



# New Jersey State Employment and Training Commission

Dennis M. Bone, *Chairman*

Chris Christie, *Governor*

## State Employment and Training Commission (SETC) Meeting Minutes

**September 17, 2013**

10:00 am - 12:00 pm

NJ Law Center, 1 Constitution Square, New Brunswick

### **I. Welcome & Introductions**

Chairman Dennis Bone called the meeting to order at 10:09 am and welcomed all attendees. In accordance with the Open Public Meetings Act, a notice of this meeting was submitted to the Trenton Times and Star Ledger and posted on the SETC website.

Chairman Bone invited new members Kevin Brown, John Donnadio, Sally Nadler, and Melanie Willoughby to share their brief bios and workforce interests with the Commission. Roundtable member introductions were then initiated.

Chairman Bone introduced the June 18, 2013 meeting minutes; a motion was made to approve the minutes by Sally Nadler, seconded by Tapas Sen. The minutes were approved by voice vote, with Ms. Apgar, Mr. Donnadio and Ms. Willoughby abstaining.

### **II. Chairman's Report**

Chairman Bone indicated that he was not presenting a report today in order to accommodate a full agenda of critical presentations and decisions by the commission.

### **III. Profile of Workforce & Education Systems: Germany**

NJ Department of Labor and Workforce Development (LWD) Assistant Commissioner Mary Ellen Clark provided a PowerPoint presentation, the "Germany Skills Initiative Briefing" detailing her participation in a July Information Tour in Germany. The Skills Initiative was sponsored by the German Embassy. Representatives from six U.S. states, the US Department of Education, the IBEW and the AFL-CIO participated in the skills initiative trip.

The initiative highlights Germany's focus on robust skills-based vocational programs which are rooted in the primary school system and integrated throughout middle school and high school. Ms. Clark noted that a key to the success of Germany's system is that vocational education is valued equally to university education. In addition, all tuition is free, and students work three days per week and attend classes two days per week, and earn approximately 50% wages while learning. The concept of lifelong learning is deeply incorporated into the culture. Employers in Germany finance \$27 billion of the total \$30 billion in vocational training costs.

Asst. Commissioner Clark indicated that while the full German model might not work in the U.S., some elements could be successfully incorporated into our vocational education and training models. These elements relate to Core Value 1 and Core Value 3 in New Jersey's unified state plan. Core Value 1 is

*Driving Investments Based on Industry Needs* and Core Value 3 is *Equipping the Workforce for Employment*.

Challenges with the German model include a significant length of time needed to incorporate new or adjust existing vocation tracks/criteria. The country is not as quick to respond to entrepreneurial opportunities; the system takes about two years to react to environmental changes. Also, workers are not accustomed to career shifts or changes in employment. Additionally, it can be difficult for immigrants to enter a career track in Germany due to the structured educational path.

Asst. Commissioner Clark noted the key takeaways for New Jersey are to keep building on our foundation of *Driving Investments based on Industry needs*, which includes the Talent Networks and the SETC's Talent Advisory Councils, aligning LWD funding to employer needs. We also can reach out to German and Swiss companies already in New Jersey, as they understand this model and could be strong partners.

Chairman Bone thanked Asst. Commissioner Clark for her presentation and opened the floor for questions. Members noted the importance of the employer involvement in developing the career paths and for supporting learning and teaching on the job. It was noted that small companies in Germany reap the benefits of the investments made by the larger companies like BMW and Siemens. Members also recognized the need for early and strong collaboration between the K-12 education system and the vocational education system. Chairman Bone indicated that the issue was highlighted by the need for talented, skilled workers discussed at recent Talent Advisory Council meetings for Advanced Manufacturing and Transportation, Logistics & Distribution sectors.

#### **IV. CTE Pathways Project**

Melanie Willoughby of the NJ Business & Industry Association (NJBIA), Marie Barry of the NJ Department of Education (NJDOE) and Judy Savage of the NJ Council of County Vocational-Technical Schools, provided a PowerPoint presentation on New Jersey's Career and Technical Education (CTE) program.

Melanie Willoughby, Senior Vice President of NJBIA, emphasized the need to fill the skills gap, as a new "Sputnik moment." The skills gap is in both hard and soft skills and must be addressed in order for the U.S. and New Jersey to compete in the new global economy. Soft skills are one issue: often employers are unwilling to hire and retain new graduates who have not acquired these skills. The hard skills gap is demonstrated as positions go unfilled in New Jersey due to lack of trained workers. NJBIA and LWD recently developed a metal fabrication training program to address one such need; 90% of the individuals of those trained got jobs.

New Jersey employers are very concerned about the growing skills gap, especially when it comes to good jobs that require technical training, but not necessarily a college degree. A focus on middle skills jobs, certificates and two-year degrees are key elements to building the workforce pipeline. It was noted that a Harvard study and others that suggested redefining the goal of "college for all" to "a meaningful post-high school credential for all." This might mean a two-year degree, an apprenticeship, or stackable industry credentials.

