

State Employment and Training Commission
March 24, 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 10:15 am by Chairman Bone with a welcome to all members and guests, including Holly O'Brien, Regional Administrator, U.S. Department of Labor – Employment and Training Administration (USDOL-ETA).

In accordance with the Open Public Meetings Act, Chairman Bone stated that notice of this meeting was published in the Trenton Times and Star Ledger and posted on the SETC website. Chairman Bone reviewed the meeting agenda, noting that 10 minutes would be reserved at the end of the meeting for a closed executive session.

Chairman Bone called for a motion to accept the minutes of the November 3, 2010 meeting and the January 25, 2011 meeting. The motion was made by Charles Wowkanech and seconded by Gail Davis. The two sets of minutes were unanimously approved with Commissioner Wirths, Marie Barry, and Dana Berry abstaining.

Chairman Bone then introduced Holly O'Brien; Ms. O'Brien kindly accepted an invitation to speak at today's meeting, to inform the Commission regarding USDOL workforce development priorities and budget implications for states and local areas.

Washington Update – Holly O'Brien, Regional Administrator, US Department of Labor – Employment and Training Administration

Ms. O'Brien gave a PowerPoint presentation covering several areas of focus for the US Department of Labor (USDOL) - Employment and Training Administration (ETA):

Workforce Development Priorities: These include the 2011 budget, WIA reauthorization, unemployment insurance (UI) integration/reemployment, the use of industry competency models by state and local Workforce Investment Boards (WIBs), electronic tools and discretionary grant opportunities. Ms. O'Brien noted that USDOL is especially interested in the use of electronic tools; it will be useful to have more computer-savvy people working at the state and local levels in future. Ms. O'Brien also provided a separate color handout to members, which details the discretionary grants that are currently active in New Jersey.

2011 Budget Status: Ms. O'Brien indicated that the current Continuing Resolution expires on April 8, 2011 and noted that this is the third Continuing Resolution for the current federal budget. Funding for the Career Pathways Innovation fund was suspended in the last Continuing Resolution, but this does not impact the current Solicitation for Grant Applications (SGA) since it is funded out of 2010 dollars. Ms. O'Brien indicated that all current SGAs are fully funded right now. There is a proposal to move the Senior Community Service Program to the US Department of Health and Human Services, since it serves an older population.

Ms. O'Brien noted that the recent Training and Employment Notice (TEN) #28-10, *Advanced Allotments Planning Based on Updated Data Factors for the Workforce Investment Act (WIA) Adult, Dislocated Worker and Youth Activities Programs; Wagner-Peyser Act Employment Service Program; and Workforce Information Grants to States*, contains funding formulas which WIBs can use to start planning WIA adult, dislocated worker and youth services.

Ms. O'Brien provided an overview of the 2011 Budget Proposals, indicating that all budget proposals include cuts to some USDOL programs, and the ending of other programs. The recent GAO report examined areas of duplication in workforce programs, and it is likely that there will be consolidation of various programs in the 2011 Budget. The Career Pathways and Transitional Jobs Demonstration grants may be cancelled in this budget as well. Ms. O'Brien noted that the USDOL will be rescinding unobligated balances of funds from Fiscal Year 2008 and prior.

WIA Reauthorization: There are several proposals for WIA reauthorization but it is unclear what exactly will be enacted by Congress. Ms. O'Brien highlighted several elements which may be included in the WIA reauthorization. The co-location of Employment Services with One-Stops is an element that may cause issues in some states, however New Jersey already has this co-location. Unified state planning is a high priority element for USDOL. Enhanced performance accountability is a high priority for both USDOL and Congress. The competitive Innovation Grants may be funded out of current WIA resources, if not specially funded.

Workforce Boards: Ms. O'Brien indicated that the WIA reauthorization will likely provide greater autonomy for workforce boards and for more business involvement by the boards, including efforts to ensure private sector majority on local WIBs. The workforce boards may be required to have three standing committees: One-Stop Operations, Youth and Disabilities. The WIB Strategic Plans may have new regional planning requirements, recognizing that the labor market is not organized by political boundaries. Ms. O'Brien noted that New Jersey has received some grants in support of regional planning, so we may be ahead of other states in this area.

