families in the state lived below the poverty line [12]. While 6.3 percent of white families were poor, among black families the figure was a disproportionate 24 percent [13].

Those groups most likely to be poor - blacks and Hispanics - are concentrated in New Jersey's cities. Between 1970 and 1980 the population of the state's inner cities declined by a third, primarily as a result of the classic "white flight" to the suburbs. At the same time, the number of inner city blacks rose by 42.2 percent, and the number of Hispanics by 16.2 percent [14].

Blacks and Hispanics are the most easily identified groups at high risk of being poor, but female heads of families, teenage mothers and their children, some elderly, and the chronically ill are also at high risk.

In 1980 about one out of every ten of New Jersey's elderly - or about 81,000 seniors - had incomes below the poverty level. One out of four New Jerseyans age 65 or older lives alone, and this group of elderly runs a higher risk of being poor [15].

Twenty-five percent of the state's elderly who lived alone were at poverty levels in 1980, as compared to only 5 percent of those who lived with family members. A disproportionate number of seniors living alone are women, since 71 percent of senior males in New Jersey are married, while 53 percent of senior women are widowed [16].

Elderly blacks and Hispanics are also disproportionately poor. While 8 percent of white seniors were at poverty levels, 25 percent of elderly blacks and Hispanics were living in poverty [17].

Families with children headed by single women are the fastest-growing poverty group and now constitute half of all poor families in New Jersey [18]. When these families are headed by a single female who is black or Hispanic, the likelihood of being poor increases dramatically.

Drastic cuts in federal survival programs for poor families also contributed to the increase in people living below the poverty level. In 1979 nearly one out of five families with children was lifted above the poverty level by cash benefits such as Social Security, unemployment insurance, and public assistance. By 1985 the figure was one in nine families [19].

GOVERNMENT

New Jersey has a proliferation of overlapping units of local government with authority to tax and spend, which has led to duplication of essential government services. There are over 1,500 such local governmental units in the state, including coun-

ties, municipalities, townships, school districts, fire districts, and transportation and utility authorities. Looked at another way, New Jersey has one governmental unit for every 5,000 inhabitants [20].

The primary local government services - public safety, public works, health and social services and administrative support services - are provided separately by each local government unit. In the 1970s, however, there was some regionalization of local decision-making in environmentally-sensitive areas, with the creation of the Pinelands Commission, the Hackensack Meadowlands Development Commission, and the Coastal Zone Management Program. In addition, key authorities, such as the Port Authority of New York and New Jersey, provide services in regions of the state.

New Jersey's burden of state and local taxes is relatively low when compared to other states; thirty-three states have higher combined state and local taxes. Each New Jersey resident pays an average of \$2,300 in state and local taxes annually, or 15 percent of income, below the national average of 16.3 percent.

However, New Jersey has one of the highest effective property tax rates in the nation: \$2.47 per \$1,000 valuation, compared to the national average of \$1.21. The state's per capita outlay for property taxes of \$717 is the fourth highest in the nation, and residents pay 5.4 percent of their income in property taxes. These figures compare to a national average of \$435 per capita, or 3.4 percent of personal income.

Many local governments in other states finance expenditures from a mix of revenue sources, including income, sales, and excise taxes. In New Jersey, however, over 97 percent of locally-raised revenue comes from the property tax. Only a few of the New England states place a similar burden on property taxes for revenues.

New Jersey property taxes have grown faster than inflation, a situation which causes particular difficulties for lower income and fixed-income families. Property taxes expressed on a per-capita basis have grown an average of 7.6 percent annually during the last five years, compared to an annual average inflation rate

during the same period of 5.3 percent. This rate of property tax rate growth is consistent with that experienced in earlier periods, regardless of growth in the underlying property values.

3. LOOKING AHEAD: THE NEED TO ADDRESS THE FUTURE

The people of New Jersey care about the future of the state they live in: they see many current problems in the state as affecting the quality of their lives both today and in the future, and they see the resolution of these problems as a crucial step in maintaining or improving their quality of life. Polls show that state residents are concerned about, and want to see improvement in, many of the same areas as identified by the task force [20]. This consensus on issues underscores the need for a broad and visionary course of action on the part of government leaders.

Part of the difficulty in forecasting the future is identifying the unexpected and unforeseen developments that can impact on, and even revolutionize, current trends. Forecasters in the 19th century worried about - and predicted the future of - cities jammed with horse-drawn vehicles and choked in smoke from coal fires. Today, instead of streets clogged with horses and wagons, we have streets filled with cars and trucks; the pollution in our air is not from coal, but from petroleum energy.

While forecasters may have correctly predicted certain problems, the unexpected, whether in technology, economics, or politics, is always a wild card that changes the course of the game. Jet travel and television were predicted to be "revolutionary" products of the modern age, but the astonishing impact they have had on everyday living was not anticipated. More recently, the ease and rapidity with which Americans have embraced the computer at home and in the workplace is a dramatic example of how quickly things can change.

In the beginning of the twenty-first century, New Jersey will see a number of new developments and major changes arising from current trends. Government policy exerts a critical influence on change, therefore the recommendations of the task force which address these developments are of crucial importance.

The recommendations of the task force are as specific as possible, though given the scope and complexity of many of the is-

sues and problems addressed, a certain amount of generality is unavoidable. Moreover, these recommendations are not cast in stone: in dealing with the future, it is very difficult to demonstrate that a particular action is right, and another wrong. What the task force has attempted to do is draw sensible conclusions from the best available evidence. It is hoped that this report will serve as a starting point for public discussion and debate, and for framing new legislation.

Part Two

**FACING THE FUTURE:
ISSUES AND RECOMMENDATIONS**

1. EDUCATION AND QUALITY WORKFORCE

Education plays a crucial role in the economy and in governance; it is also the greatest single tool for eliminating poverty. As such, the quality and character of education of the citizens of New Jersey is central to the future well-being of the state. Without the learned skills necessary to get good jobs, most of the poor will remain poor; without a well-educated and trained workforce, New Jersey cannot maintain or improve its economic growth; without an informed and thoughtful electorate, governance is made doubly difficult.

New Jersey residents currently have more years of formal education than the national average. In 1980, 67 percent of New Jerseyans were high school graduates, and 18.4 percent college graduates. Education among various groups parallels poverty figures, however, with Asians completing the most years of school, blacks and Hispanics the fewest.

Demographic factors will have a growing impact on the availability of labor between now and the turn of the century. Because of the emerging "baby bust" generation, the pool of new entry-level workers in New Jersey will decline in relation to the size of the population. During the 1980s, New Jersey employers have already experienced major declines in the availability of professional and managerial workers and especially of skilled laborers [21].

It will be necessary in the future to rely more heavily on recruitment of the workforce from segments of the population which have previously been neglected. In the coming decades, the fastest growing segments of the population will be minorities, followed by the aging. Both will require specialized services and innovative approaches to expanding their participation in the workforce. There will also be a greater need to retrain workers who are displaced because of loss of manufacturing or technological changes.

At nearly all levels of the educational system except for the colleges and universities, New Jersey's state and local per-student support for education has been better than the national average [22].

But, given the state's high cost of living, such a commitment of resources is less impressive than it might otherwise appear. The average annual pay level of all New Jersey teachers during the 1986-87 school year was ninth compared with that of other states. However, when teacher salary levels are adjusted to reflect each state's cost of living, New Jersey's ranking falls to 36th, and when compared to per capita income, the state's ranking is 49th [23].

New Jersey's problems in higher education are also pressing: the state loses far more of its high-school graduates to colleges and universities outside the state than the national average, representing a real "brain drain" in higher education.

Forty-five percent of New Jersey's 1986 high school graduates who went on to college chose schools outside the state [24]. This outflow of students may be in part a result of the state's level of expenditure for higher education. Between fiscal years 1985 and 1987, New Jersey's spending on higher education grew at a rate slower than the national average. As of 1987, New Jersey ranked 37th among the states in higher education appropriations per capita, and the state's rate of growth for higher education spending in fiscal year 1988 is also projected to be less than the national average [25].