Ms. Willoughby announced the new statewide partnership to build Career Pathways. The partnership includes business, education, government, students and families. The goals are to expand CTE opportunities, ensure multiple pathways to success, address the skills gap, strengthen the workforce pipeline, and ensure future economic prosperity.

Marie Barry, the state Director of Career and Technical Education (CTE) at NJDOE, outlined the new vision for CTE. It will encompass all students for all careers. Rather than the traditional vocational education focus on 6 to 7 program areas, CTE offers 16 Career Clusters (aligned with the seven Key Industry Sectors identified by the SETC and LWD) with 79 Career Pathways. Academics are integrated in the model and secondary is combined with post-secondary education, meaning that dual credit can be earned and industry credentials obtained by students. Students in the Career Pathways can earn credits, complete a post-secondary degree and then go to work, or earn a credential in high school and move right into a job. So far, the program has shown promising results: CTE students have better high school performance than non-CTE students.

Judy Savage, Executive Director of the NJ Council of Vocational-Technical Schools, reviewed the scope of the NJ CTE program. There are 21 vocational school districts with more than 60 schools. There are 500 programs offered at these schools, each with an industry advisory committee. There are 32,000 students currently enrolled in NJ CTE programs. But there is a capacity issue; there are not enough seats for all who want to join the program. There are 2.5 applications for every one seat, and 16,000 student applicants were turned away this year. Ms. Savage reiterated the value of the program: 70% go on to college after graduating from the vo-tech programs. And Ms. Savage noted that while one-third of jobs require a four-year degree, another one-third require a two-year degree or credential.

The NJ CTE program is being promoted with NJBIA and partner agencies. There are plans to expand the CTE program, and recommendations for its future can be found in a report published by NJBIA and the NJ Council of County Vocational-Technical Schools, "Career and Technical Education: New Jersey's Pathway to Prosperity."

Chairman Bone thanked the presenters and opened the floor for comment. Members underscored the importance of apprenticeship programs and the partnership of organized labor in CTE programs. Chairman Bone indicated that the TLD Talent Advisory Council had also emphasized the need for stronger career paths and expressed the commitment of the SETC to strengthen these partnerships.

## **V. Governance Committee Report**

### WIB Certification Update

Co-Chair JoAnn Trezza provided an update on the status of Workforce Investment Board (WIB) Certification efforts. A summary chart was provided in today's meeting materials. The chart shows the range from low to high of results for the 17 local WIBs. Excellent progress was made by those in the middle and high range of completion, with more gains expected through November. WIBs in the middle and high range are expected to complete all certification items by the January 2014 application date.

It was noted that no WIB has yet completed all items for certification; a number of pending items including final meeting minutes and board membership updates will be collected through January. Most WIBs are still working on achieving 51% business membership on the local boards and new Memoranda of Understanding (MOUs) with the One-Stop Partners.

The WIBs in the middle and even the low range have time and opportunity to improve their results, and staff will continue to work with them diligently to help them improve. However, the low-range WIBs have 8 or less items completed at this time. Ms. Trezza noted that the Governance Committee was aware of the challenges for these areas and will continue to monitor and support their certification efforts.

To address the possibility that one or more of the WIBs in the low range do not reach 15 satisfactory items, the Governance Committee and staff are proposing that additional steps be taken leading up to the January application and into 2014.

- SETC staff will identify any “red-flag” areas to the Governance Committee in November; these are any WIBs at risk of not completing all 15 items.
- Red Flag notices will be sent to these WIBs; this will be a final warning to address the situation. Applications are due at the end of January, and the Governance Committee will review the applications in February.
- Any WIBs that have not achieved “Satisfactory” rating for all 15 items will be recommended for Conditional Certification. A “Conditional Certification” means that the WIB has not yet achieved full compliance.
- The SETC will then give these WIBs a timeframe to complete the final certification items, with a hard-stop at May 30, 2014.
- Any WIB not done by May 30, 2014 will be recommended to have its certification denied by the SETC when it meets in June. This will trigger action within the NJ Department of Labor and Workforce Development, through the office of Assistant Commissioner Mary Ellen Clark.
- WIBs that have used this time to complete their certification will be recommended for full certification by the SETC in June 2014.

Chairman Bone indicated that certification is a fundamental role of the local workforce system and ensures the system functions at the highest level. He commended the process instituted by the Governance Committee during the past two and a half years. Chairman Bone also thanked Assistant Commissioner Mary Ellen Clark for her partnership in this effort.

The floor was opened for questions and comments. Members discussed the impact on a local workforce area if the WIB is decertified; this could impact the level of workforce funds received by the local area. Michele Boronkas noted that the administrative code or rule governing WIB certification includes a range of options, including dissolution of the board and reappointment of a new board by the Governor. The role of local elected officials in the process was also discussed.

