



# New Jersey State Employment and Training Commission

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Dennis M. Bone, *Chairman*

Chris Christie, *Governor*

## **POLICY RESOLUTION: SETC #2016-13**

**SUBJECT:** SETC Approval of Local Area Designation for Cumberland-Salem-Cape May

### **Background**

The Workforce Innovation and Opportunity Act (WIOA) of 2014 requires that the Governor designate local areas that are consistent with labor market areas in the State, are consistent with regional economic development areas in the State, and have available the Federal and non-Federal resources necessary to effectively administer activities under 29 U.S.C. 3151 through 3181 (Chapter 32, Subchapter I, Part B, of WIOA) and any other applicable provisions of WIOA, including whether the areas have the appropriate education and training providers, such as institutions of higher education and area career and technical education schools. This is to be done through consultation with the State workforce development board and after consultation with chief elected officials and local boards, and after consideration of comments received through the public comment process as described within 29 U.S.C. 3112(b)(2)(E)(iii)(II). WIOA states that during the first 2 full program years following July 22, 2014, the Governor shall approve a request for initial designation as a local area from any area that was designated as a local area for purposes of the Workforce Investment Act of 1998 (WIA) for the 2-year period preceding July 22, 2014, performed successfully, and sustained fiscal integrity. The period of initial designation for local areas is from July 1, 2015 – June 30, 2017. This covers Program Years 2015 and 2016. Subsequent local area designations will be reviewed by the SETC in 2017, and will be effective July 1, 2017.

On March 29, 2016, the SETC approved the requests for initial designation from 18 local areas, including the Atlantic-Cape May and Cumberland-Salem areas. Each of these areas met the designation requirements, and sustained performance success and fiscal integrity, as required under WIOA and SETC Policy #2015-02.

### **Request and Process**

The SETC has received a request for a new local area designation of Cumberland-Salem-Cape May. This request was received from the Cumberland-Salem Workforce Development Board, with the approval of Cumberland County, Salem County and Cape May County Freeholders. The attached letter of request and partnership proposal outlines the designation request for these three counties to form a local area, operating under one local Workforce Development Board. The approval of this request will establish the Cumberland-Salem-Cape May Local Area, and as a result, Atlantic County will then operate as a separate local area.

### **Timeframe**

The Cumberland-Salem-Cape May Local Area and the Atlantic County Local Area will be designated from July 1, 2016 – June 30, 2017. Subsequent local area designation requests will be required from all local areas, and will be effective July 1, 2017.

### **RESOLUTION:**

**The State Employment and Training Commission hereby approves the local area designation request received from Cumberland-Salem-Cape May for designation as a Local Area, from July 1, 2016 through June 30, 2017.**



# New Jersey State Employment and Training Commission

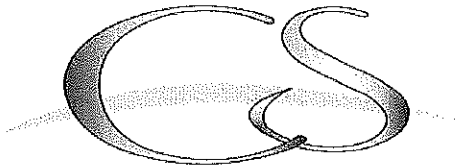
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Dennis M. Bone, *Chairman*

Chris Christie, *Governor*

**Attachments:** Cumberland-Salem Workforce Development Board Request Letter, 4/7/2016  
Cumberland-Salem-Cape May Proposed Workforce Development Partnership

**Commission Approved: May 3, 2016**



## Cumberland Salem Workforce Development Board

April 7, 2016

Dennis M. Bone, Chairman  
New Jersey State Employment and Training Commission  
PO Box 940  
Trenton, NJ 08625-0940

Chairman Bone:

On behalf of the Cumberland Salem Workforce Development Board, we are formally requesting the designation of the Cumberland Salem Cape May Local Area. Fiscal integrity and demonstrated performance accountability, as defined in SETC Policy #2015-02, have already been established during the initial designation process.

This new local area designation will improve access to workforce development services for the residents of Cape May County. It will define and implement service options that will better address training, education and workforce development needs and will function to develop a labor force that possess employment skills as identified by and relevant to the local business community needs.

