



New Jersey State Employment and Training Commission

Dennis M. Bone, *Chairman*

Chris Christie, *Governor*

State Employment and Training Commission Meeting Minutes

November 14, 2017

10 am – 12 pm

NJ Law Center, New Brunswick, NJ

I. Welcome & Introductions

Chairman Dennis Bone called the meeting to order at 10:05 am and welcomed members and guests. Chairman Bone announced that, in accordance with the Open Public Meetings Act of 1978, notice of this meeting was submitted to the Trenton Times and Star Ledger and was posted on the SETC website. Roundtable introductions were conducted. The approval of the minutes was held for a future meeting since a quorum of members were not present. Chairman Bone reviewed the agenda, and noted the discussion of proposed SETC Policy #2017-03: State Funding Mechanism for Local Infrastructure Costs. He stated that law requires allocation of local infrastructure costs and the policy must be instituted this year. Chairman Bone also noted that this meeting takes place during National Apprenticeship Week; members indicated that about 35 Apprenticeship celebration and information events are being held around the state.

II. Chairman's Report

Chairman Bone acknowledged the passing of Henry Plotkin, former SETC Executive Director, and asked members for a moment of silence. The Chairman spoke about a recent meeting he attended with John Franklin presenting the ALICE Program (Asset Limited, Income Constrained, Employed), with United Way of Northern NJ. ALICE represents the growing number of individuals and families who are working, but are often below the poverty level and unable to afford basic necessities. Mr. Franklin noted that many partners attended this event, including NJBIA, the State Chamber of Commerce, Morris County Community College, and Raritan Valley Community College; a discussion was held with these partners about their best practices, work-based learning and connections with vocational-technical schools.

III. The Future of Work

Kathy Krepcio, Executive Director of the Heldrich Center for Workforce Development opened the discussion about the future of work, including New Jersey's current and projected labor market and economy, technology and demographics, how these are evolving, and the effects on business and industry. A number of articles were provided by Ms. Krepcio, as recommended reading on the future of work. Ms. Krepcio highlighted the Federal Reserve conference in Austin, Texas, which she attended with Carl Van Horn; this focused on the nexus of the workforce, economy, and community development. Melanie Willoughby then discussed the fast-paced evolution of technology; this presents challenges to businesses, including keeping a skilled employee base. Also, Ms. Willoughby discussed a new curriculum for K-12 education that included technology, experiential learning and soft skills, to enable workers to be more adaptable to change and lifelong learning. Members

discussed the challenges of the “gig” economy for workers, including health insurance, income stability and frequent unemployment. It was noted that some employers are offering instant reward programs to encourage their employees to update their skills. Digital literacy was discussed as a skill in demand; it is a requirement for certain types of employment, especially in healthcare, where it is needed even in bedside care. Ms. Krepcio asked members to consider the current unemployment insurance program, and whether it was responsive to worker and employer needs, given the shifting economy and possible disruptions to employment. Members discussed providing more options to individuals who want to exit the “gig” economy and obtain more traditional, long-term employment.

Chairman Dennis Bone noted two important shifts: first, the changing of jobs at a more rapid pace than in the past; second, the population shift, as the Bureau of Labor Statistics shows that 25 percent of the workforce will be over 55 years old by 2026. It is likely there will be a mismatch between the jobs in demand and the skilled workers to meet that demand. Therefore, we will need workers between 45 and 50 years old to be willing and ready to learn new skills and change jobs in the future.

Members also discussed the need for employee retention; addressing skills gaps at senior employee levels; incorporating social sciences and STEM in youth education; addressing equity of access and income gaps; and creating a strong coordinated agenda between workforce and education entities to ensure that these agencies’ efforts are melded together.

Ms. Krepcio asked members to consider the State of New Jersey’s own technology platforms; members agreed that strengthened technology is needed to better communicate the vast array of services available to New Jerseyans. The need to attract younger workers to traditionally older companies/industries was also discussed. Member Bob Wise indicated that the use of “team huddles” at work created new employee networking and bonding opportunities, regardless of age and socioeconomic backgrounds. Chairman Bone commended this activity, as a way to harness the power of diverse teams to solve problems.

In conclusion, Chairman Bone asked members to consider ways in which the SETC as a commission, and SETC members as individuals, can address some of these issues. Members agreed on the need for an accelerated process to transform the workforce system, in order to keep up with the fast pace of the global changes that impact upon it.

IV. Council on Gender Parity in Labor and Education (GPC) Update

Chairman Bone asked GPC Chairperson Sally Nadler to give the group an update on the work of the Council. Sally began by stating that a year ago, the Council met with the Talent Networks in an effort to link GPC activities with New Jersey’s key industry sectors. Last year, the GPC conducted an analysis of women in the legal profession. The reported results were informative; however, it was a stand-alone effort that did not directly align with SETC initiatives.