Unemployment Insurance (UI) Integration/Reemployment: The UI program has a huge budget, but half of the funds are provided as UI benefits to claimants. There is a new emphasis on the need for seamless services to be provided to the customer. Business outreach is also a key element, with an added focus on layoff aversion efforts. The

USDOL-ETA is moving to support the UI system through investigation into UI fraud cases and examination of the duration of UI funds.

Industry Competency Models: Ms. O'Brien reported that industry competency models continue to be a priority and are expected to expand the use of skill standards in new industries. She commended the NJ PLACE apprenticeship program, noting that our state is a national model in the area of securing college credit awards for apprenticeships. Ms. O'Brien recommended the website www.careeronestop.org as a resource for information on industry competency models.

Electronic Tools: Ms. O'Brien discussed the USDOL's increased use and support of electronic tools and noted the website, www.myskillsmyfuture.org as an online resource for job matching and career guidance.

Discretionary Grant Opportunities: The USDOL currently has numerous grant solicitations available for community colleges, ex-offender programs, and youth programs. Ms. O'Brien indicated that the funds are still available and encouraged applicants to proceed with their efforts to secure these grants.

Regional Observations: Ms. O'Brien noted that the USDOL-ETA was extremely pleased with New Jersey's renewed emphasis on partnering, especially with business. She emphasized that the USDOL is committed to helping New Jersey re-design its programs and implement needed changes, which were highlighted in the recent compliance review. She commended the recent partnership between the SETC and LWD to provide Interdepartmental Funds to the local WIBs, in support of business development initiatives.

Chairman Bone thanked Ms. O'Brien for her insightful presentation. He noted the SETC's efforts to move the workforce system into closer alignment with employers, and indicated that the USDOL compliance review had verified that this was the appropriate step to take. He then opened the floor for questions for Ms. O'Brien.

Members asked for more information regarding the funding for final years of multi-year grants. Ms. O'Brien indicated that if grant funds were committed for all years of the grant cycle in a prior year's budget, those funds should not be in jeopardy. Regarding the Innovation grants program, the plan is to allow states and local agencies design new programs with fewer rules than in existing programs. The Innovation grants could include literacy programs, but these would need to be innovative and unique programs, which contribute to moving the system forward by exploring new partnerships and new program designs. Robin Widing noted that the Innovation grants will be competitively awarded nationwide, so that local WIBs in New Jersey will need to collaborate with each other and organize regional efforts in order to secure these grants.

Members discussed the importance of linking Labor training programs with continuing education, in particular to support entry into community college programs and ultimately degree attainment. Ms. O'Brien indicated that the USDOL is limited in its ability to directly link with K-12 programs, since the USDOL programs can only serve those 16

years and older. However, she noted that this topic is part of an ongoing senior policy discussion at the national level; the President has discussed some developmental programs in this area and there may be changes to this policy in future.

Potential budget cuts to WIA and other Labor programs were discussed. Ms. O'Brien indicated that the USDOL has an \$11 billion budget, including UI funds, so the cuts could be substantial. The UI administrative funds could be reduced, but the program will be funded; the UI regulations may change as well. There also may be fewer discretionary grant funds, but this will all depend on House and Senate priorities.

WIA reauthorization was also discussed; Ms. O'Brien noted that the USDOL wants WIA reauthorized, and that both the House and Senate are talking about this issue. State representatives and their governors should be talking about WIA reauthorization as well, to keep the process moving forward.

Chairman Bone asked whether the new President's Council on Jobs and Competitiveness will have any impact on WIA reauthorization; Ms. O'Brien indicated that the Council on Jobs and Competitiveness may have input into WIA reauthorization efforts. The Council is utilizing USDOL materials on skill standards and program design to meet employer needs, and USDOL has taken part in Council discussions.

