

State Employment and Training Commission
January 25, 2011
10:00 AM

Rutgers Labor Education Center
50 Labor Center Way, New Brunswick

MINUTES

Welcome and Introductions – Dennis M. Bone, Chairman, New Jersey State Employment and Training Commission.

The meeting was called to order at 10:20 am by Chairman Bone with a welcome to members and guests, including Linda Kellner, acting executive director of the NJ Business Action Center (BAC) and several local Workforce Investment Board (WIB) Chairpersons.

In accordance with the Open Public Meetings Act, he stated that notice of this meeting was published in the Trenton Times and Star Ledger and posted on the SETC website.

The approval of minutes was put on hold, pending achievement of a quorum of members at this meeting.

Chairman's Report - Dennis M. Bone

Chairman Bone indicated that there were two major areas for the Commission's consideration today. The first is the strategic alignment of workforce development with economic development in New Jersey. The Commission will hear about the NJ Business Action Center efforts, the coordination of their efforts with local WIBs and One-Stops, and the targeting of Inter-Departmental funds to local WIBs for business development initiatives. The Commission also will review the draft "WIB Roles and Responsibilities" developed by the Governance Committee; Jody Levinson has led this effort and will present the document for the Commission's approval. This document gets to the heart of the transformation of the workforce system, and will impact the way the system operates at the local level. All local WIB Chairpersons were invited to attend today's meeting, to be part of this discussion.

The second area for the Commission's consideration concerns Rules which have been drafted for the two-year certification, recertification and decertification of local WIBs. These Rules focus on whether local WIBs are in conformance with the requirements set forth in the Workforce Investment Act (WIA). The draft Rules will be discussed here and will subsequently be reviewed by the Governance Committee. The Commission members will be asked to vote on these draft Rules at a later date. The Rules give more structure and accountability to the workforce system.

Chairman Bone noted that the proposed Sanction Rules for performance, technical assistance, corrective actions and penalties of local WIBs had previously been published in the NJ Register for public comment. The comments received will be reviewed by Robin Widing with David Fish and Mary Ellen Clark at the Department of Labor and Workforce Development (LWD). Robin Widing noted that any changes resulting from the comments will go into the rule making process. The Sanction Rules will then be provided to Dennis Bone for signature. Commission members requested that a copy of the final Rules, showing any changes, be provided to all members for their information.

Chairman Bone then introduced Linda Kellner to discuss the efforts of the New Jersey Business Action Center (BAC), which provides support, in a variety of ways, to businesses in New Jersey.

NJ Business Action Center (BAC) Progress Update – Linda Kellner, Acting Executive Director, NJ Business Action Center

Ms. Kellner thanked Chairman Bone and the Commission for the opportunity to highlight the work being done at the BAC. She commended the SETC, Labor and Workforce Development and the WIBs for working together to provide a highly-skilled workforce in New Jersey. The state's workforce is a key selling point for businesses to locate and expand here. Ms. Kellner noted that collaboration is the cornerstone of Governor Christie's plan to revitalize our state, and that private-sector growth is the key to recovery. Ms. Kellner outlined the three components of the Governor's *Partnership for Action* initiative:

- 1) Choose New Jersey, a privately-funded agency that is working to market New Jersey to companies, both nationally and globally.
- 2) The NJ Economic Development Authority (EDA), which provides financial incentives and support to business.
- 3) The NJ Business Action Center.

The BAC acts as a "one-stop shop" for businesses in need of permitting assistance and advocacy. It seeks to address the frequent complaints from businesses in New Jersey about the length of time businesses are often forced to wait for answers on permitting and other government-regulated issues. The BAC staff brings stakeholders from various state agencies to the table to get a timely response for the business.

Another part of the BAC's role is to educate businesses on the state resources available to them from various agencies, including the EDA, the Department of Community Affairs (DCA) and the WIBs. The BAC staff provides companies with comprehensive proposals outlining these resources and options.

Linda Kellner and the BAC staff joined the November meeting of the WIB Directors and One-Stop Operators; they gave a presentation on BAC services, and learned about the workforce resources and services that WIBs and One-Stops can provide to business.