Under this new designation, the workforce system will be better equipped to identify and grow labor marker opportunities and support retention, attraction, and expansion opportunities for business within each County and throughout the region. It will also enable our system to build upon and expand partnerships that currently exist for economic development, tourism and other related purposes in the three county region.

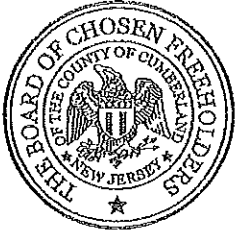
As part of this request, the Cumberland Salem Cape May Local Area acknowledges that it will not, by itself, constitute a labor market area, and therefore commits to participate in New Jersey's regional coordination efforts, including regional planning, regional resource allocation and regional coordination of services, as part of the region identified by the State.

We thank you for your consideration of this request and look forward to serving the workforce system of New Jersey under the Workforce Innovation and Opportunity Act.

Sincerely,

Bert Lopez, Chairperson  
Cumberland Salem Workforce Development Board

cc: Harold J. Wirths, NJLWD Commissioner  
Aaron R. Fichtner, NJLWD Deputy Commissioner  
Sheryl Hutchison, SETC Acting Executive Director



# The Board of Chosen Freeholders County of Cumberland State of New Jersey

**Joseph Derella**, Director  
**Darlene Barber**, Deputy Director  
**Carman Daddario**, Freeholder  
**Carol Musso**, Freeholder  
**James F. Quinn**, Freeholder  
**James Sauro**, Freeholder  
**Thomas L. Sheppard**, Freeholder

**Theodore E. Baker**, Co. Counsel

164 West Broad Street  
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**Ken Mecouch**, Co. Administrator,  
Clerk to the Board

**Kimberly E. Wood**, Deputy Co. Administrator

April 11, 2016

Dennis M. Bone, Chairman  
New Jersey State Employment and Training Commission  
PO Box 940  
Trenton, NJ 08625-0940

Chairman Bone:

On behalf of the Cumberland County Board of Chosen Freeholders, we are providing this letter of support for the designation of the Cumberland Salem Cape May Local Area.

As required in WIOA Section 106(b)(2), the Cumberland Salem Local Area was designated as a local area under the Workforce Investment Act of 1998, and functioned as a local area for the 2-year period preceding the enactment of WIOA in July 2014. Fiscal integrity and demonstrated performance accountability, as defined in SETC Policy #2015-02, have already been established during the initial designation process.

This new local area designation will improve access to workforce development services for the residents of Cape May County. It will define and implement service options that will better address training, education and workforce development needs and will function to develop a labor force that possess employment skills as identified by and relevant to the local business community needs.

Under this new designation, the workforce system will be better equipped to identify and grow labor market opportunities and support retention, attraction, and expansion opportunities for business within each County and throughout the region. It will also enable our system to build upon and expand partnerships that currently exist for economic development, tourism and other related purposes in the three county region.

As part of this request, the Cumberland Salem Cape May Local Area also acknowledges that it will not, by itself, constitute a labor market area, and therefore commits to participate in New Jersey's regional

coordination efforts, including regional planning, regional resource allocation and regional coordination of services, as part of the region identified by the State.

We thank you for your consideration of this request and look forward to serving the workforce system of New Jersey under the Workforce Innovation and Opportunity Act and this expanded local area partnership.

Sincerely,



Joseph Derella, Director  
Cumberland County Board of Chosen Freeholders

cc: Harold J. Wirths, NJLWD Commissioner  
Aaron R. Fichtner, NJLWD Deputy Commissioner  
Sheryl Hutchison, SETC Acting Executive Director



## Board of Chosen Freeholders

FIFTH STREET OFFICE COMPLEX  
110 Fifth Street, Suite 400  
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**DALE A. CROSS, Deputy Freeholder Director**  
E-mail: [dale.cross@salemcountynj.gov](mailto:dale.cross@salemcountynj.gov)

April 11, 2016

Dennis M. Bone, Chairman  
New Jersey State Employment and Training Commission  
PO Box 940  
Trenton, NJ 08625-0940

Dear Chairman Bone:

On behalf of the Salem County Board of Chosen Freeholders, we are providing this letter of support for the designation of the Cumberland Salem Cape May Local Area. We acknowledge that fiscal integrity and demonstrated performance accountability, as defined in SETC Policy #2015-02, have already been established during the initial designation process.