Members discussed the need to obligate and spend funds from prior years. Ms. O'Brien indicated that it was also important to have specific plans for the obligated funds. Robin Widing noted that the National Association of Workforce Boards (NAWB) had launched a petition in support of funding for workforce programs and is featuring training success stories from each state. Ms. Widing recognized Jane Brady, Executive Director of the Middlesex WIB, whose success stories were the first posted from New Jersey.

Commissioner Wirths thanked Ms. O'Brien for coming to New Jersey; he stated that it was an honor and a pleasure to work with her. He noted that LWD has been pushing for innovation in New Jersey's workforce system and programs; Ms. O'Brien indicated that these efforts were evident. Members asked for details about the state's budget for workforce programs. Commissioner Wirths indicated that while the state budget will remain flat, LWD receives a large amount of federal funds for its programs, and there will be cuts to this federal funding. Ms. O'Brien indicated that TEN #28-10 provides basic planning numbers for states; under the formula provided in this notice, New Jersey would receive a \$2 million increase in federal funding. However, she noted that the planning formula is predicated on other factors, it is not a definite predictor of funding.

Chairman's Report – Dennis M. Bone

SETC Resolution #2011-02 on State Plan Submission: Chairman Bone discussed the state's Five Year Strategic Plan. The last State Plan encompassed 2005 to 2010. In 2009, the State Plan was revised with regards to the American Reinvestment and Recovery Act (ARRA). The current State Plan expires on June 30, 2011. The SETC

and LWD intend to revise the State Plan to include some new items, but these are not yet ready to be moved forward. Therefore, the SETC needs to approve the extension of the current State Plan, and the state waivers, for another year. The State Plan, once extended, can be revised at any time. All existing state waivers will also be extended, and one new waiver request will be made to USDOL.

The proposed policy resolution SETC #2011-02 was introduced; it outlines the joint recommendation of LWD and the SETC for a one-year extension of the current WIA and Wagner-Peyser State Plan and Waivers through Program Year 2011 (July 1, 2011 – June 30, 2012), an extension of all existing WIA waivers (non-ARRA) for the same one-year period, and an additional waiver request to be submitted to USDOL.

The Request for Waiver: Procurement Requirements for up to Three (3) Youth Program Elements to Ensure Continuity of Youth Services was discussed; a copy of the waiver request was included in the members' packets. This waiver would allow local workforce areas greater flexibility and access to the eligible providers of Youth Services, by allowing local areas to waive the requirement for competitive procurement of service providers for up to three (3) youth elements: work experience, supportive services and follow-up services. This allows local areas to ensure continuity of youth services and thus provide greater assistance to WIA-eligible youth via WIA-funded training and employment programs. Assistant Commissioner Mary Ellen Clark and her staff worked closely with Tom Dalton at USDOL-ETA to develop this waiver request.

Andrea Karsian made motion to approve resolution SETC #2011-02. The motion was seconded by Gail Davis. The resolution was unanimously approved with no abstentions.

Update on Roles and Responsibilities: Chairman Bone reported that the WIB Roles and Responsibilities document was discussed at the last SETC meeting but was not approved due to a lack of quorum. Subsequently, some issues have been brought forward and the SETC is working with LWD to make minor adjustments to the document. Chairman Bone indicated that the Roles and Responsibilities document will be approved at the next meeting of the SETC, or earlier using e-mail communications. He emphasized the need for these roles and responsibilities to be clearly outlined, in order to strengthen local WIBs and to improve consistency of practice throughout the state. As noted above, the State Plan can be revised at any time and submitted to the USDOL for approval. As soon as the Roles and Responsibilities are finalized and approved by the SETC, the SETC will incorporate the Roles and Responsibilities into a modified State Plan.

Governance Committee – Joann Trezza, Co-Chair

Local Workforce Investment Boards – Certification Rules, SETC Resolution #2011-03: Ms. Trezza introduced the proposed new rules for Certification, Recertification and Decertification of Local Workforce Investment Boards (WIBs). Under the Workforce Investment Act (WIA), each local WIB must be recertified once every two years. In New

Jersey, 17 WIBs were initially certified, however recertification of WIBs has not been done since the inception of WIA.