The BAC staff has integrated WIB/One-Stop programs into the comprehensive proposals they provide to the businesses.

Ms. Kellner gave a quick summary of BAC outcomes for 2010. Through the efforts of the BAC staff:

- More than 600 companies have been assisted
- 29,000 calls to businesses have been made
- 12,000 new jobs have been created in New Jersey
- 6,700 jobs have been retained in New Jersey
- 8 foreign direct investments have been secured

Ms. Kellner reported that previously New Jersey had no overseas offices for business development, while Pennsylvania operated 23 such offices. The BAC has partnered with the Port Authority of New York and now has opened two foreign offices. In addition, New Jersey has hosted 22 foreign delegations, and held a business round table with Ambassador Ron Kirk, the U.S. Trade Representative, to help export businesses in New Jersey break into new markets and expand in current markets.

Ms. Kellner also announced the soft launch of New Jersey's new business portal, <http://www.nj.gov/njbusiness/>; the site will continue to be fine-tuned and will be a key resource for businesses to find assistance in a variety of areas.

Members commended the efforts and progress made by the BAC. The members also asked about the size of businesses who can receive assistance from BAC. The BAC serves companies of all sizes and has both domestic and global outreach teams. The BAC also has a representative who is focused solely on small business, recognizing that small businesses are the backbone of our economy. Members also discussed the importance of the BAC working with local economic development agencies to match companies with vacant office space in their area.

Ms. Kellner described the coordination of the BAC with local WIBs. She cited the "Direct Success" company located in Jersey City, which has hired more than 100 people over the course of the past year, and expects to hire another 100; these are high-paying jobs in a call center that does direct marketing, and the positions run the gamut from entry- to upper-level jobs. Ms. Kellner also noted the outstanding work of Jack Patten and the Morris/Sussex/Warren WIB with Noel McGuire from BAC, on the Maverick Funding Company project. In each of these cases, the local WIB's participation was integral to the success of the project.

Members asked about the kinds of jobs that are coming to New Jersey. Ms. Kellner reported that key sectors for job creation have been in the high-tech, advanced manufacturing, and bio/pharmaceutical industries. She noted that Lt. Governor Guadagno has been actively recruiting these kinds of companies to locate in New Jersey.

WIB's Role in Business Development – Robin M. Widing, Acting Executive Director, State Employment and Training Commission

NJ BAC Coordination with WIB Directors:

Robin Widing discussed the kickoff meeting held with WIB Directors, One-Stop Operators, Linda Kellner and the BAC staff in November. The meeting was an opportunity to discuss coordination of business development efforts between WIBs and BAC at the local level. Ms. Widing distributed the “WIB Business Development Partnership with NJ Business Action Center” document, outlining the menu of services that WIBs/One-Stops can provide. The document outlines the coordination of WIB, One-Stop and LWD efforts to ensure the timely delivery of quality services to businesses. Ms. Widing noted that this menu of services was reviewed by local WIB Directors and revised based on their input. Ms. Widing thanked Mary Ellen Clark, Assistant Commissioner of Workforce Development at the NJ Department of Labor and Workforce Development (LWD), and her staff for coordinating the role of the LWD Business Representatives with these efforts. A list of WIB areas, with the contacts for each WIB and the LWD Business Representative for each area, has been prepared by LWD Employer Services. A copy of this contact list is attached to the “WIB Business Development Partnership” document in today’s meeting packets.

Ms. Widing reviewed the key elements of business services to be provided, including:

- 1) pre-meeting support, including the handling of business customers referrals between WIBs and the BAC
- 2) the determination and development of workforce services, including employer-specific training plans
- 3) the formulation of retention strategies with employers
- 4) full implementation of business service activities, including follow-up with the employer to ensure satisfaction with the services received

Ms. Widing informed members of the next steps for continued business development coordination. At an upcoming meeting of the WIB Directors and One-Stop Operators, the Cumberland/Salem WIB staff will make a presentation with their local business team members, including BAC and economic development staff, outlining their process for providing business services and coordinating efforts across agencies. In addition, Assistant Commissioner Clark and her staff have aligned the Business Representatives with the local WIBs, as shown on the attached contact list.

