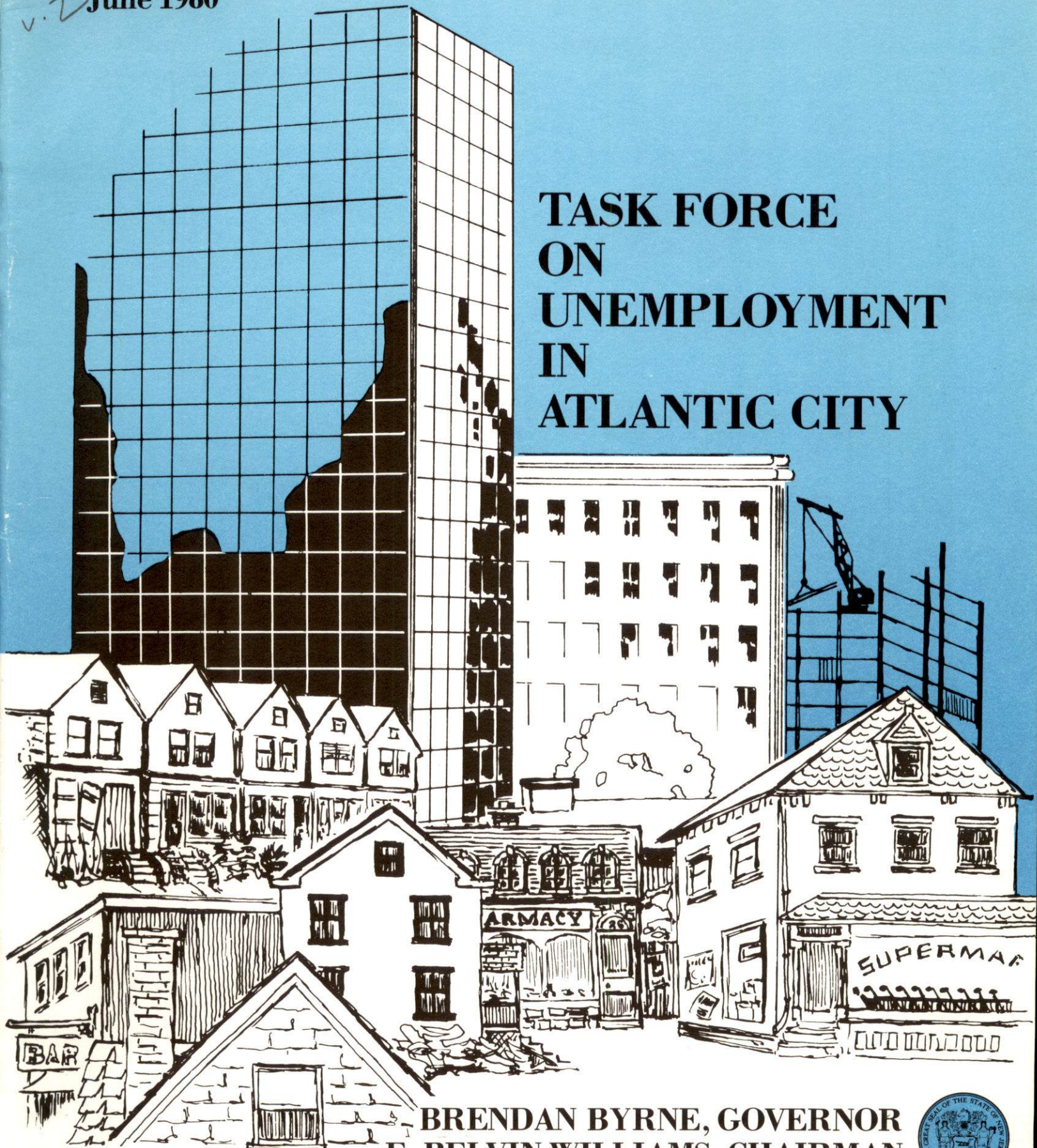


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**EXECUTIVE
SUMMARY**
June 1980

**TASK FORCE
ON
UNEMPLOYMENT
IN
ATLANTIC CITY**



**BRENDAN BYRNE, GOVERNOR
E. BELVIN WILLIAMS, CHAIRMAN**

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REPORT OF THE GOVERNOR'S
TASK FORCE ON
UNEMPLOYMENT

IN
ATLANTIC CITY

EXECUTIVE SUMMARY

JUNE, 1980

GOVERNOR'S TASK FORCE ON UNEMPLOYMENT IN ATLANTIC CITY

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President
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June 1980

E. BELVIN WILLIAMS
SENIOR VICE PRESIDENT

Honorable Brendan Byrne
Governor
State of New Jersey
State House
Trenton, New Jersey 08625

Dear Governor Byrne:

It is my pleasure to submit to you an executive summary of the report of the Task Force on Unemployment in Atlantic City.