The proposed rules provide procedures in three categories: 1) Certification; 2) Recertification and 3) Decertification. The minimum Recertification standards include:

- 1) WIB Membership is in compliance with requirements under WIA and SETC
- 2) Local WIB has submitted required reports (membership, budgets, annual report and any other documentation)
- 3) Local WIB Board has enabled local area to meet its performance
- 4) The WIB nor any of its members have engaged in fraud or abuse

Ms. Trezza reviewed the process used for circulation of these draft rules:

- On January 25, the Governance Committee members in attendance at the SETC meeting met to review the draft rules and set a process for gathering input.
- On February 10, a conference call was held with WIB Directors, and a copy of the draft rules was provided to all WIB Directors at that time. Eight WIB Directors participated in the call.
- Also on February 10, a conference call was held with WIB Chairs; a copy of the draft rules was provided to all WIB Chairs at that time. Two WIB Chairs participated in the call.
- On February 14, the Governance Committee met again by conference call to discuss feedback received from WIB Chairs and WIB Directors.
- On February 17, Robin Widing provided an update on the draft Certification/Recertification/Decertification Rules to WIB Directors and One-Stop Operators at the statewide meeting in Trenton.

Ms. Trezza reported that no specific changes were recommended to the Rules Document in any of the above venues.

Chairman Dennis Bone introduced the proposed policy resolution SETC #2011-03, and the attached draft rules. The resolution establishes the SETC's formal approval of Chapter 42 Workforce Investment Act Rules, Subchapter 4, Local Workforce Investment Boards: Certification, Recertification, and Decertification. Clifford Reisser made a motion to approve the resolution SETC #2011-03, and the motion was seconded by Robert Santare. The resolution was unanimously approved with no abstentions.

Appointment of Parent to Local Youth Investment Councils: SETC Resolution #2011-01:

Ms. Trezza then introduced a proposed revision to the policy on the appointment of a parent to local Youth Investment Councils (YICs). Under WIA it is mandatory that a Parent serve on a local Youth Investment Council. Previous policy developed by the SETC, as described in the WIB Member Handbook, allowed for the parent participation requirement to also be met by

“conducting periodic focus groups with targeted youth and their parents to help determine needs and to identify successes and problems. Parents and youth may also be recruited to participate in particular projects or initiatives as appropriate.”

In recent federal and state compliance reviews, this alternative policy was not deemed acceptable and has resulted in compliance findings.

The SETC engaged in conversations with the regional office of the US Department of Labor to explore options for redefining the eligibility requirements for a parent. A conference call was held with the regional office, SETC staff, and several WIB Directors. Based on input from the US Department of Labor's Regional Office, a revised draft policy was developed.

The draft policy was then reviewed at the WIB Director/One-Stop Operator statewide meeting on March 17. No changes were made to the recommended policy. The draft policy was also circulated to the Governance Committee, and no changes were recommended.

Ms. Trezza introduced the proposed policy resolution SETC #2011-01, to formally approve the following eligibility definition for a "parent" serving on a Youth Investment Council as follows:

A parent serving on a Youth Investment Council must be a parent whose family currently or in the past has experienced the barriers described in WIA section 101 (13)(A) and (B) and in Section 664.200 or 664.220.

Charles Wowkanech made a motion to approve resolution SETC #2011-01, and the motion was seconded by Robert Santare. The resolution was unanimously approved with no abstentions.

Chairman Dennis Bone thanked the Governance Committee for their hard work on both these policy issues.

SETC Update – Robin M. Widing, Acting Executive Director, State Employment and Training Commission

Members expressed concern over the potential federal budget cuts to WIA funding. It was recommended that a letter be sent to the New Jersey Congressional delegation, to express the SETC's support of WIA funding. Commission members also recommended that local WIBs send letters of support to their Congressional delegates, and to President Obama.

Chairman Bone indicated that he would send a letter on behalf of the SETC to the New Jersey Congressional delegation. Members discussed the content of the letter; important points to be included were the high unemployment rate in New Jersey, the progress we have made to link our workforce system with business development, and the need to improve our economy by strengthening the skills and training of our workforce.