Ms. Widing thanked Linda Kellner for her support, and noted the importance of the partnership formed between the BAC, the SETC, the local WIBs, and LWD.

Interdepartmental Funds – Business Services Plans:

Ms. Widing reported that the \$600,000 in Interdepartmental funds distributed by the SETC to local WIBs would be targeted to business development this year. In addition, Assistant Commissioner Clark has provided \$200,000 from LWD American Recovery and Reinvestment Act (ARRA) funds to support this effort. This combination of funds will allow \$54,500 to be provided to each WIB in the state. The local WIBs will submit

proposals outlining their local business development plans, and their detailed budget for \$54,500. The proposals must describe how the WIB will act as the hub for business development efforts with regards to workforce activities, and must include layoff aversion strategies due to the ARRA funds being provided. Measurable outcomes must also be included in the proposals. The proposals will be reviewed by the SETC and LWD staff. The goal of this project is to provide “seed money” so that WIBs can develop a sustainable structure for business services.

In conclusion, Ms. Widing noted that these efforts are in concert with the SETC’s Resolution #2010-02. This resolution established that requests for Interdepartmental funds must be tied to administrative priorities established by the SETC on an annual basis. The resolution also defined the 2010-2011 priority for the funds - that each local WIB develop a scope of work to support building sustainable partnerships with business.

WIB Roles and Responsibilities – Jody Levinson, Chair, SETC Governance Committee

Chairman Dennis Bone introduced the WIB Roles and Responsibilities document. He noted that the US Department of Labor’s (USDOL) compliance review had revealed that more clarity was needed around the roles of WIBs in New Jersey. Once approved by the SETC, these roles and responsibilities will be incorporated into the state plan and the SETC’s WIB Member Handbook. The state plan is approved by the USDOL and provides the SETC with the authority for the implementation of these roles and responsibilities.

Chairman Bone noted that the SETC has done a great deal of work around the performance measures dashboard, which shows local WIB performance outcomes highlighted in green, yellow and red. This tool helps WIBs track their progress and target areas for improvement throughout the year. The Rules being introduced around performance and sanctions, and the certification, recertification, and decertification of WIBs will ensure accountability of the workforce system. It will be essential that WIBs clearly understand their roles and responsibilities in order to comply with the Rules.

Chairman Bone thanked the Governance Committee for their hard work on the development of the WIB Roles and Responsibilities document, and turned the discussion over to Jody Levinson, for a detailed review of the document.

Ms. Levinson indicated that the Governance Committee had developed this document as a tool to strengthen local WIBs. The goal is to help the WIBs to fully understand their role, thus enabling them to be in full compliance with federal and state laws and regulations, so that they can carry out their work as envisioned under the Workforce Investment Act (WIA). This will improve the value of the WIBs to their community and will provide more accountability and transparency to the system. In addition, the oversight of the workforce system by the local WIBs helps the SETC to carry out its

duties. Ms. Levinson emphasized that the objective of these efforts is not to sanction or decertify WIBs. Rather, the SETC's goal is to provide more clarity surrounding local WIB roles and responsibilities, in order to help local WIBs succeed.

Ms. Levinson noted that this document was not all-encompassing and was not presented as a list of all WIB roles and responsibilities. It is meant to be an easy-to-use tool which highlights key areas for WIBs and local elected officials.

Ms. Levinson reported that the Governance Committee held regional meetings with WIB Chairpersons during the first week of January to review and discuss the draft document. A meeting with WIB Directors was held on January 7. The WIB Chairpersons and WIB Directors were asked to submit their written comments on the draft document to the SETC by January 14. After these comments were received, the draft document was revised. The revised draft was then reviewed at the regularly-scheduled WIB Directors and One-Stop Operators meeting held on January 20. Ms. Levinson noted that three WIB Chairpersons and one former WIB Chairperson serve on the Governance Committee. Their input has been invaluable to the development of this document; they have provided local perspective and identified any areas that might raise "red flags" in local areas.

The comments received from WIB Chairs and WIB Directors did not result in substantive changes to the document, which is based on the WIA and state law. In some cases, the comments from WIB Chairs and WIB Directors resulted in clarifications, or in new responsibilities being added to the document. Ms. Levinson noted that, for each responsibility listed in the document, at least one WIB in the state is already undertaking that function.