This new local area designation will improve access to workforce development services for the residents of Cape May County. It will define and implement service options that will better address training, education and workforce development needs and will function to develop a labor force that possess employment skills as identified by and relevant to the local business community needs.

Under this new designation, the workforce system will be better equipped to identify and grow labor market opportunities and support retention, attraction, and expansion opportunities for business within each County and throughout the region. It will also enable our system to build upon and expand partnerships that currently exist for economic development, tourism and other related purposes in the three county region.

As part of this request, the Cumberland Salem Cape May Local Area also acknowledges that it will not, by itself, constitute a labor market area, and therefore commits to participate in New Jersey's regional coordination efforts, including regional planning, regional resource allocation, and regional coordination of services, as part of the region identified by the State.

We thank you for your consideration of this request and look forward to serving the workforce system of New Jersey under the Workforce Innovation and Opportunity Act.

Sincerely,

  
Julie A. Acton, Freeholder Director  
Salem County Board of Chosen Freeholders

cc: Harold J. Wirths, NJLWD Commissioner  
Aaron R. Fichtner, NJLWD Deputy Commissioner  
Sheryl Hutchison, SETC Acting Executive Director

# BOARD of CHOSEN FREEHOLDERS

COUNTY of CAPE MAY

4 Moore Road

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Website: [www.capmaycountygov.net](http://www.capmaycountygov.net)

GERALD M. THORNTON, Director  
*Administration,  
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Emergency Management*

LEONARD C. DESIDERIO  
VICE-DIRECTOR  
*Public Safety*

E. MARIE HAYES  
*Tourism and Public Information  
Public Offices and Transportation*



WILL MOREY  
*Planning, Economic Development,  
Education, and Engineering*

KRISTINE GABOR  
*Health and  
Human Services*

Elizabeth Bozzelli  
*Clerk of the Board*

April 8, 2016

Dennis M. Bone, Chairman  
New Jersey State Employment and Training Commission  
P.O. Box 940  
Trenton, N.J. 08625-0940

RE: Cape May County Partnering With Cumberland/Salem WDB

Dear Mr. Bone:

Cape May County is ready to move forward with a new partnership with the Cumberland/Salem Workforce Development Board.

Joining forces with the Cumberland/Salem WDB will result in multiple administrative, operational, and fiscal efficiencies. We not only will improve access to workforce development services for our three counties, but the partnership will more effectively observe and address the localized training, education and workforce development needs of the residents of Cape May County.

For these reasons, my colleagues and I fully support the new partnership. We will be pleased to provide you with any additional information you might find helpful, and look forward to learning what action steps are required to complete the transfer.

Thank you for your courtesy.

Sincerely,

Gerald M. Thornton  
Freeholder Director

cc: Harold J. Wirths, Commissioner of LWD  
Aaron R. Fichtner, Deputy Commissioner, LWD  
Sheryl A. Hutchison, SETC Executive Director  
All Cape May County Freeholders

# Cumberland/Salem/Cape May Proposed Workforce Development Partnership

## I. GEOGRAPHY & DEMOGRAPHICS OF THE LOCAL AREA

The proposed Partnership would include the three most southern Counties in New Jersey

- Would cover a total **1067 square miles** of land area
  - ~15% of the State’s total land area
- Would have the federally required - *(Section 106 (b) of the Workforce Innovation and Opportunity Act (WIOA) - contiguous nature*
  - All three Counties share common Delaware Bay coastline to the west
  - Land mass areas are linked with Cumberland as the hub
- Would be **2nd largest service area** in terms of size in NJ  
*NJ’s only other tri-county workforce development service area (Morris/Sussex/Warren) is the largest*
- Would Include three (3) of the seven counties (7) that comprise NJDOLWD’s Southern NJ Region
- Would have a total collective population of approximately **320,200 individuals**
- Would have a total collective labor force of approximately **153,800 individuals**
- Would be home to nearly **8,000 private sector business establishments**