The GPC is now working to link its activities with the 65 by ‘25 initiative for statewide credential attainment. The Council has decided to create a gender analysis of the Talent Network sectors. For time and budget reasons, the GPC is focused on two key industries, financial services and technology. Much information already has been gathered on gender issues in these two sectors. Ms. Nadler noted that on the surface, both industries appeared to be somewhat equitable with regard to gender representation. But the GPC found that, with further examination, gender gaps did exist. For example, in occupational areas of the financial services industry, women are clustered in the lower paying jobs and in the executive and leadership positions there was even greater disparity. The GPC’s examination found that the technology industry also had significant gender gaps. The Council then

contracted with Rutgers University's Center for Women and Work to conduct an analysis of the various levels of career sectors in both industries; preliminary findings were reported at the GPC meeting in October 2017. The Council is now working with Talent Networks to create and recommend career pathways for these two industries, which the Talent Development Centers can then implement to help reduce these gaps in gender parity.

V. SETC Dashboard Update

SETC Deputy Executive Director Sheryl Hutchison provided a PowerPoint presentation on the SETC Dashboard project. The SETC has a role in workforce performance, as part of its oversight and evaluation of the workforce system. The goal is to enable data-driven decision making by creating a continuous feedback loop from performance to policy and planning, to workgroups and partner implementation, and use performance outcomes and customer feedback to measure success and identify areas for improvement.

The new WIOA performance metrics are still in transition. Program Year (PY) 2016 ended in June 2017 and new WIOA "primary indicators" were used for reporting to the federal government. Statewide targets for both PY 16 and PY 17 were included in the Combined State Plan of 2016. The PY 16 results and the first quarter of PY 17 will be included in the Dashboard presentation at the next Commission meeting. It was noted that several new WIOA measures are in "baseline" status; future targets will be set based on the outcomes reported in PY 16 and PY 17. The 2018 targets are expected to be negotiated as part of the WIOA Combined State Plan modification in 2018. Since the current reporting includes only those customers who exited/completed services from July 1, 2016 onward, it is a building process to gather a complete set of reliable data.

Ms. Hutchison reviewed the performance measures that gauge success in Employment Outcomes, Wages, Credential and Skills Attainment. Also, there is a new measure that is still in pilot mode, to measure Effectiveness in Serving Employers. The WIOA law did not define this measure; states are asked to report on two of three pilot measures, and to explore their own state measures, in order to assist USDOL in creating the most useful metric. Ms. Hutchison indicated that New Jersey LWD had chosen to report Repeat Business Customers and Employer Penetration Rate for the WIOA workforce programs. New Jersey is not currently using the Employee Retention measure; this measure may be skewed by employees who are promoted or leave the company to pursue other opportunities. Chairman Bone noted that it would be worthwhile to gather employer input on the best measures of success for our services to employers. SETC staff will work with LWD to explore ways to gather this feedback, and will report back to the SETC at a future meeting.

Ms. Hutchison also provided a brief review of the populations served under the WIOA: Title I–Workforce; Title III–Wagner-Peyser/Employment Services; WorkFirst New Jersey, including TANF/GA and SNAP E&T (welfare-to-work for families and individuals and food stamp customers); Title II–Adult Literacy and Education; and Title IV–Vocational Rehabilitation services. Performance considerations such as exit-based performance and continuous improvement also were discussed. Members indicated that it would be useful to engage the top employers in each county, to provide business projections to better focus our workforce efforts; Commissioner Fichtner indicated this is included in the role of the Talent Networks, through regional and local reports on job projections and employer engagement, with the local workforce boards.

VI. NJ SETC Policy #2017-03: State Funding Mechanism for Local Infrastructure Costs

Chairman Bone informed members that a quorum was not present, so a discussion will be conducted regarding this policy, and members in attendance will provide their votes. Following the meeting,

the SETC staff will reach out to collect absent member votes via e-mail. SETC Acting Executive Director Gary Altman opened the discussion, and indicated that the policy is required by the Workforce Innovation and Opportunity Act (WIOA) of 2014. First, WIOA requires that each local Workforce Development Board (WDB) establish a Local Funding Mechanism for their local infrastructure costs. These are non-personnel costs occurring for the partners in a local one-stop. Mr. Altman noted that One-Stop facilities vary widely in terms of space, partners, and usage. Second, each State Workforce Development Board, such as the SETC, must create a State Funding Mechanism to be used only if local areas are unable to finalize a local infrastructure funding agreement by January 1, 2018. The law recommends that the infrastructure agreement effort be developed and overseen locally, as the local process requires consensus of the partners.

Gerald Calamia, Director of LWD Internal Audit, provided a PowerPoint presentation, including examples of infrastructure costs and possible cost sharing arrangements. This information and guidance was previously provided to the local Workforce Board Directors and their staff at multiple meetings held during the last several months.

Members reviewed the draft policy document provided in the packets; the document also was provided via e-mail to members prior to the meeting. SETC member Bob Wise recommended that a policy statement be added to the document. The draft policy was updated with the following language:

Resolution: It is the policy of the SETC that it shall ensure that each local Workforce Development Board (WDB) will comply with the Workforce Innovation and Opportunity Act (WIOA) of 2014 and make every effort to reach consensus with its local partners to implement a local Infrastructure Funding Agreement (IFA), as part of the One-Stop Partner Memorandum of Understanding (MOU). As required by WIOA, the SETC hereby approves the New Jersey State Funding Mechanism for Local Infrastructure Costs, and the process as described below, for use in the event that any local area in New Jersey is unable to finalize its local IFA by January 1, 2018.

