

SETC

State Employment & Training Commission

Chris Christie, Governor
Dennis M. Bone, Chair

SETC Commission Meeting Minutes

November 30, 2011

10 a.m. – 12 p.m.

PSE&G Training and Development Center, Edison, NJ

I. Welcome & Introductions

Chairman Dennis Bone called the meeting to order at 10:05 am and roundtable introductions were conducted. Chairman Bone thanked Sally Nadler and PSE&G for hosting this meeting.

Chairman Bone indicated that in compliance with the Open Public Meeting Act, notice of this meeting was published in the Star Ledger and the Trenton Times. The minutes of the June 7, 2011 and the September 22, 2011 meetings were introduced and approved with no corrections.

II. Chairman's Report

Policies – NJ Administrative Code Adoption

The Workforce Investment Board (WIB) Accountability Policy was adopted into New Jersey Administrative Code on October 3, 2011, and the WIB Certification/Re-Certification Policy was adopted on October 17, 2011. Chairman Bone thanked the Governance Committee and its co-chairs, Jody Levinson and Joann Trezza, for their work to develop these policies. Both policies will be incorporated into the WIB assessment and re-certification process this year.

WIB Chairs Meeting

Chairman Bone and Commissioner Wirths met with local WIB Chairs from across the state on October 27, 2011 at the Commissioner's office in Trenton. The Chairs are business leaders who volunteer their time to the local WIBs and their input is greatly appreciated. Issues discussed at this year's meeting centered on local board membership and each board's ability and authority to impact their area workforce system. Chairman Bone noted that it was an excellent meeting and he was energized by these volunteer leaders.

State Energy Sector Partnership (SESP) Grant Update

As reported at the last meeting, the \$6 million SESP grant awarded to New Jersey in January 2010 was administered through the SETC by Maureen O'Brien-Murphy. However, additional resources were needed to fully support the grant operations. The grant was therefore transitioned to the NJ Department of Labor and Workforce Development (LWD). Ms. O'Brien-Murphy will continue as the lead staff person and has moved to the Workforce Development division of LWD, which has a team to assist with the grant administration. \$2.3 million of the grant funds have been obligated to date; an additional \$1.5 million will be

provided to three (3) regional partners for On the Job Training (OJT) initiatives. The grant is scheduled to end in January 2013.

Sector Priorities

Today's agenda will focus on the sector strategy approach to workforce development. Chairman Bone thanked LWD Assistant Commissioner Aaron Fichtner for joining today's meeting to present detailed information on New Jersey sector strategies. The goal is to focus scarce resources on the industries that can succeed in New Jersey. Chairman Bone noted that this industry focus strategy is shared by the New Jersey Partnership for Action and Choose New Jersey, and was recently adopted in the State Strategic Plan for Re-Development. Today the Commission will be asked to vote on a resolution to endorse sector strategies to strengthen these key industries. Chairman Bone also welcomed Robert Wise, President and CEO of Hunterdon Healthcare and Chair of the SETC's Health Care Workforce Council, who will make a presentation on the council's efforts to date.

III. Sector Strategy Endorsement

A. New Jersey Sector Priorities

Asst. Commissioner Fichtner indicated that LWD is committed to the development of sector strategies and he commended the SETC for partnering in this effort. At a recent meeting of the President's Advanced Manufacturing Partnership initiative in Boston, two important themes were widely agreed upon: 1) a skilled, talented workforce must be the underpinning of any economic development strategy, and 2) partnership is critical to success. These two themes hold true for New Jersey, across all industries. Asst. Commissioner Fichtner emphasized the importance of working together to make sure that people get the skills they need to succeed in the workplace, and to ensure that employers have access to a pool of talented workers, enabling their businesses to flourish and expand.

Six industries have been selected for sector focus and LWD has created a Talent Network for each industry. Asst. Commissioner Fichtner reviewed the latest report from LWD Labor Planning and Analysis, profiling each industry's current workforce and economic impacts for the Garden State:

- Bio/Pharmaceuticals and Life Sciences: New Jersey has the largest cluster of life sciences companies in the country.
- Transportation, Logistics and Distribution (TLD): In the Northeast Corridor, New Jersey is the hub for this industry.
- Financial Services: New Jersey's close proximity to New York City makes our state part of the financial hub for the country.
- Advanced Manufacturing: While New Jersey has lost half of all manufacturing jobs since 1990, this industry is still a huge part of our economy.
- Health Care: This is the only industry in New Jersey that grew during the recession.
- Technology/Entrepreneurship: This is a critical industry for our state, continuing the innovation started by Edison and AT&T and Bell Labs.