COUNTY	SQUARE MILES	POPULATION	LABOR FORCE	# OF BUSINESS ESTABLISHMENTS
Cape May	251	97,265	47,600	3,806
Cumberland	484	156,898	73,300	2,898
Salem	332	66,083	32,900	1,169
<b>TOTAL</b>	<b>1067</b>	<b>320,246</b>	<b>153,800</b>	<b>7,873</b>

Data Sources: US Census Data April 1, 2010; US Census Data 2012 Updates

*From a geographic and demographic perspective, a Tri-County Partnership consisting of Cumberland, Salem and Cape May counties offers a viable local Workforce Development service delivery area that would meet the Workforce Innovation and Opportunity Act (WIOA) requirements. Furthermore, the Partnership can be seen as a preferred arrangement in that it is better aligned with New Jersey’s regional approach to service delivery.*



## Cumberland/Salem/Cape May Proposed Workforce Development Partnership

### II. LABOR MARKET AND THE ECONOMY OF THE LOCAL AREA

The proposed Partnership would span three (3) federally recognized [Metropolitan Statistical Areas \(MSAs\)](#)

- Vineland-Millville-Bridgeton (Cumberland County)
- Ocean City (Cape May County)
- Wilmington, De (Salem County)

#### A. COMMON ELEMENTS

While each of the MSA’s (or Labor Areas) holds a degree of “uniqueness”, they also display numerous commonalities.

The commonalities are most readily evidenced in Industry Sector employment statistics for:

- [Health Care and Social Services](#)
- [Retail Trade](#)
- [Accommodations & Food Service](#)
- [Construction](#)

Each of those sectors ranked in the top six (6) for employment in each County.

Collectively, the four sectors currently account for over half ([56%](#)) of all non-government and non-farm employment in the three counties.

Collectively, the four sectors are projected to account for over [90% \(4950 jobs\)](#) of the net non-farm employment gains that should occur over the next ten years.

#### TOP SIX EMPLOYMENT SECTORS BY COUNTY

RANK	CAPE MAY	CUMBERLAND	SALEM
1	<a href="#">Accommodations &amp; Food Service</a>	<a href="#">Health Care &amp; Social Services</a>	<a href="#">Health Care &amp; Social Services</a>
2	<a href="#">Retail Trade</a>	Manufacturing	Manufacturing
3	<a href="#">Health Care &amp; Social Services</a>	<a href="#">Retail Trade</a>	<a href="#">Retail Trade</a>
4	<a href="#">Construction</a>	<a href="#">Accommodations &amp; Food Service</a>	Utilities
5	Other Services	Wholesale and Trade	<a href="#">Accommodations &amp; Food Service</a>
6	Arts and Recreation	<a href="#">Construction</a>	<a href="#">Construction</a>

Data Source: NJDOLWD “Key Industries by County Report” for Cape May, Cumberland and Salem counties (February 2016).

**NOTE:** In addition to the above, all three counties have a rich tradition of supporting [agriculture related industries and employment](#) as evidenced in recent years in the significant growth of horticulture, sod and grape (winery) operations in all three counties.

## Cumberland/Salem/Cape May Proposed Workforce Development Partnership

### II. LABOR MARKET AND THE ECONOMY OF THE LOCAL AREA (continued)

#### B. DIFFERENCES

There are certain Industry Sectors that hold a higher level of significance within one or more of the counties than they do in the other(s). They include:

- **Manufacturing** *2<sup>nd</sup> highest employment sector in both Cumberland and Salem but not in the top ten for Cape May*
- **Wholesale Trade** *5<sup>th</sup> highest employment sector in Cumberland but outside of the top ten for both Cape May and Salem*
- **Utilities** *4<sup>th</sup> highest employment sector in Salem but a minimal sector in both Cape May and Cumberland*
- **Transportation & Warehousing** *7<sup>th</sup> highest employment sector in both Cumberland and Salem but not in the top ten for Cape May*

Data Source: NJDOLWD "Key Industries by County Report" for Cape May, Cumberland and Salem counties (February 2016).

