

New Jersey State Employment and Training Commission
State Energy Sector Partnership (SESP) Council
PSE&G - Edison

April 12, 2012
Meeting Minutes

I. Welcome & Introductions - Dennis M. Bone, Chairman, New Jersey State Employment and Training Commission (SETC)

The April 12, 2012 meeting of the State Energy Sector Partnership Council (SESP) was called to order at 8:35 am. Chairman Bone welcomed everyone and thanked Sally Nadler and PSE&G for hosting the meeting. Introductions were made around the table. Chairman Bone reviewed the agenda. The draft minutes of the February 29, 2012 meeting were introduced. A motion was made by Gary Finger and seconded by Robert Loderstedt to approve the minutes. The motion passed unanimously by voice vote. The minutes of the February 29th meeting were approved.

II. Regional Updates – Kathy Weaver, Newark Alliance; Eileen Higgins, Monmouth WIB; Dante Rieti, Cumberland/Salem WIB

Kathy Weaver was unable to attend the SESP meeting today. Her presentation regarding the Northern Region is included in the packet for review by Council members.

Eileen Higgins gave an update for the Central Region. The Central Region has finalized and signed their contract. The regional partners met on April 11, 2012. They developed their operating procedures for classroom and on-the-job training. They currently have four people enrolled in on-the-job training and two in the classroom. They are just getting started, but have their partners on board.

Dante Rieti gave an update for the Southern Region. They received their contract on February 21, 2012. It was a slower start than they had hoped, but they are now under way with the project. They have been working on infrastructure – the set-up and operation protocols. They have finished the hiring process for a coordinator. They found an excellent candidate with extensive experience in many fields who is also a Marine Corp. Veteran. They have had productive meetings with their partners throughout the southern counties. The baseline protocols for partner involvement have been set up and they have an agreement with their partners to leverage some of their WIA funding to assist in recruitment and outreach. They will hold a second meeting in late April or early May, once the new coordinator comes on board to review the details of the workflow. That meeting will include representatives from the county colleges. On-the-job training is one of the components of the project. It is slow, but steady. On-the-job training is usually an easy sell to employers. In this case, it is a bit more difficult to sell because many employers don't recognize "green" in their industries. They are working with two

employers for eight to ten jobs. They have made some job matching and referrals to one and hoping to see some on-the-job training soon. They are working with some other small one-on-one businesses as well. With regard to the trust fund and innovation grants, they have two early discussion projects. One related to working with a local county college to take an associate degree program in renewable energy, condense the time frame and bring it into a certificate program. This is in the early stages of development. The second project is with the advanced manufacturing talent network. A focus group is working to identify necessary skills and the local county college is putting together a curriculum. They hope to have that project off the ground very soon. The third project in Camden City is for brown field remediation. There is no status update for this project, so it is not included in the written report. One of the biggest pieces they are working on is marketing and promotion. The staff is fully trained in RAD – Recovery Act Data System. All information for the program is housed in this system. Finally, Cumberland is hosting a job fair for veterans and there will be one in Camden in May.

Chairman Bone asked if it was surprising that businesses see the green job description as so narrow. It was thought that there would be a broader understanding and larger businesses seem to grasp it. The smaller businesses have a problem understanding the benefit. Approximately \$1.5 million has been allocated to each of the three regions. It is important for businesses to understand the qualifications.

The DEP has a program for small businesses, the Sustainable Business Initiative. A survey of businesses regarding their knowledge and what is limiting them in their sustainable practices was done. Many small businesses are not aware of EDA or small business assistance programs. DEP is trying to address this issue. One of the components of the Sustainable Business Initiative is education outreach to help small businesses understand there are practices that would teach them the importance to have staff and employees that can think in the green mind set to improve their energy efficiency and material conservation.

Other businesses are working to improving their waste stream and reclaiming of oil and scrap. Research is being done to improve machine parts using different alloys so replacement cycles are longer. It is critical for smaller businesses to understand the benefit of green.

III. SESP Updates

1. US Green Building Council of New Jersey – Florence Block, Executive Director

Florence Block reported that her council received a grant to provide green training in the trades as well as high level education to unemployed individuals and veterans looking to change careers. This is underway and they have over 100 sign-ups/enrollments to provide training. They will be working with Lyons VA in Somerset County to offer them training for their unemployed veterans. Additionally, they have undeveloped acreage and a master plan to develop housing for the veterans. They are also considering building a solar farm, solar manufacturing and renovating a

number of their buildings. The USGBC has over 1000 members representing 600 companies. Consideration is being given to including a stipulation in the RFP stating that part of the review would be based on the number of veterans, who have received basic training, are hired for the construction teams for internships, apprenticeships or paid apprenticeships on these projects.