Leisure, Hospitality and Retail is another industry that will be explored for sector initiatives. It is an important industry which provides a large number of jobs in the state. The six industries selected above will drive the economy and should generate related growth in

hospitality and retail. The green energy sector, as discussed at the last Commission meeting, will be addressed as a layer strategy, since green job functions exist within all industries.

Members discussed sector strategies as a way to gain maximum impact from limited resources; by supporting these key industries, other areas such as construction and support/service businesses will be strengthened as well. Specific support for the manufacturing industry was discussed. Asst. Commissioner Fichtner indicated that the Economic Development Authority has a number of incentives, including low-interest loans, available to assist these businesses and LWD supports manufacturing through its customized training grants. The New Jersey Business Action Center (NJ BAC) also supports manufacturing by helping these businesses navigate red tape and regulatory issues.

Commission members discussed the need to communicate these industry efforts to businesses, so they are aware of the many resources available to them. Asst. Commissioner Fichtner noted the new business portal established by the Lt. Governor and NJ BAC, at <http://www.nj.gov/njbusiness>. Also, LWD has launched the Jobs4Jersey website, which will feature an employer portal and resource information for businesses. LWD will hold a press event later today with Lt. Governor Guadagno to announce the new www.Jobs4Jersey.com site. NJ Transit will carry Jobs4Jersey “wraps” on the outside of the NJ Transit buses, to advertise the website. The LWD Talent Networks also will be reaching out to employers and developing deep relationships through round table sessions, job fairs and networking events. Asst. Commissioner Fichtner noted that small businesses will be a key target area, since these companies often do not have the robust human resources departments that large companies rely on. The Jobs4Jersey site and other resources should be especially helpful to them.

Members lauded the launch of Jobs4Jersey, as an easy yet powerful tool for both job seekers and employers. All current Unemployment Insurance recipients are receiving e-mails or hard-copy letters encouraging them to use the site. As of this week, 24,000 resumes have been loaded into the website, which puts the site on track for the employer portal launch in January. Commission members will be asked to explore the new employer portal on the Jobs4Jersey website and provide feedback; this website portal will be provided to members once it is ready for testing. Chairman Bone also suggested using business and labor partners, including business associations and Chambers of Commerce, to help get the word out about the website.

B. Resolution – Sector Endorsement

Chairman Bone thanked Asst. Commissioner Fichtner for his presentation. He then introduced SETC Resolution #2011-04, the adoption of Industry/Sector Strategy as the organizing principle of New Jersey’s workforce development system that drives policy development, system planning, performance oversight and resource investments. Tapas Sen made a motion for the approval of Resolution #2011-04, seconded by Stephen Hornik. The motion was carried and the Resolution was unanimously approved.

C. Healthcare Workforce Council Presentation

Chairman Bone introduced Robert P. Wise, President and CEO of Hunterdon Healthcare, who is the Chair of the SETC’s New Jersey Health Care Workforce Council (HCWC). The Health Care Workforce Council mission is to strengthen New Jersey’s health care workforce

to support a sustainable, quality health care system for the good of the State and all of its residents.

The SETC was awarded a one-year State Health Care Workforce Development Planning Grant by the US Dept. of Health and Human Services, Health Resources and Services Administration (HRSA). The Council was formed at the direction of Governor Christie as part of the grant application. Subsequently, this Council has become the SETC's Talent Development Industry Advisory Council for the health care sector. Mr. Wise discussed the strong membership of the HCWC; there are 34 high-level leaders representing a cross-section of health care, business, workforce, government and philanthropic organizations.

Mr. Wise provided a PowerPoint presentation outlining the many issues that will shape the future healthcare workforce in New Jersey, including:

- Health care models are shifting dramatically:
 - National health care reform will have a huge impact – it's estimated that 450,000 more NJ residents will be covered by health insurance in 2014.
 - Community based care is expanding, with a greater focus on preventative care provided at a lower cost than acute care in hospital settings.
 - Electronic Health Records are changing not only how hospitals handle patient information, but also thousands of doctors' offices and clinics in New Jersey.
 - The "Team Model of Care" is being explored; it will be important to connect this team model to increased efficiency and lowering of costs if this model is to be replicated.
 - A need for greater collaborative learning linking fields/disciplines and transcending the isolation of silos.
- Health care workforce pipelines must be constructed rapidly:
 - The additional insurance coverage of approximately 450,000 people in New Jersey in 2014 means there will be an immediate increase in the demand for services.
 - The aging population also is increasing demand for health care services.
 - At the same time, the health care workforce is aging. Currently the recession is delaying the retirements of some older workers. As the economy improves, these retirements are expected to increase.
 - The recession also results in unemployment for some trained health care workers; these workers will be needed in the future, so we need to find incentives to keep them engaged in the industry.
- There is a critical need for a shared system of state health care workforce data:
 - We need to know the current health care occupation demand and supply and accurately forecast the workforce demand in the future.
 - Access to reliable and longitudinal data on the state's health care workforce will enable the state and the industry partners to make informed, responsible policy and investment decisions in a cohesive way.
- Health care education pathways need to be clarified:
 - Better career pathways will allow workers to build their skills and advance in their careers.
 - There is a need for alignment of training and education with current and future workplace needs, including the incorporation of the team model of care.