These primary labor market differences (and others, if any are identified) will need to be addressed as part of the local area's workforce development strategic planning activities.

Differences can best be viewed as opportunities for economic diversification:

- They can result in **expanded employment possibilities** for job seekers
- They can create an **expanded labor pool** for businesses seeking to hire new workers.

#### C. OTHER

The proposed partnership should function to support, improve and grow other regional efforts that currently exist and can be seen as a catalyst for "opening doors" to new ventures.

- New Jersey Regional Planning and Coordination Efforts
- Economic Development
- Business Retention
- Business Attraction
- Tourism

***From a Labor Market perspective, a Tri-County Partnership consisting of Cumberland, Salem and Cape May counties adequately demonstrates an ability to meet the requirements for labor market and economic development consistency as presented in Section 106(1)(B) of the Workforce Innovation and Opportunity Act (WIOA). Furthermore, the Partnership can be seen as a preferred arrangement in that it should result in enhanced labor exchange possibilities for both the job seeker and the employer community.***

## Cumberland/Salem/Cape May Proposed Workforce Development Partnership

### III. ADMINISTRATION AND OPERATIONAL PARAMETERS OF THE LOCAL AREA

#### A. The proposed Partnership would be a “build-out” of the current partnership that exists between Cumberland and Salem.

- Would result in [administrative efficiencies and economies](#)
- Designed so as to promote [non-duplication](#) of essential administrative services such as:
  - Financial Management
  - Management Information Systems (MIS)
  - Reporting Contracting
  - Monitoring
  - Procurement (RFPs)
  - Workforce Development Board Functions
- Allow for individual [County based direct service](#) management and provision

#### B. Key Functions and Roles Within the Partnership

- **Cumberland County continues to:**
  - function as the [Grant Recipient](#) for the entire local area
  - function as the primary [Administrative Entity](#) for the entire local area
  - be responsible for all program operations within Cumberland County
  - act as the employing entity for staff as necessary to carry-out designated functions and roles.
- **Salem County continues to:**
  - function as a [Sub-Grantee](#) within the partnership
  - be responsible for all program operations within Salem County
  - be responsible for certain administrative functions related to Salem County programs.
  - act as the employing entity responsible for staff as necessary to carry-out designated functions and roles.
- **Cape May County becomes:**
  - a [Sub-Grantee](#) within the partnership
  - responsible for all program operations within Cape May County
  - responsible for limited administrative functions for Cape May County programs.
  - the employing entity for staff as necessary to carry-out designated functions and roles.
- **The Workforce Development Board:**
  - Continues to be responsible for strategic planning, oversight, establishing priorities, performance monitoring, budgeting and related [required roles for the entire local area](#).
  - Determines the [direct staffing needs of the Board](#) as necessary to carry-out its designated duties and responsibilities (consistent with parameters established by the SETC)