New Jersey's education system will have a profound impact on the state's ability to compete nationally and globally. The central goal must be to attain a level of functional literacy and basic skills in every worker to make him or her "trainable" for specific positions, whether a machinist, a clerical worker, a police officer, or a research scientist. As well, opportunities for training and retraining must be available.

RECOMMENDATIONS ON EDUCATION AND QUALITY WORKFORCE

I. Primary and secondary teaching should be made a more attractive career by enhancing its professionalism.

A. Local school administrators should ensure a thorough evaluation of each teacher prior to granting tenure; teacher reviews must be conducted to guarantee that the quality of teaching is maintained at the highest possible level throughout a teacher's career. Among the options that should be considered is making each teacher's tenure subject to renewal at five-year intervals.

B. Using the present state-mandated minimum annual teacher pay of \$18,500 as a starting point, the legislature should provide for ongoing increases in the minimum starting pay to help make teaching financially competitive with comparable professions. The current proposal to raise the minimum salary to \$22,000 is a step in the right direction.

C. Flexible pay systems should be established that allow bonus pay for outstanding teachers and for teachers of any subject for which there is an acknowledged shortage of qualified candidates.

D. The private sector should be encouraged to provide resources to help implement flexible pay systems, continuous teacher development and education, and programs such as the Boston Compact, which provides funding for high school staff and encourages students to complete their educations by offering commitments of employment for those who do. In recent years, major firms such as Exxon, IBM, and John Hancock Mutual Life Insurance have shifted some of the emphasis of their educational grants from universities to secondary schools.

E. There should be sufficient support staff for jobs such as study hall, cafeteria, and hall monitoring so that teachers can concentrate on teaching.

II. The scope and quality of public education should be improved to ensure universal functional literacy and to ensure that each child is achieving his or her potential.

A. The legislature should build on the successful example of the Head Start program and provide the support needed to make high-quality preschool educational programs available for all children three years old or older whose parents choose to send them.

New Jersey State Library

B. The quality of education in urban systems should be at least equal to that offered in suburban schools.

C. Greater resources are needed for the identification of gifted students and students with learning disabilities and for appropriate programs for these groups at all grade levels.

D. Programs addressing basic skill needs must be established to guarantee competency by the completion of eighth grade; social promotion must be abolished at all grade levels; English language must be required for all students.

III. Public schools should become more diverse, and the state should experiment with approaches that will allow students to have more choices. Individual schools should be competing for faculty and for students.

A. School districts should provide a variety of schools at all levels, emphasizing different educational directions such as vocational training, arts training, etc.

B. Public schools should offer a greater variety of programs, such as full-day kindergarten, after-school enrichment programs, expanded adult education programs, and magnet school programs.

C. The private sector should be involved in the creation and maintenance of these programs.

IV. The legislature should reform the local school board election and budget processes to better facilitate maximum local support of education.

A. The budget process for schools should be made parallel to the budget process used by municipalities. School budgets should not be singled out as the only budget voted on by local residents, since this can make them a target for general frustration over high taxes.

B. The time schedule of all local budget processes should be synchronized with the state budget process and, to enhance voter participation and public debate, the state should study the feasibility of combining school board elections with November general elections.

V. The effectiveness and job market relevance of high school and community college vocational training and retraining should be promoted by organizing collaborative relationships between government, business, and labor.

A. Community colleges and vo-tech institutions should be administratively combined where feasible to facilitate coordination of physical facilities, capital equipment, and program development.

B. Efforts to meet the continuing education needs of individuals completing community college and vo-tech programs should be coordinated closely with the state's public and private colleges and universities. For example, a comprehensive system permitting the transfer of academically equivalent course credits between all institutions of higher education in the state would help retain students in New Jersey and enhance the state's labor force.

C. Regional consortiums of high school vo-tech schools, and community college guidance and educational coordinators should be established to gather information about the needs of businesses, workers, and job seekers in their regions. The information should be used to aid in the determination of curriculum and teaching techniques. Labor unions should also participate and private sector financing should be encouraged.

D. Job training and retraining at community colleges and vo-tech institutions should be offered as part of the state's effort to attract new businesses. The state should help fund training, retraining, and support services such as child care and transportation for trainees. The private sector should be encouraged to provide matching funds. Special assistance should be given to displaced workers and economically and socially disadvantaged job seekers.

VI. The state should continue to act to make the universities in the state among the best in the nation.

A. Recent increases in state spending on higher education and the establishment of the New Jersey Commission on Science and Technology in 1985 to oversee the creation of a university-based network of advanced technology centers are steps in the right direction. Efforts should be expanded: research and development programs in the state's colleges and universities should be generously supported to enhance the capabilities of graduates and to provide a good research and development environment for industry.

B. Given the great strength of New Jersey's corporate research and development efforts, it is especially appropriate to seek private sector resources to boost the synergy between universities and the business community. A goal is to increase the productivity and competitiveness of New Jersey industries through accelerated transfer of new technology to industrial facilities in the state from both university and corporate research laboratories.

2. HEALTH, LONG-TERM CARE, SOCIAL SERVICES AND CHILDREN

On the day this report was issued, some 277 children were born in New Jersey [26]. If present conditions persist, 38 of these children will grow up in poverty; each day will see yet another 38 born into the same conditions, with the same future. During their preschool years, these children of poverty will go to bed hungry at least two nights a month [27]. By the year 2000 they will be at the threshold of their teens; unless the current pattern is broken, they will have the severest problems of any Americans in finding employment. If they are black or Hispanic, between 20 and 30 percent of them will be unable to get a job [28]. Among the female children born today, if present patterns persist, fifteen will be mothers living in poverty before they leave their teens [29]; their children will be yet another generation born into poverty.

Current knowledge about fetal, infant, and toddler development shows that proper nutrition, health care, and a positive, stimulating environment are critical for the optimum development of a child from conception through the early growth years. Too many children born into deprived families, lacking positive prenatal and postnatal environments, have developmental problems which contribute further to the child's difficulties in growing up in a deprived environment.

Low birth-weight babies, which frequently result from inadequate prenatal care, require substantial medical care at birth and after, costing an average of \$1,200 per child per day of hospital confinement. By contrast, comprehensive prenatal care costs about \$660 per pregnancy, and has been shown to reduce the incidence of low birth-weight infants by 25 percent [30]. Clearly, the potential savings, not only in dollars, but in human suffering, are enormous.

Many of the children born to teenage mothers in poor families are unplanned, unwanted, and abandoned, yet the cost of providing services for these parents and children is very high. Medical care and welfare benefits for a teenage mother and her infant average \$6,000 during the first year. On the other hand, family

planning services for a teenager in a public health clinic cost only \$48 a year [31].

Many poor children in New Jersey receive inadequate preventive health care services, or none at all. The state has one of the lowest rates of utilization of the Early Periodic Screening, Diagnosis, and Treatment (EPSDT) service under the Medicaid program. Only 10.9 percent of the more than 330,000 eligible children were screened in 1983 [32].

The federally-funded Women, Infants, and Children [WIC] program is designed to provide comprehensive prenatal and postnatal care to disadvantaged mothers, and currently serves approximately 71,000 participants on a monthly basis in New Jersey. Yet this figure is only about 36 percent of those who are eligible for WIC benefits, even though the positive effect that WIC participation has on healthy birth outcomes saves three dollars for every dollar spent [33].

As medical science develops increasingly sophisticated techniques, more severely handicapped babies survive to become handicapped adults, and more adults live longer with a variety of chronic and disabling conditions. Families are traditionally the major providers of care and support for these people. Yet, not everyone has a family to give this kind of care, and not all families are able to manage this kind of long-term health-care burden. The numbers of disabled, chronically ill, long-term ill, and elderly will continue to increase.