Based on its extensive review, the Task Force is of the opinion that although unemployment among Atlantic City residents is a serious problem, it's one that can be overcome through a long-time commitment of public and private resources and services. The Task Force believes that its recommendations can make a significant contribution reducing unemployment levels in Atlantic City and perhaps statewide.

While this summary contains an overview of the major recommendations of the Task Force, I would urge all persons to review carefully the full text of the Task Force report in order to obtain a thorough understanding of the various and complex factors affecting employment and unemployment in Atlantic City.

My colleagues and I of the Task Force do hope you find the recommendations helpful to you in your efforts to revitalize Atlantic City and increase employment for area residents.

Sincerely,

A handwritten signature in cursive script, reading "E. Belvin Williams".

E. Belvin Williams
Chairman
Governor's Task Force on
Unemployment in Atlantic City

/emh

Attachment

EXECUTIVE SUMMARY

The passage of the Casino Gambling Referendum in 1976 has brought prosperity to most of Atlantic City--but, unfortunately, not to many of its residents.

Billions of dollars have been spent to build and operate casinos. Approximately 13,000 new jobs have been created. But despite the city's vastly expanded economic opportunity, local residents have benefited the least. For the first quarter of 1980, local unemployment stands at over 13 percent, far exceeding the state average.

Governor Byrne thus appointed the Task Force on Unemployment in Atlantic City in October 1979. He charged it with determining why high unemployment persists among Atlantic City residents and with identifying possible solutions to the problem.

The Governor asked the Task Force to reexamine all public and private policies and programs relating to the problem of unemployment, both in Atlantic City and statewide. He suggested that the Task Force consider these specific issues:

- The characteristics of unemployed Atlantic City residents
- The relationship between the Atlantic City labor market's requirements and the skills and experience possessed by the local labor force
- The availability of public educational, employment and training programs and services
- The need to focus these programs and services on those needing them most
- The work disincentive aspects of income maintenance programs such as unemployment insurance and welfare

- The possibility of implementing an effective employment effort via a coalition of government agencies, private sector employers, community groups and organized labor

In order to determine how the problem of local unemployment can be corrected, the Task Force conducted research aimed at identifying the unique conditions prevailing in Atlantic City. While other New Jersey urban areas share Atlantic City's problems in respect to unemployment among local residents, the Task Force felt that the Casino Gambling Referendum's promise of regeneration and rehabilitation of a historically significant part of the state sets Atlantic City apart from other New Jersey cities.

While some of Atlantic City's unemployment problems and their possible solutions are probably generalizable across the state, the Task Force recognized that the local situation is unique in two particular aspects: the local labor force has been required to adjust to the relatively rapid introduction of an entirely new industry, offering unique jobs in which local residents have had no previous experience; and the new industry is affected to an unusual degree and extent by regulation from a statutory agency charged by law with rigorous enforcement. In practical terms, these factors considerably complicate the local unemployment situation.

The Task Force has conducted an intensive investigation into all aspects of the Atlantic City casino-hotel labor market, including the regulations under which it operates, its job requirements, hiring practices, and reported problems with employees who are local residents. It has also extensively studied the characteristics of Atlantic City's hard-core unemployed, their social and economic problems, training needs, seasonal work tendencies and their own reported problems with casino-hotel employers. Somewhat hampered by the lack

of sufficient data, the Task Force relied on what information was available from interviews, state, area and local agencies, testimony at a public hearing and other sources.

In general, the Task Force found that in competing with outsiders for casino-hotel jobs, local residents are adversely affected by problems related to education, training, discrimination, health, housing, transportation, child care and other specific concerns.

Any significant reduction in the level of unemployment among Atlantic City residents, the Task Force concluded, will require a long-term commitment by the state, area government agencies and the casino-hotel industry. Public resources must be allocated to and focused on the city's unemployed, and a concerted effort must be made to strengthen and support their incentive to do productive work.

The Task Force recognized that it has not identified startling new solutions to a deep-rooted social and economic problem. But it believes that the recommendations resulting from its study can provide a realistic and practical approach to dealing with the problems of those who were supposed to be, but have not been, the primary beneficiaries of the prosperity promised by the advent of casino gambling.

RECOMMENDATIONS

The Task Force believes that both government and the casino-hotel industry must take new steps to ensure that Atlantic City residents share in the economic benefits produced by the advent of the gaming industry. The Task Force concludes that a number of recommended measures can successfully address the problem.