- These pathways need to include high school and even middle school curricula, to allow students to gain the foundational science and math skills needed for these careers.

Members noted the need for coordination of the various health care technology systems, to streamline communication and collaboration between doctors, hospital systems, and insurers. Mr. Wise agreed, citing Hunterdon Medical Center's initiative to collaborate with its medical staff and choose one system for the private practice offices and the Medical Center itself. Incentives were provided, with the support of insurance companies, to assist the various offices to move to one common platform, or interface with it, within two years. Insurance companies support these efforts to engender the delivery of accurate and timely data.

Members supported the greater alignment of training and education with new models of care and employer needs. Mr. Wise noted the ongoing efforts to increase nursing faculty; Robert Wood Johnson Foundation is providing funding to encourage nurses to pursue doctoral degrees in order to become nursing instructors. Also, Mr. Wise discussed efforts to address the primary care physician shortage. The New Jersey Council of Teaching Hospitals recently published a report making several recommendations to address pipeline issues and improve retention of primary care physicians. New Jersey currently retains only 37% of its medical school graduates, for a variety of reasons. The cost of malpractice insurance could be one reason, but Mr. Wise noted that this may be a declining issue as more physicians join hospital systems, which then provide for their malpractice insurance.

The need for entry-level health care workers, especially those with multi-lingual skills in the community, was also recognized by Commission members. Community-based workers and home health aides, for example, can support the delivery of preventative services in local areas, and decrease the need for emergency room or acute care. These workers can be quickly trained at a low cost, however the typical wages for these jobs also are low. The HCWC has an education sub-committee exploring continuing education and credentialing for these frontline workers, so that they have the opportunity to progress into higher-level occupations.

Chairman Bone thanked Mr. Wise and the Health Care Workforce Council for providing insight into the many components of the health care workforce. He noted that this sector with its changing models and pressures, clearly demonstrates the workforce needs and challenges that we are facing.

D. Director's Report

Industry Advisory Groups

Michele Horst, Executive Director of the SETC, reported that new industry advisory groups will be created for each of the industries selected for sector strategies, as discussed by Asst. Commissioner Fichtner. The new advisory groups will be formed as SETC Talent Development Industry Advisory Councils. The Health Care Workforce Council (HCWC) will continue its work as the advisory council for the health care sector. Ms. Horst noted that the HCWC's efforts demonstrate the point of the sector strategies, to align our resources and target the right workforce infrastructure for the future.

The SETC will lead the new advisory councils, in partnership with LWD and working with the Talent Network coordinators. The Labor Planning and Analysis division of LWD has been the course-setter, providing the workforce and labor market data to select these industries and support these initiatives. The LWD Workforce Development division has dedicated staff resources to support these key industries as well.

The SETC Talent Development Industry Advisory Councils will issue targeted workforce industry reports, identifying the priority workforce skill needs of employers and the strategies and action steps needed to close any workforce skill gaps. These councils are expected to hold kickoff meetings in February and will meet on a regular basis throughout the year.

Ms. Horst issued a call to action for the Commission members: Industry members are asked to participate in and lead the Talent Development Industry Advisory Councils. Government and Community-Based Organization members are asked to share intelligence from these Councils with their agencies, and to include these workforce issues and strategies in their priority and policy discussions. Labor, Training and Education members are asked to use this intelligence with their organizations as well, and are asked to collaborate on meetings with industry employers to discuss issues and solutions for each sector, in order to close any real or perceived education and skills gaps. Ms. Horst will reach out to industry representatives from the Commission to invite them to serve on the Talent Development Industry Advisory Councils and will outreach to all Commission members for their involvement. Robust and diverse membership will be vital to the success of these Councils. A member job description will be created for the Industry Advisory Councils, including member and council expectations, and time commitment. Existing industry employer groups will also be utilized as appropriate; these established groups can provide input and discuss potential strategies outlined by the Industry Advisory Councils.

