



New Jersey needs a corporate incentive program that meaningfully invests in New Jersey's communities while operating in accordance with best practices provided by policy experts. There should be robust clawback mechanisms in place to ensure adherence to the reforms listed below.

**These six reforms and the details therein are the consensus priorities of the advocacy and labor groups signed on below.** These pieces are crucial to creating an economic incentive program that benefits all New Jerseyans, as well as are strategically important for advocates who have been vocal supporters of the Governor on this issue.

**Any extension of the Economic Opportunity Act must include the following:**

- **Ensure Resident/Minority Hiring**
  - Communities where these tax incentives are allocated should have specific, strategic access to new jobs. **Community employment must be the centerpiece of any new tax incentive program.**
  - Require analysis of the match between grant applicants and the labor force/community characteristics of where the development will be located.
  - Close all job “retention” loopholes in EOA 2013-- new and “retained” jobs should not be treated the same in any benefits test.
- **Caps on Annual Spending and Caps on Cost-per-Job**
  - Restoring spending caps would increase the opportunity for oversight, address long-term affordability, and make the costs per year more predictable.
  - Dollars-per-job caps will help avoid giving mega-tax breaks to companies and jobs without adequate evidence that the economic benefit will generate a positive return on investment.
- **Shorten Award Timeframes to Three Years**
  - Offering shorter time frames means a state can spend less on subsidies while receiving the same benefit.
- **Improve Reporting Requirements**
  - Improve use of performance metrics and indicators.
  - Implement more transparent access to relevant data by the Department of Labor and Division of Taxation. Train staff at the Economic Development Authority to verify self-reports from applicants.
  - Clarify definitions of key terms, like “jobs” so that desired outcomes are fully realized.
- **Implement a Recurring Evaluation Process**
  - Rather than a sub-contracted entity such as a college or university, have the comptroller conduct a performance audit every three years as a recurring evaluation process to ensure proper oversight and analysis of programs.
- **Stronger, Explicit Labor Standards**
  - Any jobs and developments funded by New Jersey taxpayers must provide workers with permanent, full-time jobs, fair wages (including prevailing wages for building service workers and an immediate \$15 minimum wage for all including warehouse distribution workers),

affordable healthcare, enhanced workplace safety protections, fair schedules and the right to organize.

- New Jersey should not subsidize poverty jobs. Employers paying substandard wages and putting downward pressure on wage standards should not receive taxpayer subsidies.
- The NJEDA should screen subsidy applicants for compliance with applicable health, safety, minimum wage and overtime laws. Applicants that have a track record of wage theft or OSHA violations should not be eligible for NJEDA subsidies.
- The NJEDA should have the ability to suspend, and potentially revoke, incentives that have been awarded if an employer is found to be in violation of applicable health, safety, labor, minimum wage and overtime laws.

Signed,

Communications Workers of America

Laundry, Distribution and Food Service Joint Board, Workers United

New Jersey Citizen Action

New Jersey Policy Perspective

New Jersey Work Environment Council

New Jersey Working Families

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