Stephen Hornik made a motion to send a hard copy letter in support of WIA funding to the New Jersey Congressional delegation, from the SETC. The motion was seconded by Charles Wowkanech and was unanimously approved with no abstentions.

Ms. Widing then provided updates on a number of SETC initiatives:

Collaboration continues with the NJ Business Action Center (NJBAC) both at the state and local levels; members were provided with a detailed summary of activities supported by local WIBs in collaboration with NJBAC. This information was gathered through a survey of local WIBs by the SETC, requesting their feedback on how they are working with NJBAC. In addition, a document was distributed which outlines the industry sectors that are being focused on by the local WIBs. At the WIB Director/One-Stop Operator meeting on March 17, the Cumberland-Salem WIB and members of the area business development team made a presentation outlining their collaboration efforts and best practices when working with businesses. The team members included representatives from the Cumberland County Planning and Development, the Cumberland Empowerment Zone Corporation, the Cumberland County College – Professional & Community Education office, and the NJ Business Action Center. The goal was to demonstrate the process and procedures for other WIBs to replicate these business development practices. The presentation was extremely well received and provided helpful technical assistance to the local WIBs.

Interdepartmental Funds in support of WIB business development initiatives have been awarded to 11 WIBs to date. The remaining six WIBs are working to fine-tune their business development plans, with assistance from the SETC and LWD Workforce Development staff. These plans are anticipated to be finalized soon, so that the funds can be awarded and put to use immediately. Ms. Widing indicated that the SETC is responsible for identifying the priority areas to be addressed by the Interdepartmental Funds each year. The SETC and LWD also require local WIBs to provide plans and proposed outcomes to be achieved through these funds.

Chairman Bone noted that the Interdepartmental Funds are provided by contributions from the NJ Departments of Education, Human Services, and Labor and Workforce Development (LWD). This year, Assistant Commissioner of Workforce Development Mary Ellen Clark provided additional funds for layoff aversion efforts from the ARRA funds received by LWD. The combination of these funds allowed \$54,500 to be provided to each local WIB. The charts outlining WIB collaboration with NJBAC and the industry sectors of emphasis provide a good picture of how we are bringing the workforce system into closer alignment with the needs of business and industry.

Ms. Widing reported that the Garden State Employment and Training Association (GSETA) also has been supportive of business development efforts by WIBs. The association has taken the lead to provide WIB staff training in business outreach and business services. A nationally-recognized training organization will deliver the training. The training will result in certification for the staff who complete the course. Ms. Widing noted that 16 of the 17 WIBs have already enrolled staff to participate in the training. GSETA has arranged two training sessions to be held in May.

Members discussed the letter to be sent to local elected officials, with the WIB membership requirements and WIB Roles and Responsibilities. Chairman Bone indicated that the letter will be sent once the Roles and Responsibilities have been finalized, and that this would be done as quickly as possible. Chairman Bone indicated that the revisions to be made were slight and would not impact all the hard work and time spent to develop the document.

Robin Widing reported that in discussions with WIBs about local workforce board attendance policies, an issue was raised regarding the process for removal of WIB members. Board members are appointed by the local elected official, and WIBs differed in whether the removal of members should be conducted by the local elected official or by the board. The issue was discussed with Tom Dalton at USDOL and he recommended including the local process for board member removal in the Memorandum of Understanding (MOU) between the local WIB and the local elected official. This recommendation has been added to the WIB Roles and Responsibilities document.

Members discussed the need for an attendance policy for the SETC. Chairman Bone indicated that a resolution establishing the SETC's attendance policy for its own meetings would be introduced at the next Commission meeting.

Members also discussed the need for high-level business leaders to serve as board members. Ms. Widing indicated that the SETC resolution on WIB membership requirements dealt with this issue. The WIB membership requirements will be included in the State Plan and the letter to the local elected officials. The policy for designees to serve on behalf of these members should be addressed in the local WIB by-laws.

Public Comment – Dennis M. Bone

Chairman Dennis Bone opened the floor for public comment.