There is huge enthusiasm on the federal level to take this model and do it throughout the state to provide the basic, two day training to define the fundamentals of sustainability and the supply chain of green building and manufacturing and also to identify candidates that would be appropriate for job placement, and working with the vendors and contractors on these projects. A company will get a project based on their commitment to train and hire unemployed veterans.

The NJ Sustainable Schools Consortium received a grant to provide training to the operations and facility managers and staff of school boards and districts. A research project is underway to establish the baseline performance of 25 schools. Based on results an action plan will be put into place to raise the level of performance of those buildings. That RFP just went out and part of the stipulation is to make a contingency within that project that would retain a certain element of unemployed people and veterans.

Ms. Block's group has been attending job fairs around the state. This is a great opportunity to capture the market. There is a receptiveness to work with unemployed veterans.

2. ***Grant Update - Michele Horst, Executive Director, New Jersey State Employment and Training Commission***

All grant money has been obligated on paper. It has not been invoiced or paid, but the money is expended, according to the plan. Primarily it is for unemployed training. In partnership with Labor and Workforce Development, we have instituted an aggressive de-obligation plan. Contracts that were not spending money at the appropriate rate were given notice they were cut off at the end of March. That money would be de-obligated and reallocated. We are working on getting those totals. Additionally, we are looking at a more stringent and aggressive monitoring and compliance review of all contracts based on conversation this group had at the last meeting. We are looking forward to receiving the monitoring reports and will report back to this body with a barometer of where we are with those contracts and how we are efficiently and expediently managing them.

Chairman Bone complimented the group on their strong, unanimous consent to perform a more rigorous and thorough review of the grantees and de-obligate the money if it had not been spent. Assistant Commissioner Stoller also commented on the speed at which the responsible persons at LWD responded to and corrected this issue.

3. *USDOL Update, Extension Request - Michele Horst, Executive Director, New Jersey State Employment and Training Commission*

The extension letter we will be submitting for the no cost extension for the grant to continue through July 31, 2013 is based on a few criteria. One of these criteria is the data system the USDOL is requiring us to use. The data has been entered; however there was an error in the entry. This is currently and aggressively being corrected by Labor and Workforce Development.

Ms. Horst reported she is working with the project officer at the USDOL on the extension letter. It has now come to light that the extensions are focused on the number of unemployed placements. In New Jersey the data is on incumbent workers and retraining incumbent workers. We passed a policy at our last meeting that states we need to invest the same kind of intensity on unemployed and getting them placed. We now need to develop a very detailed, aggressive plan focused on placing the unemployed in order to get the extension approved. Michele Horst will be working with the regions and partners to accomplish this goal. The USDOL would like to give the extension, but we must demonstrate compliance with their criteria. We are hoping to submit the letter by the end of April. The review process takes from one to three months once the letter is submitted.

Members asked how many grant requests were approved. Ms. Horst reported 27 were approved for this last round. Contracts that were not approved were ones where the training expenses were inordinate and those that didn't demonstrate adherence to the grant. Members asked if the vendor discussed at our last meeting with less than 30% completed was approved. Ms. Horst responded they were not approved.

The Review Committee observed there was a potential "gaming" of the system when reviewing the contracts. However, the issue was resolved and the Committee is comfortable with the results.

Ms. Horst reported that most SESP grantees have already or are planning to file for an extension for the use of this money. We are in the bottom percentile for placement, but in the bell curve for placements, in the 90 percentile for placements. Most of the northeast region is struggling. The strength of the extension is the plan that is in place.

We have had a number of employers or grantees come back to us for a second and even a third round of training because they have expended, utilized, hired and had an impact. We are performing an employer impact analysis six month post training. We are asking for return on investment data on how it impacted the business and employees, were employees retained and/or promoted, we have had duplicate applicants that have been funded based on their track record and the fact that they can use the dollars in the way it was intended.

The USDOL imposed a 68% overall placement of unemployed population goal. We are working with USDOL to renegotiate the levels of service. They have not said what the consequences would be if not meeting the goal. Other states are experiencing the same issue. There may be potential applicants that won't apply because the goal is not feasible. Ms. Horst will address this issue with our USDOL project officer.

There has been previous discussion about publishing "success stories". These stories are beginning to come in. Ms. Horst will work with the LWD marketing group to publish these. There is value in getting these stories out. We currently have one with a \$40,000 return on investment.