## Cumberland/Salem/Cape May Proposed Workforce Development Partnership

### III. ADMINISTRATION AND OPERATIONAL PARAMETERS (continued)

#### C. The proposed Partnership would officially commence on July 1, 2016.

- NJDOLWD would include Cape May's formula based allocations (funding) for Program Year 2016-17 (July 1, 2016 to June 30, 2017) on the newly formed local area's Notice of Obligation (NOO).
  - The NOO would detail **individual allocation** (funding) amounts available **to each County** in the Partnership.
  - All such **allocated funds** (*with the exception of those amounts necessary to support area wide administrative functions*) would be **made available to support program operations within the County** to which they are formula allocated.
  - Funding would be utilized by each County in a manner that **complies with the laws and regulations** governing its use and **is consistent with the strategic plan and budget guidance** provided by the Workforce Development Board
- In **Cape May County**, funding would initially be targeted toward developing adequate infrastructure, staffing and **establishing base-line services**.
  - Goal would be to have such **base-line operations** in place and available to Cape May County residents as of **July 1, 2016**
  - Enrollments that occur **on or after July 1, 2016** would be **served by Cape May under the new partnership**
  - Cape May County residents currently being served (**those enrolled in activities prior to June 30, 2016**) would continue to be **served by Atlantic County**.
  - **Additional services** (as needed/identified) would be **phased in** during subsequent **six (6) month transitional period** (i.e., July through December)
- New and/or **amended One-Stop Operating Agreements, Resource Sharing Agreements and Workforce Board/CEO Agreements** must be developed during **subsequent six (6) month transitional period** (i.e., July through December)
- A **full Local Area Designation Request** would be submitted to State Employment and Training Commission (SETC) in **early 2017**. The request must include all agreements (see above) and verification of local area **demonstrated performance** and **fiscal integrity**.

## **Cumberland/Salem/Cape May Proposed Workforce Development Partnership**

### **III. ADMINISTRATION AND OPERATIONAL PARAMETERS (continued)**

#### **D. The proposed partnerships would have an impact on the activities and composition of Workforce Development Board.**

- The Board would become responsible for an additional County (Cape May)
- Current active members/appointees serving as Cape May County representatives to the Atlantic/Cape May Workforce Development Board would be absorbed as members of the proposed partnership's Workforce Development Board
  - Provide Cape May with the ability to offer input and advice during the six (6) month transitional phase (July to December)
  - Establishes a sub-group of the Board that would be necessary to guide initial key RFP development and provider selection processes.
- During subsequent six (6) month transitional period (i.e., July through December):
  - Board membership numbers and representation categories would need to be reviewed, adjusted and agreed upon to add an appropriate and equitable level of Cape May County representation.
  - Board membership numbers and representation categories will need to be reviewed, adjusted and agreed upon to assure compliance with the new requirements under the Workforce Innovation and Opportunity Act (WIOA) and SETC Directives.
  - The local area's Strategic Plan will need to be reviewed to assure that service priorities and industry targets (as well as management and administrative structures) are capable of fully addressing local area needs.
  - Board staffing needs would need to be reviewed to assure they comply with and are consistent with parameters established by the SETC.

***From an Administrative perspective, a Tri-County Partnership consisting of Cumberland, Salem and Cape May counties would offer an opportunity to further the scope and sphere of influence of well-functioning and time-proven administrative efficiencies.***

***From an Operational perspective, a Tri-County Partnership consisting of Cumberland, Salem and Cape May counties would promote locally (county-based) managed and controlled service delivery that, once fully implemented, would enhance the job seeker's awareness of and access to available workforce development services.***

***Under the guidance and oversight of the Workforce Development Board, the Partnership would function as a fair, equitable and business needs driven system that addresses the needs within the local labor market area and the South Jersey Regional Labor Market Area as established by NJDOLWD and the SETC.***

## Cumberland/Salem/Cape May Proposed Workforce Development Partnership

### IV. SUMMARY STATEMENT

We believe that the new partnership arrangement will:

- **Improve access** to workforce development service for the residents of Cape May County,
- Define and implement service options that will **better address** the training, education and workforce development **needs** of the residents of Cape May County,
- Function to **develop a pool of trained workers** (labor force) that possess employment skills as identified by and relevant to the local area business community (employer) needs throughout the Tri-County area,
- Identify and grow labor market (job) opportunities and **support business retention/attraction/expansion opportunities** throughout the Tri-County area,
- Build upon and potentially **expand partnerships** that currently exist for economic development, tourism and other related purposes in the Tri-County area,
- Operate in manner that will result in **administrative and operational efficiencies**,
- Function under a sound and experienced administrative structure that is characterized by **demonstrated fiscal integrity** and **performance accountability and results**,
- Be led and guided by a **governance structure** (*a Workforce Development Board and Board of Freeholder partnership*) that operates in a **fair, just, equitable and open** manner.