Chairman Bone noted that a year and a half ago, the SETC had conducted a survey of local WIBs and found widely different practices in use throughout the state. In the past, there has not been a clear set of guidelines for WIBs to follow. Also, at the meetings held with WIB Chairs and with WIB Directors, it became clear that confusion exists at the local level concerning the role of the elected officials. This document is an effort to make local WIB practices more consistent and to clarify the roles of the WIBs and local elected officials.

Robin Widing reviewed the document, with particular discussion surrounding several key points. Ms. Widing noted that Page 1 contains roles and responsibilities specifically established by the Workforce Investment Act of 1998. This sets the framework for the rest of the document.

On page 1, members discussed:

- the election of the WIB Chairperson by WIB members
- the MOU with local elected officials
- the employment of WIB staff
- the development of the WIB budget
- the negotiation of local area performance standards

- the designation of the One-Stop Operator
- the oversight of the One-Stop system
- the liability accepted by the local chief elected official for funds provided to the local area
- the role of the fiscal agent, appointed by the local chief elected official
- the WIB's direction regarding disbursement of the workforce investment funds

At this point, Chairman Bone asked members if there were any questions on Page 1 of the document. No questions were asked and the discussion moved to Page 2.

On Page 2, members discussed:

- the functions of the Executive Committee
- the development of an annual WIB budget
- the development of an MOU between the WIB and local elected officials
- the review of performance measures through the SETC dashboard
- the WIB's management of the two-year WIB certification process
- the preparation of annual reports

Chairman Bone noted that many WIBs have 30 to 40 members, underscoring the need for a more agile Executive Committee to meet in between the full WIB board meetings.

On Page 3, members discussed the employment/selection of staff by WIBs. Ms. Widing indicated that the WIA clearly states that WIBs may employ staff. However, recognizing that in New Jersey WIB staff are usually within the county structure, the language used in this document is "employ/select" to allow flexibility. The goal is to ensure that WIBs have the staff they need to carry out their roles and responsibilities.

Also on Page 3, members discussed the fiscal/budget development committee. The importance of the WIB budget was noted, to ensure full transparency surrounding workforce funds, and to provide WIBs with information they need to direct the local workforce priorities.

On Page 4, members agreed that the functions of a business and industry development committee are vital to the WIB's role. This is directly aligned with the SETC's priorities for business development. The One-Stop Operations committee was also discussed; this committee helps to build partnerships across the system and plays an important role in system oversight and evaluation. WIBs are also being asked to conduct "risk assessments" in order to proactively identify and address any potential shortfalls in performance throughout the year.

On Page 5, discussion of the One-Stop Operations continued, including the monitoring of contracts by the WIB, to ensure that programs and services are being provided as planned. Also, WIBs are expected to establish standards for procurement of services and to monitor the integrity of the procurement process.

Members discussed the communication of these roles and responsibilities to local elected officials. A letter from the SETC and LWD will be sent to each local chief elected official, with the roles and responsibilities document provided as an attachment. The coordination of this effort with the Governor's office was also discussed. Chairman Bone noted that he had discussed WIB roles and responsibilities as part of his remarks to the New Jersey Association of Counties.

Members discussed the importance of heightening the visibility and the perceived value of WIBs in their communities. Members voiced their support for the intent of the document, to provide real transparency into the workforce system. Members also discussed possible repercussions of this effort, and the impact on local WIBs. They indicated that the SETC will need to provide support and guidance to the WIBs as they seek to fully realize their roles and responsibilities.

Members requested that the document emphasize the need for members from community based organizations on local boards, and the need for local WIB attendance policies. Both of these items will be added to the draft document.

WIB Chairpersons who were in attendance at this meeting were asked for their comments. The Chairpersons noted the importance of the communications and the partnerships that have been fostered through this effort with the SETC and the WIB Chairpersons. As a result, the Chairpersons have been able to network with each other and learn about other WIBs' practices, challenges and achievements.