By the end of the century 1.2 million New Jerseyans - almost fifteen percent of the population - will be over age 65. There will also be dramatic increases in the "old old." The number of people over the age of 85 in 1980 will have doubled by the year 2000, and tripled to almost 250,000 by the year 2020 [34].

Most elderly persons prefer to be cared for in their own homes or in the homes of family members, rather than in nursing homes. Yet current policy encourages the use of nursing homes for long-term care. As a greater percentage of the population becomes elderly, the need for nursing homes and health co-ops will rise dramatically.

The ability of the health-care industry to provide services will be under increasing pressure. Currently there are nursing shortages, and these will persist, while more and more care providers will be paraprofessionals rather than MDs. Finally, the rising cost of expensive life-saving technology is likely to present society with difficult ethical dilemmas about who gets treatment and who does not.

Virtually no one having chronic physical and/or mental impairments has insurance for long-term medical care, and private health insurers may back away from long-term care as costs escalate. Inadequate health insurance is currently a problem. Medical costs can cause severe financial hardship, even bankruptcy. Alternatively, the cost of uninsured illness is often paid by the government. In 1985, approximately 12 percent of New Jerseyans under the age of 65 (about 800,000 people) were at risk because they had no health insurance at all [35].

A dramatic threat to the health-care system is posed by the AIDS epidemic. New Jersey ranks fifth among the states in the number of AIDS patients. In 1981, AIDS cases in the state were identified at the rate of one a month. By 1986, that rate had soared to over 60 a month, and it is expected to continue to climb. It is projected that, if the current trends continue, by 1991 New Jersey will have 10,000 AIDS patients, and perhaps 100,000 Aids-Related Complex (ARC) sufferers [36].

Many AIDS victims in New Jersey are dependent on public support from the time of diagnosis until death. More appropriate and less expensive forms of care, such as home care and nursing home or hospice care, are rarely available for these patients [37].

While health care is a critical issue for people of all ages, child care is a key concern of parents who work and those who want to work. Women now make up 50 percent of the work force in New Jersey, and in the decade from 1970 to 1980, working women with children under the age of six increased from 24 percent to 38 percent of the state's work force [38].

About one million New Jersey children from infant to age thirteen have working mothers, and about half of these are preschoolers. Organized, center-based child care is available to less

than 20 percent of these children; about one fourth of them are cared for at home [39].

Currently, almost 50,000 children in New Jersey between the ages of three and five are in families with incomes below the federal poverty guidelines. Since 1965 federal funding has been provided for the Head Start program's comprehensive developmental services for children. Federal funding is available for only 9,700, or 20 percent, of New Jersey children whose families are income-eligible for Head Start [40], even though seven dollars is saved for every dollar invested in Head Start.

RECOMMENDATIONS ON HEALTH AND LONG-TERM CARE AND SOCIAL SERVICES

I. Basic health care services for high-risk groups should focus on prevention.

A. Prenatal care should be extended to all those at risk of not receiving proper care during pregnancy.

B. Early screening and diagnosis programs should be expanded, specifically full enrollment in the Medicaid Early Screening, Prevention, Diagnosis, and Testing (ESPDT) program.

C. Nutrition programs should be expanded: full enrollment in the Women, Infants, and Children (WIC) program, and the expansion of the current school lunch program through the summer months. The county-based senior citizen nutrition programs, which are already successful, should be supported and expanded.

D. Other prevention programs, including counseling services and parenting programs, should be instituted or expanded.

II. Basic health care and social services for high-risk groups should be made more accessible.

A. Community or neighborhood-based health care facilities should be established in schools, senior citizen centers, or other facilities. These facilities should offer a full range of services including outreach, screening, family planning (especially for teenagers), and treatment and prevention of disease. These facilities should be affiliated with hospitals to insure quality care, and should involve the community in their governance, and the services should reflect local community standards and needs. The Departments of Education and Community Affairs should establish a joint plan and guidelines for the use of public schools for those services.

B. Individual case management should be provided to high-risk groups to assure availability and utilization of health care and social services; these groups include newborn babies, pregnant women (especially teenagers), the frail elderly, AIDS victims, and other chronically ill persons.

C. Medicaid reimbursement policies for basic health care and Aid to Families with Dependent Children (AFDC) eligibility limits should be expanded. An adequate level of reimbursement for physician services and an expanded level of Medicaid eligibility for all women and children in poverty should be provided. Regulatory obstacles to payment for the needy should be removed, particularly AFDC restrictions which limit assistance based on the number of parents at home. Child support enforcement procedures for children of legally separated or divorced parents should be strengthened.

III. A variety of long-term health care alternatives should be made available to senior citizens, AIDS victims, and chronically ill persons; long-term care financing should be restructured.

IV. Medicaid should provide reimbursement for community and home-based health care alternatives to nursing home care. Reimbursement policies should be changed to encourage provision of the least restrictive available alternative that will ensure adequate health care and maintain the patient's quality of life.

V. The state should work to ensure the establishment of a program of long-term health care insurance for all workers. Incentives should be offered to encourage the private sector to provide coverage, or to expand coverage for workers already eligible for protection. In the event these incentives do not result in the development of adequate coverage through the private sector, the state should take the responsibility for establishing such long-term health-care programs for workers.

RECOMMENDATIONS ON CHILD CARE

I. Child care and early education programs should be greatly expanded.

A. These programs should be available to the full range of families which need them: two-parent families where both parents work; single-parent families where the parent works; families with parents who are trying to find work or families with parents who are completing their educations.

B. Schools should be utilized full-time to provide child-care programs to preschool children of all ages, and to school age children both before and after school on a year-round basis.

C. Child-care programs should be designed to provide enriched, cognitively stimulating environments, and early instillation of values, rather than just caretaker services.

D. All children eligible for Head Start should be offered the opportunity to be enrolled. Head Start should be expanded to summer, and on a full-day basis, and it should be offered to each pre-school child for two years where possible.

E. The state should assume responsibility for making child-care programs available, and should create incentives for the private sector to provide these programs. In the absence of both for-profit and non-profit private sector involvement in programs, the state should provide the programs directly. In all cases, the state should assume the responsibility for the effective regulation of the quality of child care providers and programs.

3. LAND USE AND THE ENVIRONMENT

Planning and zoning have been regarded as local issues since the 1930s, when the Standard State Planning and Zoning Enabling Acts were drafted and passed. However, in the intervening decades, the state's mushrooming development has rendered obsolete the concept that each community is an island unto itself: New Jersey's often sprawling, haphazard, and uncoordinated development is in itself proof of the problems that arise from lack of effective state and county involvement in the planning and growth management process.

Municipalities and townships often compete with neighboring municipalities for high tax ratables, such as shopping centers and commercial office developments. Under the current structure, municipalities are rewarded when they encourage high tax-revenue ratables; those that encourage balanced development are in a sense punished by lower tax revenues. A municipality that encourages development may cause a neighboring municipality - which receives no tax benefit from the land use decision - to increase its public expenditures. The system spawns uncontrolled development throughout the state.

In the past there was enough open space to dispose of wastes, to develop new sources of water, and to build new roadways with minimum thought to the long-range impact of these and other kinds of land use and development. This is changing rapidly. New development - whether desirable or not, whether a major office park, a resource recovery plant, or a hazardous waste site - has to be located in someone's back yard. And everyone, so to speak, has a back yard. Growth and development, and the affluence that comes with them, do more than create specific pollution problems to be dealt with individually. They also have broad impact on the overall quality of life, and on the public's perception of the quality of life where they live.

Legislation of the last two decades established the state's commitment to the environment. Early legislative efforts dealt with air quality; later, water quality and water supply were addressed. Recent legislative efforts targeted solid waste, hazardous waste, and ocean cleanup. Considerable legislation is on the books, and

while more may be needed, existing legislation has created some difficult problems of implementation.