Chairman Bone thanked the members for their consideration of this policy, and asked for a motion to approve the policy with the addition of a policy statement. Melanie Willoughby made a motion to approve the updated SETC Policy #2017-03; it was seconded by Bob Wise. The 11 members present voted to approve the policy; six additional members submitted their votes via e-mail following the meeting, and the policy was approved.

VII. New Jersey's Talent Development System

LWD Commissioner Aaron Fichtner opened the discussion, and noted Henry Plotkin's many contributions to the workforce system in New Jersey. Commissioner Fichtner then announced updates regarding four major efforts currently taking place at the New Jersey Department of Labor and Workforce Development:

- **Career Guidance:** The Career Connections network now has 250 partners that provide services to communities throughout the state. Middlesex County Community College will host an event on November 28, 2017 to celebrate this milestone and to welcome additional organizations into the network.
- **Industry Intelligence:** This effort is designed to help LWD and its partners better understand the labor market, and make better investments. New Jersey has created an Industry-Valued Credential List with 200 credentials currently listed. A multi-agency Credential Review Board meets on a quarterly basis to review new information and potential additions to the list. Also, LWD has entered into a pilot partnership with Credential Engine, funded by the Lumina

Foundation, to improve and refine a market-based credential list. New Jersey is the second state to join this pilot effort.

- **Building Stronger Partnerships with Employers:** LWD has issued Notice of Grant Opportunities to re-select proposals for entities such as higher education institutions, industry associations and non-profit organizations to lead the Talent Networks. Two new industries have been added to the existing Talent Networks: Food Manufacturing and Construction and Utilities.
- **Career Pathways Expansion:** Each of the seven New Jersey Talent Development Centers have been awarded \$1.2 million in state funds to expand their services and build new career pathways and apprenticeships, each focused on a specific key industry in New Jersey. The resources were made available by braiding Dislocated Worker Training, Literacy, Incumbent Worker and Discretionary funds. On December 4, 2017, a Career Pathway Summit will be held at Mercer County Community College to launch the seven new Talent Development Centers; national speakers will share their models on industry-valued credentials, career pathways, apprenticeships and experiential learning.

VIII. Public Comment and Adjournment

No public comments were received. Chairman Bone announced that the next meeting will be held on Monday, January 29, 2018. A complete list of 2018 meeting dates was provided to members, and is available on the SETC website at www.njsetc.net. Chairman Bone recognized the service of LWD Commissioner Aaron Fichtner and Secretary of Higher Education Rochelle Hendricks; members joined the Chairman in thanking them for their dedicated service to the SETC and New Jersey. The meeting adjourned at 12:07 pm.

Next SETC Meeting
Monday, January 29, 2018
10 am – 12 pm
New Jersey Law Center
1 Constitution Plaza, New Brunswick

NJ STATE EMPLOYMENT AND TRAINING COMMISSION MEETING

ATTENDEES

November 14, 2017

PRESENT MEMBERS and ALTERNATES

Allen, Patricia (for Richman)	Safrin, Michele (for Blake)
Bone, Dennis	Sen, Tapas
Fichtner, Aaron	Willoughby, Melanie
Franklin, John	Wise, Robert
Hendricks, Rochelle	
Milone, Catherine	
Nadler, Sally	

ABSENT MEMBERS

Berry, Dana	Orsen, Melissa
Brown, Kevin (e-mail vote)	Reisser, Clifford
Carey, Michael	Rice, Ronald (e-mail vote)
Connolly, Elizabeth	Wade, Carolyn Carter
Donnadio, John	Wimberly, Benjie
Duda, Teri	Wowkanech, Charles
Ferrera, Anthony (e-mail vote)	
Gacos, Nicholas (e-mail vote)	
Harrington, Kimberly	
Hornik, Stephen (e-mail vote)	
Karsian, Andrea (e-mail vote)	

OTHER ATTENDEES

Badran, Mohsen	Holcomb, Stephanie	Ochse, Maureen
Bey, Amina	Howard, Donald	Ramsay, David
Bicica, John	Jean-Baptiste, Jecrois	Schmidt, Sarah
Calamia, Gerald	Kurdziel, Kevin	Seavers, Diane
Custard, Donna	Levandowski, Andrea	Starghill, Catherine
Dunford, Amy	Makely, Greg	Stoller, Jeff
Garlatti, Betsy	Meyer, Cheryl	Swartz, Jeffrey
Hala, Joanne	Molinelli, Tammy	Virella, Marie
Hannen, Kerrie	Moran, Patricia	Taylor, Yolanda

SETC STAFF

Gary Altman
Sheryl Hutchison
Kyree Robinson
JoAnn Brooks