IV. *Council Strategy Discussion*

A discussion took place among the members regarding the green economy, employer placement and other relevant updates.

The members inquired if industries other than construction, which is at 40% unemployment, were facing similar issues regarding placement. Executive Director Horst advised that while she doesn't have exact numbers, the education piece has become important, especially to allow employers to recognize the value of credentials for their employees. The data needs to be reviewed to identify where the best return on investment can be achieved in terms of hiring.

Members asked how many people have been trained and how many are employed and should we continue to train if these people are not getting jobs. Green is emerging as a new basic skill set. It may be catching on in sectors other than construction. Green needs to be redefined and these skill sets need to be brought to all sectors. The term green has been overused. Perhaps we should use the terms high performance and sustainable.

A member asked if on the trade side, if the emerging "retrofit" projects were something that would help with the construction industry's 40% unemployment. It was noted that retrofit projects are not typically done by union employees.

From a marketing standpoint, it is important to educate people about this program at the various job fairs throughout the state.

When DEP's Environmental Workforce Training Program in Camden was developed they were aware of the projects in process in the area, giving them the ability to learn from those employers what skill sets were needed for the available jobs. When the training program at Camden County College was developed it was determined that multiple skill sets would be taught in all aspects of green, the concept of stackable, transferable skills. This training allows people more options in various green areas. If one particular job is not available the individual is trained in other green areas. The

question becomes how we market a skill set in terms of this training to add on to the traditional skill set that some targeted industry sectors require.

This concept of stackable credentials is something the energy/utility industry is looking at in the creation of a nationwide industry fundamentals stackable credential that is recognized industry wide. This stackable credential would allow an individual to be recognized as having the basic skills to be hired into the energy industry and make them a more employable candidate.

Perhaps this grant money should be used to give people better baseline training. LWD found that employers needed traditional engineers, but adding the green layer helps. Since the grant was for green training and not basic training the concept of stackable credentials could and perhaps should be used on the green training side.

The workforce system needs to train workers for the future and the skills that will be required in the future. We should link this to the key industries identified in the state plan and the talent development networks. We should look at those industries that will grow and be successful in New Jersey and determine what skills the workforce needs to make those industries grow. We need to connect to those industries whether it's stackable credentials or just a skill set. This is an evolving process.

A member asked if data was available to determine if we are targeting the correct audience for this specific grant. Executive Director Horst stated she would ask that question of LWD and bring the information back.

It was asked if we have the flexibility with this grant money to talk to the industry and identify the most strategic plan as to what their needs are and try to tailor the balance of the money to training people to fill those needs. Most of the money from this grant was given to companies to train existing workers and just recently unemployed workers into entry level jobs and not the more skilled job. Chairman Bone indicated he believes the reason for this is because there are large numbers of entry level workers who are trying to get a job but do not have the skills to get a green job or move up to a more sustainable job. SETC Executive Director Horst advised at this point our money has been allocated on paper; there will be some de-obligation of funds and reallocation. Is it possible to develop a better strategy for the reallocation of these funds? We have had enough conversations with some of the industry sectors to begin these conversations and pursue dialogues in the regions for this purpose.

V. *Closing – Dennis Bone, Chairman*

Chairman Bone thanked the council members for their support. He announced the next meeting will take place on July 31, 2012. This meeting concluded at 10:00am.

Member Attendees – April 12, 2012

Beverly, Carla - First Baptist Church of Lincoln Gardens
Block, Florence - US Green Building Council New Jersey
Bone, Dennis - Verizon NJ
Caliguire, Tricia – Governor’s Office
Ewalt, Jaime - NJ Department of Environmental Protection (for Commissioner Martin)
Finger, Gary – Board of Public Utilities
Garlatti, Betsy – State of NJ Higher Education
Higgins, Eileen – Monmouth County WIB
Ielmini, Pete – NJ Building Trades Apprenticeship Committee
Loderstedt - Robert, NJ Manufacturing Extension Program, Inc.
Montero, Ana – NJ Department of Community Affairs
Nadler, Sally - PSE&G (for Mr. LaRossa)
Rieti, Dante – Cumberland County Office of Workforce Development
Santare, Robert - Champion Fasteners and Burlington WIB
Schiff, Jill - Building Contractors Association of NJ (for Mr. Kocsis)
Stoller, Jeff – NJ Department of Labor and Workforce Development
Zilai, Debbie – New Jersey Resources

Guests and Staff Attendees – April 12, 2012

Horst, Michele - NJ State Employment and Training Commission
Vetterl, Susan - NJ State Employment and Training Commission