The Task Force believes that implementation of the recommendations listed below will not only benefit the residents of Atlantic City but can also serve as a model for reducing statewide unemployment.

(The Task Force recognizes the employment disincentive aspects of the New Jersey unemployment compensation system, as they affect the situation in Atlantic City, but makes no specific recommendations about changes in that system, since the matter is currently under study by other governmental bodies.)

The Task Force recommends that:

1. THE NEW JERSEY EMPLOYMENT SERVICE SHOULD BE DESIGNATED AS THE CAREER INFORMATION CENTER FOR THE GREATER ATLANTIC CITY AREA.

The Career Information Center would collect and disseminate all information pertaining to employment and training opportunities, providing Atlantic City residents with a central location for obtaining information about available jobs, their salaries and skill requirements, and the employment training and support services available from public and private agencies. The Career Information Center should work with the Casino Control Commission and local service providers to serve as a primary recruitment and referral agency for employment and training, social and support programs. The Employment Service should be relocated from its present offices.

The employment and training services now provided by a variety of governmental, educational and other entities should be coordinated under the overview of a regional council to eliminate duplication of services and ensure full coverage of employment needs in the local population.

2. A COMPREHENSIVE DATA COLLECTION SYSTEM SHOULD BE ESTABLISHED BY THE STATE TO ANALYZE AND MONITOR THE IMPACT OF CASINO GAMBLING ON THE GREATER ATLANTIC COUNTY AREA.

The New Jersey Department of Community Affairs, assisted by the Departments of Education, Environmental Protection, Health, Higher Education, Human Services, Labor and Industry, and Transportation, as well as the Casino Control Commission, should establish and maintain a data collection system to provide all the necessary information on Atlantic City demographics, skill levels of the local population, migration and commutation patterns, employment and unemployment rates, housing availability, social and support service suppliers, educational resources, environmental conditions, and transportation capacity. The data collection should be ongoing and reported annually to the Governor's Office of Policy and Planning.

3. ARTIFICIAL BARRIERS TO EMPLOYMENT SUCH AS THOSE PRESENTLY FOUND IN THE CASINO-HOTEL EMPLOYEE LICENSING PROCESS SHOULD BE ELIMINATED.

The licensing process for would-be casino-hotel employees should be revised to reduce artificial employment barriers which impact most negatively on those local residents who have the most difficulty finding casino-hotel employment. To avoid current delays of as long as 18 months in completing investigations leading to granting of individual licenses, the Casino Control Commission should be authorized to issue conditional licenses to gaming employees after an initial investigation into an applicant's criminal background, to be completed within 10 days. An applicant with no serious past criminal involvement would then be allowed to take a gaming related position, pending the completion of the comprehensive background investigation. This recommendation would

extend to all casino employees a dispensation now granted to the casino-hotels' key employees, non-gaming employees and hotel employees. As in the latter cases, continuation of conditional licenses issued to gaming employees would be subject to satisfactory completion of the full investigation and could be revoked at any time for cause.

A further recommendation calls for elimination of the current practice of denying licenses without explanation. All applicants should be notified in writing of the reasons for their failure to be licensed, so that they have the opportunity to correct errors or inaccuracies in the investigation's findings.

It is also recommended that the Casino Control Commission, working with the State's Attorney General, Division of Gaming Enforcement and Division of Civil Rights, revise the current Personal History Disclosure forms to eliminate questions of questionable constitutionality as well as those which are not truly pertinent to qualifications for employment in the casino-hotel business.

4. A DIVISION OF AFFIRMATIVE ACTION SHOULD BE ESTABLISHED WITHIN THE CASINO CONTROL COMMISSION TO MONITOR THE AFFIRMATIVE ACTION PROGRAMS OF THE CASINO-HOTELS AND THEIR CONTRACTORS, AND TO ENFORCE THE AFFIRMATIVE ACTION PROVISIONS OF THE CASINO CONTROL ACT.

A Division of Affirmative Action should be established within the Casino Control Commission to monitor the implementation of non-discriminatory policies and procedures in respect to employment, licensing and individual civil rights with which the Commission is charged under the Casino Control Act. This Division should address itself particularly to monitoring upward mobility of minorities and women in the casino-hotel workforce and to creating increased opportunities for minorities and women in the casino-related construction industry. While

casino-hotels are required by law to implement upward mobility programs, the Task Force believes that the monitoring of such programs and the expansion of representation by women and minorities in the casino construction workforce can only be accomplished by a division-level and strengthened enforcement group.

5. THE GOVERNOR SHOULD ISSUE A POLICY STATEMENT DEFINING THE STATE'S LEVEL OF COMMITMENT OF RESOURCES AND SERVICES TO THE ORDERLY DEVELOPMENT OF THE GREATER ATLANTIC CITY AREA.