Environmentally significant decisions have become regional rather than local community issues, and the realization of that fact has generated new approaches. In environmentally sensitive regions such as the Pinelands, the Meadowlands, and coastal regions, New Jersey has experimented with greater regional control of planning and zoning; these special zones were mandated by the state, with planning and management controlled at the regional level. However, the regions are environmentally sensitive with characteristics that lend themselves to special management, and such models cannot be extended to the state as a whole.

One of the most difficult problems in environmental decision-making arises when land is being developed for a use which is considered undesirable by the local community. These land uses are varied, and can range from major shopping centers and industrial park developments to sewage treatment plants and toxic waste storage sites.

These "locally unwanted land uses", or LULUs, are difficult for a number of reasons. The increasingly affluent, active, and environmentally aware public is less and less inclined to accept seemingly unpleasant, unhealthy, or simply unwanted land uses in their community, resulting in the NIMBY, or "not-in-my-backyard," syndrome. Yet a state with a growing population and economy is faced with finding sites for the things no one wants to live next to. As a result, government permitting of such siting is often counter to local sentiment, and LULUs become controversial and politicized, resulting in decision-making gridlock.

The public will continue to demand high standards. Concerns will range from siting to air and water quality. As the loop on pollution continues to close and as the state continues to develop, environmental regulations must be better coordinated. More attention must be paid to insuring that environmental legislation can be implemented and coordinated with local development decisions.

RECOMMENDATIONS ON LAND USE AND THE ENVIRONMENT

I. A new partnership of state, county, and municipal governments should be formed, in which the powers of counties to deal with land use decisions will be strengthened by expanding their regulatory authority.

II. County governments should have the responsibility for approving land developments which have regional impact.

III. Comprehensive impact analyses of land developments with regional impact should be conducted at the county level to determine the carrying capacity of the area where the development is sited. Carrying capacity is the amount of use a particular area can sustain without overloading the infrastructure or causing a deterioration in the quality of life.

A natural resources inventory is already a part of environmental impact statements, as required by the National Environmental Policy Act. Two additional inventories are also needed: one to evaluate the available infrastructure, the other to examine the impact of the proposed land use on the community. The draft document would thus provide a comprehensive analysis of the impact and needs of the development well in advance of the actual construction.

IV. Functions of the Department of Environmental Protection and the Department of Health which pertain to environmental management should be reviewed to determine which can be regionalized. The Florida Health Plan and the U.S. Environmental Protection Agency are examples of regionalization.

The establishing of policy, and many scientific and technical operations, can in general best be handled centrally. Many of the permitting functions, however, should be decentralized to facilitate communication between permit seekers, regulators, and the local community. An administrator, based at the regional level, should be given sufficient power to resolve inter- and intra-

agency disputes that arise during permit applications so that "one-stop" permitting can be done.

V. A semi-autonomous council of scientists must be established to advise and speak for state government on environmental issues. This environmental council should consist of leading experts, the majority of whom should come from outside state government. The council should strive for high levels of scientific credibility, and provide an objective and competent sounding board for environmental decision makers. The environmental council should be supported in its investigations and recommendations by the research capabilities of state agencies, state universities, and private and industrial researchers.

VI. Environmental risks continue to be significant public issues, yet the process by which government and citizens communicate their concerns about these risks is flawed and must be improved. While the recommended semi-autonomous council will help communication and debate, greater sensitivity on the part of state and local decision makers, as well as early and sustained public participation in the process, are also required.

VII. Locally unwanted land uses (LULUs) should be mitigated to assure retaining the state's industrial base. Living with LULUs requires that benefits from them be spread over the widest possible area at the same time that the burdens imposed by their locations be shared by those who benefit. While there are no simple solutions to difficult siting questions, the following initial steps are suggested:

A. Risk reduction: Regional risk assessments should be a part of comprehensive impact analyses. Where risks or other negative consequences are identified in a community impact statement, direct risk reduction measures should be incorporated in development plans and implemented in existing problem areas. Measures could include specialized control technologies and equipment, increased buffer zones, additional enforcement personnel, community projects, an other mitigating actions.

agency disputes that arise during permit applications so that "one-stop" permitting can be done.

V. A semi-autonomous council of scientists must be established to advise and speak for state government on environmental issues. This environmental council should consist of leading experts, the majority of whom should come from outside state government. The council should strive for high levels of scientific credibility, and provide an objective and competent sounding board for environmental decision makers. The environmental council should be supported in its investigations and recommendations by the research capabilities of state agencies, state universities, and private and industrial researchers.

VI. Environmental risks continue to be significant public issues, yet the process by which government and citizens communicate their concerns about these risks is flawed and must be improved. While the recommended semi-autonomous council will help communication and debate, greater sensitivity on the part of state and local decision makers, as well as early and sustained public participation in the process, are also required.

VII. Locally unwanted land uses (LULUs) should be mitigated to assure retaining the state's industrial base. Living with LULUs requires that benefits from them be spread over the widest possible area at the same time that the burdens imposed by their locations be shared by those who benefit. While there are no simple solutions to difficult siting questions, the following initial steps are suggested:

A. Risk reduction: Regional risk assessments should be a part of comprehensive impact analyses. Where risks or other negative consequences are identified in a community impact statement, direct risk reduction measures should be incorporated in development plans and implemented in existing problem areas. Measures could include specialized control technologies and equipment, increased buffer zones, additional enforcement personnel, community projects, an other mitigating actions.

B. Direct compensation: Existing procedures create a win-or-lose situation for communities facing unwanted land uses, a simple scenario of win if the LULU is located elsewhere, lose if it is in their community. Even financial compensation to local governments has not reduced local opposition to unwanted land use. Such programs, however, could be supplemented by compensation to individuals, municipalities, and firms located close to the proposed land use. Compensation could include property tax reductions, increased school programs, or even direct payments. Flexibility is also necessary to provide sufficient negotiating room for local decision-makers.

4. BUSINESS SUPPORT AND REGULATION

Historically, one of the attractions of New Jersey as a place to do business has been its generally good support system of harbors, airports, roads, mass transit, bridges, communications, water supply, sewerage systems, energy supply, and other utilities. But much of this infrastructure system was built decades ago and, as it ages, is in increasing need of repair or replacement [41].

The delivery of essential services and products to New Jersey depends on the extremely complex network of systems that make up the physical infrastructure. Some, such as water supply, are locally variable: about one half of New Jerseyans get their water from local supply sources, the other half from distant sources [42]. Successful management of these essential systems is a prerequisite not only for a quality environment, but also for the continued growth and development of the state.

Because of the change to a predominantly metroplex profile in recent decades, the state has had the additional burden of building infrastructure systems for newly developed areas. In addition, New Jersey, like the nation as a whole, has experienced a long-term decline in the per capita expenditures on infrastructure building and maintenance.

State and local expenditures on streets, highways, and bridges in New Jersey, when adjusted for inflation, declined by more than 50 percent between 1970 and 1982 [43]. Although the establishment of the state's Transportation Trust Fund has since improved the situation, New Jersey's transportation needs remain great. New Jersey has the highest number of cars per mile of road in the nation, and most of its suburban communities have no public transportation beyond limited bus service.

Public policy will continue the shift to rail, ships, and buses. However, metroplex development combined with Americans' infatuation with and dependence on the automobile will continue to create pressure for more and expanded highways and roads. Transportation costs and tradeoffs between the various forms of

transportation will continue to be a major issue well into the next century.

Transportation is not the only system in need of major long-range improvement programs. The state's estimated backlog of unmet sewage treatment plants per capita was the eighth highest in the country in 1984 [44]; the lack of long-term development of new watersheds and water resources is a stumbling block to economic development in the coming decades [45]. The entire state is already almost totally dependent on imported energy; in the future, given present trends, New Jersey may be increasingly dependent on imported water.

While various aspects of business activity must be regulated, many regulatory systems take on a life of their own and neither serve the cause of economic development nor solve the problems they are intended to address. In the current climate of economic well-being in New Jersey, there is an inclination to be unconcerned about the efficiency, fairness, and predictability of the system of business regulation.