#### Local Board Membership Policy Revision:

Co-Chair Jody Levinson reported that the Governance Committee had reviewed the SETC Policy #2010-01 on local board membership and outlined the recommended changes to this policy. The recommended revisions are proposed based on a comparison with WIA Law and New Jersey statute which showed that the SETC policy exceeded the federal and state membership requirements in a number of areas. Consequently, New Jersey WIBs have had less flexibility in recruiting and selecting members for the boards. In addition, the WIB Certification effort has shown that WIBs in New Jersey have grown in size. To meet the required members, and also achieve a 51% business membership, most WIBs are now over 30 members. The average WIB has 37 members and three WIBs have more than 45 members. Finally, only half of the WIBs are currently at 51% business membership, in part due to the large size of the boards.

The proposed revisions make a number of key changes to address this issue. The revisions align local board business membership with the 7 key industry sectors and clarify that representatives from not-for-profit entities can be considered business members on the board if they operate like a business and are part of one of the 7 key industry sectors. An example of this would be the CEO of a large hospital. The revisions also remove the requirement that the county economic development agency be a member. Two economic development representatives are still required. A representative of a Community Action Agency is one of the choices for local CBO members of the board, but is not required. A minimum of

two local educational entities be represented on the board, as required under WIA law and NJ statutory requirements. And a Public Housing Authority representative may be a member of the board.

Ms. Levinson noted that the policy revisions are expected to assist local areas in recruiting and retaining key partners for board membership, by giving increased flexibility and focusing on the key industry sectors that are present in the local area.

The floor was then opened to questions and comments. Members discussed the proposed revisions and made two additions to the revised policy document:

- Membership should include women, minorities and individuals who have disabilities.
- Membership should include representatives from small business.

Chairman Bone asked for a motion to approve the policy revisions, with the noted additions. Julio Sabater made the motion; seconded by Carolyn Wade. The revisions to SETC Policy #2010-01 were unanimously approved.

#### **VI. Work Readiness Credential - Approval of Sale to McGraw-Hill**

SETC Executive Director Michele Boronkas provided information on the history and development of the Work Readiness Credential in New Jersey. Ms. Boronkas outlined the need for SETC approval of the sale of the WRC to McGraw-Hill, so that the credential can be utilized throughout the system. In the current ownership structure, there are no resources to support the credential's implementation and utilization. Ms. Boronkas asked for a motion to support the sale of the WRC to McGraw-Hill. Dana Berry made the motion; seconded by Sally Nadler. The sale of the Work Readiness Credential to McGraw-Hill was unanimously approved by the members.

#### **VII. Public Comment**

Jane Brady, Director of the Middlesex Workforce Investment Board, referenced a letter sent to the SETC regarding the inadequate poverty levels set by the federal government. Ms. Brady asked the SETC to address this issue. She also noted that LWD does not have set standards for curricula of private vendor training programs. As an example, one Licensed Practical Nursing course may include 200 hours of training while another may include 400 or 600 hours. Ms. Brady asked Asst. Commissioner Clark and LWD to address this issue. Chairman Bone thanked Ms. Brady for her comments and indicated the SETC could consider these issues at a future meeting.

Nils Richardson, President and CEO of ACCSES NJ announced the publication of the ACCSES NJ economic impact study; copies were made available to members.

#### **VII. Adjournment**

The meeting was adjourned at 12:05 pm.

*Respectfully Submitted,*

*Christina Herzog and Sheryl Hutchison, SETC Policy Analysts*

#### **Next SETC Meeting**

Tuesday, November 26, 2013

10 am – 12 pm

NJ Law Center, One Constitution Square, New Brunswick

**STATE EMPLOYMENT AND TRAINING COMMISSION MEETING  
ATTENDEES – SEPTEMBER 17, 2013**

**PRESENT MEMBERS or ALTERNATES**

Apgar, Dawn (for Velez)  
Barry, Marie (for Cerf)  
Berry, Dana  
Bone, Dennis  
Brown, Kevin  
Clark, Mary Ellen (for Wirths)  
Donnadio, John  
Garlatti, Betsy (for Hendricks)  
Hornik, Stephen

Levinson, Jody  
McAndrew, Brian  
Nadler, Sally  
Sabater, Julio  
Sen, Tapas  
Trezza, JoAnn  
Wade, Carolyn  
Willoughby, Melanie  
Wise, Robert

**ABSENT MEMBERS**

Brown, Michele  
Carey, Michael  
Constable, Richard  
Duda, Teri  
Gacos, Nicholas  
Karsian, Andrea

Linder, William Msgr.  
McNamara, Joseph  
Nutter, Harvey  
Reisser, Clifford  
Stout, Bruce  
Wowkanech, Charles

**OTHER ATTENDEES**

Battle, Sydney  
Brady, Jane  
Ford, Robin  
Franklin, John  
Jimenez, Anthony  
Krauss, William  
Melcher, Robert  
Metzgar, Mike

Mickens, Felix  
Milone, Catherine  
Musick, Andrew  
Nouryan, Ted  
Richardson, Nils  
Savage, Judy  
Weaver, Kathy  
Semple, Barry  
Stoller, Jeff

**SETC STAFF**

Boronkas, Michele  
Davis, Lansing  
Herzog, Christina  
Hutchison, Sheryl  
Lew, Kirk  
O'Brien-Murphy, Maureen