The WIB Chairpersons voiced support for active WIB committees to conduct the work of the WIBs, in particular the Executive Committee, and for attendance policies to ensure participation at WIB meetings. The WIB Chairpersons indicated that the WIB Roles and Responsibilities document would be a useful tool to improve the performance of WIBs, to attract new business members to the local boards, and to reposition the WIBs in a more visible and valuable role in the community. Chairman Bone noted that at regional meetings, the WIB Chairpersons had provided valuable input and had been enthusiastic about this document as a tool for change. Further training for all WIB Chairpersons and key WIB staff on the performance measures dashboard has also been requested, to enhance understanding and ability to manage local performance goals and outcomes.

Charles Wowkanech made a motion to approve the WIB Roles and Responsibilities document, with amendment to include an attendance policy requirement. Gail Davis seconded the motion and it was unanimously approved with no abstentions. Due to the lack of a quorum at this meeting, the amended WIB Roles and Responsibilities document will be submitted to Commission members for a formal vote via e-mail.

SETC Update – Robin M. Widing

Ms. Widing reported that the Health Care Workforce Council has held two meetings and has formed a strong collaboration for planning efforts around the health care workforce pipelines. A survey of the Council members was conducted to identify current

workforce needs and trends. The Council also is exploring various models of health care delivery that will impact the future workforce needs. At the January meeting, Dr. Jeffrey Brenner gave an insightful presentation on his ground-breaking work to develop a model Accountable Care Organization in Camden. Through these efforts, the Council's scope of work has greatly expanded, and will result in policy recommendations to be issued by the Council later this year. This will be in addition to the work being conducted in relation to the Health Resources and Services Administration (HRSA) grant.

Ms. Widing also reported that the State Energy Sector Partnership Council has completed its second Notice of Grant Opportunity (NGO) under the three-year grant for Renewable Energy and Energy Efficiency training. As a result of the two NGOs issued, a total of \$752,750 has been obligated for workforce training. The USDOL has promulgated a revised definition of green jobs, which expands the scope of training opportunities in the Renewable Energy and Energy Efficiency sectors. Therefore, a grant modification request will be submitted to the USDOL, to allow new training program options to be included in future NGOs under this grant.

Public Comment – Dennis M. Bone, Chairman, New Jersey State Employment and Training Commission.

Chairman Dennis Bone opened the floor for public comment. No public comment was received.

Closing Remarks and Adjournment - Dennis M. Bone, Chairman, New Jersey State Employment and Training Commission.

Chairman Bone informed members that he had been contacted by a reporter, Hugh Morley from the Bergen Record, with regards to a story being done on the SETC and LWD's recent publishing of Sanction Rules and other work. Chairman Bone shared with Mr. Morley that while the system has had problems in the past, we have been doing great work to improve both the transparency and accountability of the system going forward.

Chairman Bone thanked the members and guests who attended this meeting. He then asked for a motion to adjourn. The motion was made, seconded and all approved. The meeting concluded at 12:15 pm.

**STATE EMPLOYMENT & TRAINING COMMISSION MEETING
JANUARY 25, 2011**

PRESENT MEMBERS or ALTERNATES

Bone, Dennis
Davis, Gail
Heinz, Deborah (for Grifa)
Karsian, Andrea
Levinson, Jody
McDermott, Matthew (for Wirths)
Michens, Felix (for Lawson)
Reisser, Clifford
Ryan, Jerry (for Contini)
Sabater, Julio
Trezza, Joann
Wowkanech, Charles
Zajac, John (for Velez)

ABSENT MEMBERS

Berry, Dana
Cantwell, Michael
Carey, Michael
Carpiano, Celeste
Hendricks, Rochelle
Franzini, Caren
Gacos, Nicholas
Henderson, Henry
Hornik, Stephen
Linder, Msgr. William
McAndrew, Brian
McNamara, Joseph
Munyan, Robert
Nutter, Harvey
Santare, Robert
Sen, Tapas
Stout, Bruce
Wade, Carolyn

OTHER ATTENDEES

Axelson, Earl
Black, James
Clark, Mary Ellen
Guillard, Jane
Kellner, Linda
Moran, Janet
Schurman, Susan
Scott, Everton

SETC STAFF

Davis, Lanse
Formalarie, Judith
Hutchison, Sheryl
O'Brien-Murphy, Maureen
Widing, Robin