Many existing regulations are overly complicated, contradictory, and inefficient: too much time is lost in determining what the regulations require, let alone complying with them. Consequently, businesses are often forced to make unnecessary and unanticipated expenditures of monetary, human, and other resources. This issue is particularly important for start-up businesses, which will continue to play a major role in generating new employment in the state [63].

RECOMMENDATIONS ON BUSINESS SUPPORT AND REGULATION

I. Long-term planning by the private sector is facilitated by reasonable certainty about the government's future plans. To achieve stability, government agencies working with private organizations should develop a consistent long-term funding and planning process for infrastructure and business support systems. This requires explicit coordination among all levels, departments, agencies, and authorities of the government.

II. Increased use should be made of dedicated user fees, such as gasoline taxes for transportation costs. This will ensure that funding is less subject to the tendency to charge one group for something benefitting another. User fees provide a firmer basis for long-term planning. Fees should, however, be structured to ensure that low-income households, especially in urban centers, are not carrying too high a burden.

III. Creative ways to use the private sector for support services should be explored. Services should be examined to determine which of them may benefit from privatization.

IV. The New Jersey Transplan correctly points out that "an efficient transportation network is vital to support the state's current economic growth and our improving quality of life. However, development, if not properly planned, can result in a congested and inefficient transportation network, eventually stifling growth."

A. Innovative use should be made of the most effective available transportation technologies to create a coordinated system of mass transit which can help relieve traffic congestion in the growth corridors and stimulate urban growth. All technologies such as automated guideway transit (including monorails), "people movers," light rail (or trolley) lines, and high-speed rail systems should be considered.

B. Regional planning at the county level is most likely to provide the best handling of transportation problems.

V. New Jersey's statutes and regulations should be simplified and recodified with significant input from the business community and groups which may be adversely affected by badly conceived regulations.

VI. Government agencies should prepare and issue a meaningful and accurate economic impact analysis of the effect of each

rule or regulation on business and other parties. This information must be furnished to the public prior to adoption. A model is the Federal Regulatory Flexibility Act, which requires an agency to prepare an initial and final regulatory flexibility analysis in conjunction with a new rule. Such an analysis contains, among other things, a description of the reason for the rule, a statement of the objectives and the anticipated effects of the proposed rule.

VII. A position of business permit coordinator should be established in the state government to help business go through all aspects of the permitting process expeditiously.

VIII. The legislature should examine the business liability system to help establish a stable, equitable, and understandable structure of risks. In the present legal environment, the risks of conducting business are often unknowable, making insurance very expensive and in some cases, unobtainable.

IX. Competitive market forces should be used to generate services and to determine prices whenever feasible. For example, the legislature should review how business insurance rates are established to determine whether competitive forces might be used. An area to begin is workers' compensation insurance, where state government-approved premium rates may be higher than what the rates would be if they were determined by market forces.

5. URBAN REVITALIZATION

Decline and stagnation in New Jersey's cities is persistent despite the economic boom that has catapulted the state into the top ranks of personal income. While there are some encouraging signs that revitalization is taking place, the process of rebuilding and renewing New Jersey's cities will be a long and difficult one, requiring massive efforts by government, business, and city residents.

Cities have historically led America as places of commerce and culture. Yet many of the problems identified by the task force are most visible in New Jersey's cities: poverty at all ages, but particularly among children; inadequate health care; lack of decent housing; high crime rates; workforce without basic education and training; infrastructure decay. While each of these issues encompasses the whole state, it is in the cities where the needs are the greatest.

A major cause underlying problems in New Jersey's cities has been a drastic decline in employment in urban areas. Between 1960 and 1984, employment in what were at that time the state's six largest cities declined by 31 percent, while employment in the rest of the state - the growing suburban and metroplex areas - increased by 75 percent. The majority of losses were higher-than-average paying manufacturing jobs; moreover, the loss of manufacturing jobs in cities was greater than in the state as a whole [46].

A key factor in resurrecting decaying cities is a strong economy. Consequently, the issues of quality workforce, business support systems and regulation also impact urban revitalization, and must be given top priority when developing urban policies.

RECOMMENDATIONS ON URBAN REVITALIZATION

I. Since the public sector cannot singlehandedly undertake the revitalization of cities, public-private cooperative efforts at urban renewal are necessary. The state should study successful existing models to learn how the coordination and pooling of public and private redevelopment funds and energies can spear-

head revival of decaying downtown areas. The state should evaluate which of these models is most successful and push for the implementation of like efforts in other cities.

II. Each city is in the best position to establish its own priorities. Since resources are rarely available to set and advance priorities, the state should make more resources available.

A. The state should institute a grant-in-aid program for municipal strategic planning. This program would provide each city with the needed financial resources to assess its advantages and order its priorities so that public and private sectors can work together to address issues to improve the urban environment.

B. Cities need funds for demolishing abandoned or burned out buildings that have become eyesores and contribute nothing to the local tax base; the state should provide general funds, for a limited time period to demolish these urban eyesores, within the context of plans for urban redevelopment.

C. The recommendations for improving the workforce through education should be emphasized in the cities; the state should ensure that the quality of education offered in urban schools is at least equal to that offered in suburban school systems. Inner-city pupils must be given every opportunity to get education and training in order to help them get jobs.

III. Public policy should be shifted to give cities more competitive advantages in attracting residents, businesses, shoppers, and visitors.

A. Regulations and structures which add to difficulties of living and working in cities must be eliminated. State support should be provided to enhance the tax incentives offered in the Urban Enterprise Zones. Wage subsidies should be used to make city residents more attractive as employees, thereby reducing unemployment and welfare costs.

B. The reasons for people to come to cities must be restored. Institutions of higher learning, performing arts facilities and museums should be built or expanded in urban areas in order to encourage and anchor revitalization efforts; the Camden

aquarium project and the proposed Newark performing arts center are examples. Many New Jersey cities already have outstanding but under-utilized facilities; these should be restored and promoted.

D. State promotional efforts should highlight cities and their potential for both business and visitors. Major urban redevelopment complexes, such as those in Baltimore, Washington, and Boston should be studied as models for the kind of urban revitalization that attracts and encourages additional urban renewal.

E. State support for infrastructure and business support systems for urban centers is essential to New Jersey's economic development and should be funded accordingly. Adequate transportation for people and freight between the state's central cities and suburban growth corridors is particularly critical.

IV. Cities must become more innovative, efficient, and effective in providing services.

A. Programs which encourage city dwellers to take an active interest in making their cities safer, cleaner, more beautiful, and more livable should be encouraged and funded when possible. Such programs as Blockwatchers, Junior Crimefighters, community gardens, block associations, and cleanup campaigns will encourage resident participation in urban revitalization.

B. Municipal services should be examined to determine which ones might be improved through privatization or whether improvements can be made in the ways that public agencies provide these services.

6. AFFORDABLE HOUSING

Affordable housing is a state-wide issue, although it is in the cities where housing problems are most visible. New Jersey households with incomes below the median face a difficult housing situation. For many, the American dream of owning one's own home remains a dream. Furthermore, rental costs are escalating, placing an even higher burden on income. The number of rental units is also shrinking. If present trends of higher home prices and rental costs continue, more and more New Jersey residents at lower income levels will have trouble finding affordable housing.

The housing needs of the state should be considered as part of the overall state planning effort. The Fair Housing Act, the State Council on Affordable Housing, and the State Supreme Court rulings in the Mount Laurel cases have contributed to local planning to meet the projected needs of 145,700 low-income housing units between 1987 and 1993 [47].

More can be done, however, to develop a strategy for a network of affordable housing statewide, tied to changing population trends. Urban areas need fresh approaches to rehabilitation of decaying or abandoned housing to prevent further decay of the housing stock. New ways must be developed to stimulate adequate quantities of affordable rental housing, as well as affordable sales housing. With the cost of housing increasing, the "affordability gap" has become wider: more and more people simply cannot afford the down payments and mortgage payments on homes [48]. The federal government has reduced its role in subsidizing housing and closing the affordability gap, placing a larger burden on state and local governments.