NJ PLACE: Members discussed the NJPLACE program, which allows college credit to be awarded to graduates of approved apprenticeship programs. The NJPLACE program is overseen by the SETC. The funding is provided to the SETC through the Department of Labor and Workforce Development (LWD), contingent upon availability. Historically, the funding has been provided through the Workforce Development Partnership (WDP) Program. The current Memorandum of Understanding (MOU) is due to expire on March 31, 2011. The SETC has received a new funding request for program year 2011-2012, with a requested amount of approximately \$275,000. Maureen O'Brien Murphy indicated that while the contract will expire, the goal is to continue the program pending the availability of funding through the LWD. Ms. O'Brien-Murphy indicated that Commissioner Wirths supports the initiative and has agreed to review the proposal with the SETC, once the State has an approved program budget for the next operating year. In the meantime, provisions have been made for the continued operation of the NJ PLACE website. Ongoing conversations will be scheduled between LWD and the SETC around the continued funding of the NJ PLACE initiative.

Commission members indicated their support for this program; it is a national model which establishes career ladders for apprentices and provides stackable credentials. Through this program, agreements have been established with all 19 community colleges in the state, for the awarding of credit to approved apprenticeship programs. Dana Berry noted that her agency, Starting Points for Children, is currently in the process of becoming a participating entity of the NJ PLACE program. She indicated her registered apprenticeship program was recently evaluated by Thomas Edison State College and received 30 college credits for the child development specialist training program. Members noted that it creates an easy pathway from apprenticeship training to a college degree, especially for youth graduating from high school. It also represents an important collaboration between labor and education, which aligns with the USDOL priorities presented today by Holly O'Brien.

Charles Wowkanech made a motion to send a letter from the SETC to Commissioner Wirths, in support of the continuation of the NJPLACE program. Stephen Hornik seconded the motion and it was unanimously approved with no abstentions. Ms. O'Brien-Murphy indicated she would prepare the letter and forward same to Chairman Bone by the end of the week.

Waiver Request: Jane Brady, Executive Director of the Middlesex County Workforce Investment Board, indicated that a waiver request needed to be added to the existing Five Year Strategic Plan for the state, to allow older youth who return to the family home to be considered a "family of one" so that they are income-eligible to participate in WIA training activities. Robin Widing requested that Jane Brady submit this waiver request to the SETC and LWD in writing, so that it may be included in the State Plan extension and Waivers request to USDOL.

Ms. Brady also requested that the updated WIB Roles and Responsibilities draft document be provided to WIB Directors before the SETC takes a vote to finalize the document. Robin Widing indicated that this would be done.

Adjournment – Dennis M. Bone

Chairman Bone thanked all members for attending, and expressed the Commission's gratitude to Holly O'Brien for her presentation. He then asked for a motion to adjourn the meeting, in order to move into the closed executive session. The motion was made, seconded and all approved. The meeting adjourned at 11:50 am and members went into the closed executive session.

**STATE EMPLOYMENT & TRAINING COMMISSION MEETING
MARCH 24, 2011**

PRESENT MEMBERS or ALTERNATES

Barry, Marie (for Cerf)
Berry, Dana
Bone, Dennis
Davis, Gail
Ehrlich, Kim (for Franzini)
Gilchrist, Maxine (for Grifa)
Hornik, Stephen
Karsian, Andrea
Linder, Msgr. William
McAndrew, Brian
McNamara, Joseph
Mickens, Felix (for Lawson)
Reisser, Clifford
Sabater, Julio
Santare, Robert
Trezza, Joann
Wirths, Harold
Wowkanech, Charles
Zajac, John (for Velez)

ABSENT MEMBERS

Cantwell, Michael
Carey, Michael
Carpiano, Celeste
Contini, Peter
Gacos, Nicholas
Henderson, Henry
Levinson, Jody
Munyan, Robert
Nutter, Harvey
Sen, Tapas
Stout, Bruce
Wade, Carolyn

OTHER ATTENDEES

Brady, Jane	O'Brien, Holly
Clark, Mary Ellen	Semple, Barry
Flatley, Jeff	Taylor, Sharon
Guillard, Jane	Williams, Gregory
Melcher, Robert	

SETC STAFF

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