The Governor's Office of Policy and Planning should develop a comprehensive plan for applying state resources and services in the areas of transportation, education, health and social services, environmental controls, housing, public safety, economic development and employment and training to the particular problems of the Greater Atlantic City area.

The State Employment and Training Council should be charged with developing a coordinated policy on employment and training services, to be applied not only in Atlantic City but across the state.

The Department of Labor and Industry should conduct an aggressive effort to inform private sector employers of the availability of state employment, training and support services.

The statewide General Assistance Employability Project, designed to hasten return of the unemployed to the labor force via intensive job search and counseling assistance, should be rigorously applied in the Greater Atlantic City area and the results carefully monitored.

The phase-out schedule of benefits received under Aid to Families with Dependent Children should be studied to determine whether current requirements discourage those receiving benefits from seeking work. If the current benefit

structure is found to discourage employment, the structure should be revised to provide positive incentives for seeking work, such as maintenance of benefits at a certain level until recipients can realize a net economic gain from employment.

6. A REGIONAL DEVELOPMENT COMMISSION SHOULD BE ESTABLISHED TO COORDINATE THE ECONOMIC, SOCIAL AND ENVIRONMENTAL DEVELOPMENT OF THE GREATER ATLANTIC CITY AND COUNTY AREA.

A Regional Development Commission with broad representation from Atlantic City area citizens, government officials and businessmen, as well as from the state government, should be established to coordinate overall development of the Greater Atlantic County area to ensure orderly and appropriate growth consistent with the best interests of residents, the business community and the environment. The Commission should determine the social and environmental impact of casino development proposals, work with the Governor's Office of Policy and Planning to coordinate state programs and development assistance, and generally monitor the problems imposed on the entire area by the growth of the casino-hotel industry.

(Three members of the Task Force feel that a study of expected growth of the casino-hotel industry and resulting effects on public services should precede the establishment of a Regional Development Commission.)

The Governor should also establish a Citizen Advisory Group made up of leaders in the academic, religious, business, labor and social communities with no ties to, nor vested interest in, the casino-hotel industry or the Atlantic County area, to review the economic and social impact of casino gambling and advise the Governor of necessary and appropriate actions.

7. THE CASINO-HOTEL INDUSTRY SHOULD COMMIT ITSELF TO PARTICIPATION IN AND CONTRIBUTION TO THE SOCIAL AND ECONOMIC DEVELOPMENT OF THE GREATER ATLANTIC CITY AREA.

All employers in the Atlantic City area have an obligation to the city's residents, but the casino-hotel industry has special responsibilities resulting from the profitable monopoly granted it by the state's voters. The casino-hotel industry has already benefited the city, but the Task Force believes the industry must launch new efforts to help Atlantic City residents who suffered through the bad times share in the good times. The casino-hotel operators must expand their efforts to use publicly supported employment and training programs, to share with local agencies information on current and projected workforce needs, and generally to cooperate in the attempt to find jobs for local residents.

The Task Force found that it is difficult for many local residents to adjust from their traditional summer season-oriented employment patterns. Therefore, it recommends that the casino-hotel operators adapt their personnel policies and procedures to accommodate local labor force characteristics by altering work-day length, overtime, and working hour requirements. Although full-time work is recognized as essential to the casino-hotel industry, the Task Force feels that modification of usual requirements of full-time work on a rotating shift, to allow part-time and flex-time work, will open new job opportunities for Atlantic City residents. Provision of other support services, such as child care centers and programs to help local employees cope with new social and economic pressures of casino-hotel jobs, will also improve the employment picture for Atlantic City residents, the Task Force believes.

8. THE CASINO-HOTEL INDUSTRY SHOULD GRANT HIRING PREFERENCE TO QUALIFIED RESIDENTS OF ATLANTIC CITY.

The Task Force believes that a moral commitment was made to the residents of Atlantic City that they would be the primary beneficiaries of casino gambling. Giving Atlantic City residents preference in recruiting and hiring is the best way to fulfill that moral obligation. The Task Force therefore recommends that the casino-hotels adopt a priority hiring system, giving first preference to residents of Atlantic City as of November 1976, when the Casino Gambling Referendum was passed, and second preference to those who moved into the city after that date. The Task Force also recommends a four-step geographic hiring preference: 1) Atlantic City residents; 2) Atlantic County residents; 3) New Jersey residents; and 4) out-of-state residents. Because mounting economic pressures may soon displace many pre-1977 Atlantic City residents, it is urgent that a priority hiring system be instituted immediately and coordinated with a comprehensive skill and employability development program.