RECOMMENDATIONS ON AFFORDABLE HOUSING

I. Innovative ways must be found to create a larger pool of affordable housing.

A. Much greater use can and should be made of modular housing and other innovative types of housing, which offer the fastest

and most economical answer to the shelter needs of many families. Excessively restrictive zoning and building codes should be relaxed to facilitate the much more widespread use of modular housing and more intensive residential development.

B. Wherever possible, incentives should be given to encourage renovation of sound older structures, such as factories and offices that are empty or no longer serve their original purpose; these incentives should emphasize middle and low-income rental units instead of luxury housing.

II. Local governments must have more resources to help them provide affordable housing. State enabling legislation is needed to allow municipalities to establish housing trusts.

A. Housing developers should contribute to the provision of low-income housing on an equitable basis through several means. They can construct below-rate housing themselves; they can subsidize below-market-rate housing developers; or they can contribute to a municipal or non-profit fund to subsidize below-market-rate housing.

B. Participation of commercial developers, corporations, and financial institutions would be enhanced by the creation of pools of funds to finance affordability gaps. Third party intermediaries should be encouraged to bring groups together. Examples are the Local Initiatives Support Corporation [LISC] and Enterprise, Inc., both of which are operating in other states.

III. In the past the federal government was supportive of low-income housing via direct funding and special incentives. These subsidies have been substantially reduced. State and local housing policies must assume that reduced federal involvement in housing will continue, and that the state's role in helping to create affordable housing must be strengthened. However, it must also be recognized that the state cannot completely fill the gap left by the reduced federal role in housing.

A. State government should be encouraged to provide technical assistance to non-profit and local governments for the design, engineering, and financing of below market-rate housing. Adequate funding must be provided to the Office of Housing

Advocacy of the Department of Community Affairs (DCA) and to the Housing and Mortgage Financing Agency (HMFA) to insure that they can adequately perform their roles in this task.

B. The state should participate in affordability-gap financing, such as that presently done under the Balanced Housing Program, by providing dedicated funding from state revenues to create a mortgage pool for those who cannot afford housing through normal means. If funding of this and similar programs is inadequate, an increase in the realty transfer tax or a new source of dedicated funding related to housing should be sought.

IV. Homelessness is a growing problem which is directly related to the shortage of affordable housing. Urban revitalization, ironically, contributes to the problem as well, since the renewal of inner city housing often displaces low-income tenants who cannot find or afford new housing. Shelters are, at best, a temporary and partial solution to the housing needs of the homeless. Inadequate welfare grants often put people in the position of choosing between food and shelter. Special housing policies and programs should be addressed to the particular problems of the homeless, who are typically among the most disadvantaged socially and economically, and in dire need of the most basic requirements for survival. Intervention programs should be initiated to provide help for those at risk of becoming homeless because of temporary financial or family crises, and "re-entry" programs should be expanded to help the homeless break out of the often permanent and continually deteriorating conditions of life on city streets.

7. INTERGOVERNMENTAL RELATIONS

New Jersey has a long tradition of providing police, fire, public works and school services locally. As the state's network of governance evolved, new municipalities were formed. Currently there are 567 municipalities in the state, many of which provide all basic local services.

The demand for local services will increase as will their costs. For example, the proportion of the population that is elderly is increasing. Since they are likely victims of crime, and frequently have health problems, more elderly in the state means higher demands for public safety and emergency services.

The need for - and cost of - correctional facilities is also increasing dramatically. Fire companies and first aid squads, both paid and volunteer, are having difficulty recruiting day-time personnel, and costs of police and fire equipment and maintenance are rising especially given the increasing sophistication of high-technology modern police and fire equipment.

Surveys completed by the State and Local Expenditure and Revenue Policy Commission (SLERP) indicate that only 8 percent of these services are delivered on an intergovernmental basis - that is, in which governments provide a service on a regional basis. What this means is that frequently duplicative administrative structures exist in two or more municipalities in very close proximity to one another. With rising demand and costs of services, the burden on local property owners, which is already high, will continue to increase unless efficiencies are created by intergovernmental services.

There is a variety of state aid programs to municipal governments with differing eligibility requirements and differing allocation formulas. The aid programs fall into two broad categories: discretionary, where the municipality determines how to spend the funds, and categorical, where funds must be spent on certain specified services.

Allocation formulas used to distribute the monies depend on the particular aid program. Some use simple measures like population, while others use complex formulas such as tax rates, proper-

ty values, public housing, and numbers of welfare children. While each program is tailored to a particular need, the combined programs do not meet the overall needs of a community and are complex in their legislation and administration.

RECOMMENDATIONS ON INTERGOVERNMENTAL RELATIONS

I. The establishment of intergovernmental services should become a major policy of local, county, and state governments.

A. County governments should become clearinghouses for municipal intergovernmental service agreements. Each county should establish an office for intergovernmental services to provide expertise and information about intergovernmental services and to bring together local governments.

B. State aid should encourage municipal participation in intergovernmental activities. The aid should be discretionary, available for any use determined by the municipality or county.

C. Consolidation of selected services and regional consortiums should be a top priority of local, county and state governments.

II. Several municipal aid programs should be reformulated into a single state revenue sharing program, with distributions based on local need (per capita income). These include Urban Aid, the Municipal Purposes Tax Assistance Fund Program, the Distressed Cities Program, the Safe Streets Program and the State Revenue Sharing Program. The target should be poorer, high-tax municipalities and the program should be structured so that no municipality suffers an extreme loss of aid in the adjustment of revenue allocation.

III. State-mandated services whose costs fall on local property owners, such as the court and welfare systems, should be paid for by the state.

IV. Alternatives to jail and prison are needed, including community programs for rehabilitation of non-violent and non-habitual offenders. Conventional incarceration is very costly and has shown little effectiveness in rehabilitation. Pilot efforts in prison alternatives have had positive preliminary results. Community-service alternatives to prison for offenders who do not pose threats to citizens will be less expensive in the long run if they successfully rehabilitate and reintegrate non-violent criminals.

V. Incentives are needed to encourage citizens to provide voluntary services to fire departments and emergency medical squads. Such incentives might include tax credits or college tuition credits.

Part Three

APPENDICES

1. A PROFILE OF THE TASK FORCE

The general assembly created the task force in 1986 with Assembly Resolution 62, which established the scope and thrust of the task force's study. The resolution stated that "the complexity and speed of social change will require increased coordination and cooperation among the various entities of government in New Jersey; the roles and responsibilities of state, county, and local government, as well as governmental entities such as school boards and public authorities, should be periodically reviewed to ensure that the government is meeting the people's housing, transportation, educational, environmental, economic, and other needs; the policies and programs of government have a tremendous impact on the quality of life which New Jersey residents enjoy now and [will enjoy] in the future."

Complexity and change were realities recognized by the assembly. To help New Jersey understand and deal with them as the state goes forward, the task force was asked to "analyze and assess the provision of governmental services, the allocation of their costs, the extent of overlapping responsibilities, and the degree of intergovernmental cooperation."

In addition, the task force was asked "to identify and evaluate those program areas which state, county, and local government should address as New Jersey moves into the twenty-first century including, but not limited to, housing, transportation, education, and land use policies."

The resolution which created the task force stipulated that it consist of two members of the general assembly, two elected county officials, two elected officials from local government, one elected school board official, and a single representative each from the executive and judicial branches of state government, a public authority, business, labor, and an institution of higher learning.

The task force assigned members to four subcommittees, which then deliberated on the task force's areas of study, using available information and resource personnel to identify issues and areas of concern and to help determine recommendations. This

method was chosen in favor of using staff or consultants to perform new studies and surveys, since it was felt that a tremendous amount of valid and accurate information about conditions in the state was already available.