Youth Strategy Initiative

Michele Horst reported that a team from the SETC, LWD and local WIB areas recently attended a youth strategy conference in Boston, hosted by the US Department of Labor (USDOL). As a result, the team identified a need for a state workforce strategy focused on serving youth in New Jersey. Ms. Horst also discussed the need for a statewide Youth Investment Council to create and support youth workforce policy and strategies. A new SETC staff person is slated to be hired in the next few months, and will be responsible for this youth strategy initiative.

State Plan Development

The sector strategies and work of the Talent Development Industry Advisory Councils will support the development of the next state strategic workforce plan, to be submitted to USDOL in 2012. The youth strategy also will be part of this plan. Ms. Horst thanked Teri Duda and Tapas Sen for co-chairing the SETC Planning Committee, to oversee development of the plan. The anticipated timeframe for the plan submission to the USDOL is in the spring of 2012. It is possible that the due date could be extended, with USDOL's approval, to allow a full integration of the new sector and youth strategies into the state plan. The plan will focus on industry sector strategies, the various populations to be served, and the measurable outcomes to be used to evaluate these efforts. The new plan will not be a compilation of 17 local WIB plans, but rather a cohesive plan developed with the engagement of local areas.

WIB Certification Process

The Governor is authorized to re-certify local Workforce Investment Boards every two years. As Chairman Bone reported, the WIB Certification/Re-Certification Policy was adopted into New Jersey Administrative Code on October 17, 2011. As part of the process for re-certification, the SETC staff will help local WIBs assess their capacity and create technical assistance plans. The re-certification “clock” will begin on July 1, 2012. There will be a two-year period for WIB assessment, culminating in the SETC submitting its recommendations for local WIB re-certification to the LWD Assistant Commissioner of Workforce Development, Mary Ellen Clark.

Members discussed the general timeline for the certification process, including the need to have benchmarking checkpoints to monitor progress towards successful certification for all local WIBs. The potential cuts to Workforce Investment Act funding from the federal government were also discussed; the current House of Representatives budget calls for 85% cuts to workforce programs. Ms. Horst indicated that a good strategic plan will be essential to surviving these cuts, with a clear focus on priorities that will guide program decisions as budgets are reduced.

Members discussed contacting New Jersey’s Congressional delegation to express support for workforce programs. The contact information for these delegates will be provided to the Commission members. Members also agreed that it is vital to demonstrate performance and accountability for these programs, in order to justify continued investment. Chairman Bone noted that workforce efforts must and will continue, and we must plan not to depend solely on WIA funding.

E. Public Comment

Nils Richardson, President/CEO of Association for Choices in Community Supports and Employment Services New Jersey (ACCSES NJ), addressed the Commission to request that, as sector strategies are developed, the needs of those with disabilities are included in the discussion. Mr. Richardson serves on the SETC Disability Issues Committee.

F. Adjournment

The SETC meeting dates for 2012 were provided to members, and the next meeting date was announced. A motion was approved to adjourn the meeting at 12 pm.

Next SETC Meeting:
Tuesday, January 31, 2012
10 am to 12 noon
New Jersey Law Center
McCarter Room (2nd Floor)
One Constitution Square, New Brunswick, NJ

**STATE EMPLOYMENT AND TRAINING COMMISSION MEETING
ATTENDEES – NOVEMBER 30, 2011**

PRESENT MEMBERS or ALTERNATES

Barry, Marie (for Cerf)
Berry, Dana
Bone, Dennis
Connolly, Beth (for Velez)
Duda, Teri
Fichtner, Aaron (for Wirths)
Gacos, Nicholas
Garlatti, Betsy (for Hendricks)
Hornik, Stephen
Karsian, Andrea
Levinson, Jody
Mickens, Felix (for Lawson)
Munyan, Robert
Reisser, Clifford
Sabater, Julio
Santare, Robert
Sen, Tapas
Trezza, Joann
Wowkanech, Charles

ABSENT MEMBERS

Carey, Michael
Davis, Gail
Franzini, Caren
Grifa, Lori
Henderson, Henry
Linder, Msgr. William
McAndrew, Brian
McNamara, Joseph
Nutter, Harvey
Ryan, G. Jeremiah
Stout, Bruce
Wade, Carolyn

OTHER ATTENDEES

Ford, Robin
Guillard, Jane
Lopacki, Sandy
Melcher, Robert
Nadler, Sally
Newhard, Terry
Richardson, Nils
Scalia, Donna
Wise, Robert

SETC STAFF

Davis, Lansing
Horst, Michele
Hutchison, Sheryl
Jackson, LaShauna