The four subcommittees were: Health and Human Services, Community Affairs, Economic Development, and Environment. Each subcommittee was augmented by individuals with expertise in areas of special interest to the subcommittees. Among the valuable resource people were aides to several task force members. Academic facilitators from Rutgers, The State University of New Jersey, and members of the Office of Legislative Services provided direction, analysis, and guidance about available information in a particular area. They also drafted the four subcommittee reports. Staff to the task force provided overall analysis and direction, and wrote the final report submitted here. Members have donated their time to the project, and paid staff have worked on a part-time basis.

1. MEMBERS, STAFF, AND SUBCOMMITTEES

TASK FORCE MEMBERS

Hon. Garabed "Chuck" Haytaian, Chair
Majority Leader, General Assembly of New Jersey

Hon. John Paul Doyle, Vice-Chair
Deputy Minority Leader, General Assembly of New Jersey

Mr. Donald Anderson
Former Manager, County of Union

Mr. Ezra L. Bixby
President, Lovell Associates

Dr. Edward J. Bloustein
President, Rutgers, The State University

Dr. Brenda Davis
Chief of Policy & Planning, Governor's Office

Dr. Theodore J. Fetter
Deputy Director, Administrative Office of the Courts

Hon. Sharpe James
Mayor, City of Newark

Ms. Edwina Lee
Legislative Analyst
Governmental Relations
New Jersey School Association

Hon. Carol J. Murphy
Director, County of Morris Board of Chosen Freeholders

Hon. James Perry
Mayor, Borough of Somerdale

Hon. Richard E. Squires
County Executive, County of Atlantic

Mr. Joseph A. Sullivan
Chairman, New Jersey Turnpike Authority

Mr. Al Wurf
Retired, Executive Director of AFSCME Council #1

STAFF

Mr. Robert H. Larson, Director

Dr. Robert K. Marik, Initial Director

Mr. Dennis Sanders, Writer

Mr. Arthur Maurice, Liaison
General Assembly Majority Office

Ms. Tracey Lee, Liaison
General Assembly Minority Office

Ms. Loretta Casella, Secretary

Ms. Karen Stewart, Secretary

Dr. Glenn H. Tucker, Consultant

COMMUNITY AFFAIRS SUBCOMMITTEE

Task Force Members

Hon. James Perry, Chair
Dr. Brenda Davis
Hon. Sharpe James

Public Members

Mr. Donald F. Anderson
Former Manager, County of Union

Mr. Gerald F. Murphy
Senior Vice President
Hovbuilt, Incorporated

Resource Members

Mr. Douglas Eldridge
Aide to the Mayor of Newark

Mr. Charles Newcomb
Senior Policy Advisor
Governor's Office of Policy & Planning

Mr. Joseph Penn
Aide to the Mayor of Somerdale

Staff

Dr. Bernard P. Indik
Professor, School of Social Work
Rutgers, The State University

Mr. David Sallach
Senior Research Associate
Office of Legislative Services

ISSUES:

Affordable housing
Urban revitalization
Public safety/emergency services
Property tax reduction
Intergovernmental relations

HEALTH & HUMAN SERVICES SUBCOMMITTEE

Task Force Members

Hon John Paul Doyle, Chair
Hon. Richard E. Squires
Mr. Al Wurf

Public Members

Ms. Karen Rosenoff
Director, Department of Human Services
County of Warren

Mr. Nathan Scovornick
Former Deputy Director
Majority Office, General Assembly

Ms. Helen Walsh
Executive Director
Atlantic County Transportation Authority

Staff

Dr. Miriam Dinerman
Associate Dean, Graduate School of Social Work
Rutgers, The State University

Ms. Joanne Fuccello
Student Intern, Rutgers, The State University

Ms. Norma Svedosh
Research Associate, Office of Legislative Services

ISSUES:

Poverty
Children
The elderly
Health and long-term care

ECONOMIC DEVELOPMENT SUBCOMMITTEE

Task Force Members

Ms. Edwina Lee, Chair
Dr. Theodore J. Fetter
Mr. Joseph A. Sullivan

Public Members

Mr. Edward M. Crane
Vice-President, Council for Financial Aid to Education, Inc.

Dr. William A. Connor
President, Sussex County Community College

Ms. Arlene Elgart Mirsky, Esq.
Hannoch-Weisman

Dr. Mary L. Stewart
President, The Stewart Management Group

Resource Members

Hon. Patricia Maynard
Port Authority of New York & New Jersey

Staff

Dr. James Chelius
Associate Director, Institute of Management & Labor Relations
Rutgers, The State University

Ms. Lynn Chaney Taylor
Student Intern, Rutgers, the State University

Mr. Gregory Williams
Research Associate, Office of Legislative Services

ISSUES:

Quality work force/education
Infrastructure and business support systems
Business regulations
Urban revitalization

ENVIRONMENT SUBCOMMITTEE

Task Force Members

Hon. Carol J. Murphy, Chair
Mr. Ezra Bixby
Dr. Edward J. Bloustein

Public Members

Mr. Joseph Maraziti, Jr., Esq.
Attorney, Maraziti, Falcon, & Gregory

Mr. James Sinclair
Vice President
New Jersey Business & Industry Association

Resource Members

Mr. John M. Cooney
Executive Assistant for Community Affairs
Rutgers, The State University

Mr. Michael J. Stoddard
Director of Media Relations
County of Morris

Staff

Dr. Peter J. Pizor
Assistant Professor, Environmental Resources
Rutgers, The State University

Ms. Jennifer Brainard
Student Intern, Rutgers, The State University

Ms. Amy Bergmuller
Student Intern, Rutgers, The State University

Ms. Patricia Cane
Research Associate, Office of Legislative Services

Issues:

Intergovernment relations
Property tax reduction
Environmental policies
Environmental siting

3. ACKNOWLEDGEMENTS

The task force, sub-committees and staff are indebted to the many individuals who took time to share their ideas, observations, materials, and expertise with task force members and staff during the months of research that went into the preparation of this report. Our thanks and gratitude to the following:

FROM THE TASK FORCE

Mr. John Epling
Executive Director
New Jersey State Planning Commission

Dr. Richard Nathan
Woodrow Wilson School
Princeton University

FROM THE COMMUNITY AFFAIRS SUBCOMMITTEE

Hon. W. Cary Edwards
Attorney General, the State of New Jersey

Dr. Robert Burchell
Rutgers, the State University

Mr. Stefan Gable
Mercer County Economic Development Authority

Mr. Frank Haines III
Research Associate
New Jersey State and Local Expenditure and Revenue Policy
Commission

Mr. Alex Plinio
Vice-president, the Prudential Insurance Company of America
The Newark Collaboration Group

Ms. Judy Scheicher
Morris County Transportation Planner
Director, Morris County Rides, Inc.

Ms. Maureen Tinen
Director, Department of Economic Development
City of Trenton

*FROM THE ECONOMIC DEVELOPMENT
SUBCOMMITTEE*

Mr. Borden Putnam
Commissioner, Department of Commerce and Economic
Development

Dr. Joseph J. Seneca
Chairman, Economic Policy Council

Mr. Arthur J. O'Neal
Director of Planning and Research,
New Jersey Department of Labor, on behalf of
George Krause, Deputy Commissioner of Labor

*FROM THE HEALTH & HUMAN SERVICES
SUBCOMMITTEE*

Dr. Molly Joel Coye
Dr. Jack Rutledge
Mr. John Calabria
Mr. Robert Fogg
Dr. Nancy Moyer
Dr. Dan Fife
New Jersey Department of Health

Dr. Drew Altman
Mr. Denis Beatrice
Mr. Michael Laracy
New Jersey Department of Human Services

Mr. Fred Hohman
Office of Demographic and Economic Analysis
New Jersey Department of Labor

Dr. Anne Sommers
Professor Emeritus
University of Medicine & Dentistry of New Jersey

Dr. Jeffrey Merrill
Robert Wood Johnson Foundation

Mr. Ciro Scalera
Ms. Shirley Geismar
Association for Children of New Jersey

Ms. Estelle Robinson
Department of Community Education
School of Social Work
Rutgers, the State University

FROM THE ENVIRONMENTAL SUBCOMMITTEE

Dr. B. Budd Chavooshian
Cooperative Extension Service
New Jersey Department of Environmental Resources

Mr. Richard Dewling
Commissioner
New Jersey Department of Environmental Protection

Mr. Raymond Bodnar
Department of Government Services
Rutgers, the State University

Mr. William Fenimore
James Shissias
Public Service Electric and Gas Company

Mr. Richard Ginman
New Jersey Office of Management and Budget

Dr. Michael Greenberg
Department of Urban Studies
Rutgers, the State University

Dr. Guy Millard
New Jersey Association of Counties

Mr. David Moore
New Jersey Conservation Foundation

Dr. Peter Sandman
Rutgers, The State University

Mr. John Trafford
New Jersey League of Municipalities

Mr. Robert Tucker
Office of Science and Research
New Jersey Department of Environmental Protection

Dr. Carl Van Horn
Department of Political Science
Rutgers, The State University

Mr. Sidney Willis
New Jersey Department of Community Affairs

Mr. Paul Yatcho
Public Service Electric and Gas Company

4. REFERENCES

1. United States Department of the Census, *Statistical Abstract of the United States 1986*, 106th edition, December, 1985, p. 457.

2. *Ibid.*

3. Broner, Adam, "General Characteristics of Ten Cities Compared with the Rest of the State," New Jersey Office of Economic Policy, unpublished, p. 20, and *Hunger: Report and Recommendations of the New Jersey Commission on Hunger*, Penny Coleman, ed., 1986, p. 31.

4. New Jersey Department of Labor, *Occupational Outlook for New Jersey and Selected Areas, 1984-1995*, July, 1987.

5. Economic Policy Council and Office of Economic Policy, *New Jersey Profile*, 1984, p. 28.

6. *Making the Grade: the Development Report Card for the States*, Corporation for Enterprise Development, Mt. Auburn Associates, Institute on Taxation and Economic Policy, March, 1987, p. 87, and *Indicators of Economic Capacity: First Report*, Ameritus/SRI International, December 1986, p. 32.

7. Grant Thornton, *Seventh Annual Study of General Manufacturing Climates of the Forty-eight Contiguous States of America*, June 1986, p. 60, and *Making the Grade: The Development Report Card for the States.*, p. 80.

8. Irving H. Siegel, *Kerner Commission Report and Economic Policy*, Upjohn Institute, January, 1969.

9. Governor's Select Commission on Civil Disorder, *Report for Action*, New Jersey, February, 1968.

10. United States Bureau of the Census, *Statistical Abstract of the United States 1986*, 106th edition, December, 1985, p. 457.

11. *Ibid.*

12. United States Bureau of the Census, *1980 Census: Characteristics of the Population - General Social and Economic Characteristics*, Chapter C, Part 32, New Jersey, July, 1983.

13. New Jersey Office of Demographic and Economic Analysis, Department of Labor, *New Jersey Annual Demographic Profile 1984*, June, 1985, p.22.

14. United States Bureau of the Census, *County and City Data Book 1983*.

15. Kenneth B. Maugle and Edward J. Peloquin, *New Jersey Health Services Plan for the Elderly 1986-2000*. Health Services Agency Shared Services, 1986, pp. 5-6 and p. 9.

16. New Jersey Department of Community Affairs, *Aging in New Jersey: Sixty-Five and Over*, August, 1985, p. 3 and p. 28.

17. United States Bureau of the Census, *1980 Census: Characteristics of the Population - General Social and Economic Characteristics*, Chapter C, Part 32, New Jersey, July, 1983.

18. *Ibid.*

19. *Children's Defense Fund, A Children's Defense Fund Budget FY 1988*, p. 86.

20. Gallup Poll Organization, *Attitudes of New Jersey Residents on Issues Related to Growth and Development in the State: Summary of Public Opinion Poll*. Technical Reference Document SDRP-87-2-S, January 30, 1987.

21. "Twenty-eighth Annual BIA Forecast: Cautious Optimism," *New Jersey Business*, May, 1987, p. 15.

22. *Indicators of Economic Capacity, First Report*, p. 34.

23. Research Department of the American Federation of Teachers, *Survey and Analysis of Salary Trends: 1987*.

24. Information provided to the task force from the New Jersey Department of Education.

25. National Conference of State Legislatures, Legislative Finance Papers 49, 54, and 59, State Budget Actions in 1986, *State Budget Actions in 1987*, and *State Policy Data Book '87*, State Policy Research, Inc.

26. Projection based on data on 1984 births from the New Jersey Department of Health.

27. Projection based on data from United States Bureau of the Census, *1980 Census: Characteristics of the Population - General Social and Economic Characteristics*, Chapter C, Part 32, New Jersey, 1983.

28. Projection based on data from United States Department of Labor, Bureau of Labor Statistics, *Geographic Profile of Employment and Unemployment*, 1985, 1986.

29. Projection based on data from Marsha Tanner, "Infant Mortality: a Product of Poverty," *State Government News*, January 1987, pp. 22-23, and United States General Accounting Office, *Teenage Pregnancy: 500,000 Births a Year but Few Tested Programs*, July, 1986, p.9.

30. Children's Defense Fund, *A Children's Defense Budget, FY 1988*, p. xxi and p. 21.

31. Children's Defense Fund, *A Children's Defense Budget, FY 1986*.

32. R. Alexandra Larson and Carol Kasabach, *New Jersey's Action Plan for Children: Recommendations for the Governor's Committee on Children's Services Planning*, 1985, p.6.

33. Data from the New Jersey Department of Health, and Children's Defense Fund, *A Children's Defense Budget, FY 1988*, p. xxi and p. 266.

34. New Jersey Office of Demographic and Economic Analysis, *Population Projections for New Jersey and Counties: 1990 to 2020*, Vol. 2, November 1985, pp. 9, 12.

35. Employee Benefit Research Institute, "Issue Brief No. 66," Washington, D.C., May 1987.

36. New Jersey Department of Health, AIDS in New Jersey, March, 1987, foreword.

37. *Ibid.*, p. 6.

38. New Jersey Department of Health, *How Healthy Are New Jerseyans?*, December, 1984, p. 18.

39. R. Alexandra Larson and Carol Kasabach, *Op. Cit.*, p. 13, and American Council of Life Insurance, *Children, Data Track 14*, December, 1984, pp. 17-18.

40. Data from United States Department of Health and Human Services, and from Children's Defense Fund, *Children's Defense Budget, FY 1988*, p. 13.

41. George Sternlieb and Alex Schwartz, *New Jersey Growth Corridors*, Center for Urban Policy Research, Rutgers, 1986.

42. Eugene Schneider, ed., "Recent Trends and Activities in Water Supply," in *Watching Long Term Issues*, Office of Management and Budget, Division of Planning, Issue 3, June 1986.

43. Robert W. Lake, "New Jersey's Infrastructure: Trends and Issues," in *New Jersey: Outlook for the Future*, Revised, New Jersey Office of Management and Budget, February, 1986, p. 7.

44. *Making the Grade: The Development Report Card for the States*, March, 1987, Corporation for Enterprise Development, Mt. Auburn Associates, Institute on Taxation and Economic Policy, p.88.

45. Eugene Schneider, "New Jersey Development and Growth Problems: The Municipal Response," in *New Jersey Municipalities*, January, 1987, p. 7.

46. *Local Redevelopment in New Jersey: Structuring a New Partnership*, County and Municipal Government Study Commission, January, 1987.

47. Prof. Robert Burchell, Center for Urban Policy Research, Rutgers, the State University, presentation to the Community Affairs Subcommittee, 1987.

48. Prof. James Hughes, Center for Urban Policy Research, Rutgers, the State University, quoted in *Home News*, November 19, 1987, and Council on Affordable Housing, *Low- and Moderate-Income Housing Need Estimates, 1987-1993*, May 1, 1986.

