



New Jersey State Employment and Training Commission

Dennis M. Bone, *Chairman*

Chris Christie, *Governor*

SETC Commission Meeting Minutes

September 11, 2012

10:00am - 12:00pm

New Jersey Law Center

One Constitution Square, New Brunswick, NJ

I. Welcome & Introductions

Chairman Dennis Bone called the meeting to order at 10:20 am. He welcomed the members and guests. The Chairman paid tribute to the victims of the 9/11 tragedy. Roundtable introductions were conducted and the Chairman reviewed the agenda. Chairman Bone announced that in accordance with the Open Public Meetings Act notice of this meeting was published in the Trenton Times and Star Ledger. A quorum was present.

A motion was made by Robert Santare, seconded by Tapas Sen, to approve the minutes of the March 13, 2012 meeting. The motion passed and the minutes of the March 13, 2012 meeting were approved. A motion was made by Brian McAndrew, seconded by Felix Mickens, to approve the minutes of the June 12, 2012 meeting. The motion passed and the minutes of the June 12, 2012 meeting were approved.

II. Chairman's Report

Chairman Bone thanked the members and staff for their efforts to create New Jersey's Unified Workforce Investment Plan for 2012-2017. This plan reflects the direction the SETC has set forth to link New Jersey's workforce system with the skills needed in this new economy. LWD has created the Talent Networks and the SETC has worked to align the workforce to be consistent with the economic direction of the state. He noted that the leadership and vision shown in this plan is remarkable.

III. Performance Resolution

SETC Executive Director Michele Horst reported the Commission began discussion of a new balanced scorecard at the last meeting. A performance resolution has been drafted for Commission approval, in order to move forward with creating new performance metrics to improve oversight of the workforce system. The Commission has also created a new Performance Committee. This resolution will provide the infrastructure for the Performance Committee, and allow the committee to proceed with creating its work plan.

Sheryl Hutchison reviewed the statute that governs the Commission's role in setting the performance standards to evaluate the workforce investment system. Ms. Hutchison advised that the proposed Resolution #2012-01, Balanced Scorecard: Performance Accountability Model, creates a foundation for performance standards to evaluate the success of the system. The Performance Committee will begin work in October. Ms. Hutchison thanked the individuals who have joined the committee, including SETC members Teri Duda and Tapas Sen.

Deputy Commissioner Fichtner discussed the need to ensure that investments are aligned with the correct actions; this is a key role of the SETC. A PowerPoint presentation was provided, outlining the four goals of the Balanced Scorecard model: Support Accountability for Partners and Grantees, Encourage Continuous Improvement, Ensure Transparency, and Enable Analysis and Evaluation Efforts. Deputy Commissioner Fichtner noted this resolution will be the guide to a stronger system. The data that will be collected as a result of the performance evaluations will enable better analysis and provide the necessary foundation for improvement.

Tiffany Smith reviewed the details of the Balanced Scorecard model. Ms. Smith highlighted the need for workforce system effectiveness and efficiency and noted that a proper alignment of performance metrics will enable this to happen.

Members discussed customer satisfaction efforts. Traditionally, customer satisfaction tools have been used after program completion and not on a consistent basis. Customer satisfaction processes will be a consideration of the Performance Committee. Members also noted the need to be cognizant of the populations being served, and that special populations may lead to higher costs per participant in some programs.

The timetable for the implementation of the Balanced Scorecard was also discussed. Local areas have been advised that the common measures will be used for this first year of the accountability policy, covering Program Years 2011 and 2012. This avoids changing performance goals in midstream for the local workforce areas. The Performance Committee will identify metrics in the four quadrants of the Balanced Scorecard to be applied across workforce programs, not just WIA, and will make recommendations to the Commission for metrics to be added in future years.

Members asked for more information concerning the Jobs4Jersey (J4J) On-Ramp website. Deputy Commissioner Fichtner indicated that the J4J On-Ramp site is fully functional for both job seeker and employer customers. Positive feedback has been received from both customer groups. A separate metrics evaluation plan is being developed for J4J, since it is a self-service environment and difficult to collect comprehensive data on the outcomes for individual users.

It was also noted that some workforce education programs may not have employment outcomes as a goal. A successful outcome for some may be employment, but for others it may be continued education and this should be considered when developing performance metrics.

Executive Director Horst noted that new metrics, approved by the SETC, are expected to begin in July 2014. The metrics may be piloted prior to that time, but this would not be an official accountability measure until 2014. The local areas will receive directives so they are aware of the requirements and process for the new metrics. Deputy Commissioner Fichtner noted that in the period before July 2014, the Performance Committee will be working to calculate the metrics and make these metrics available for internal discussion. These metrics reports can be shared with the local areas, but they will not have weight in the accountability process until July 2014. This will give local areas sufficient time to understand the new metrics and performance goals.

Chairman Bone asked for a motion to approve the performance resolution. A motion was made by Julio Sabater, and seconded by Nicholas Gacos, to approve the SETC Resolution #2012-01, Resolution on the Balanced Scorecard: Performance Accountability Model. The motion passed unanimously.

IV. NJ Unified State Workforce Investment Plan

Chairman Bone thanked everyone involved in the creation of the Plan. He gave special thanks to Teri Duda and Tapas Sen for leading this project on behalf of the Commission. Ms. Duda stated that it was an honor and privilege to serve as co-chair with Mr. Sen on the planning committee, to create this extraordinary and visionary workforce development plan. She expressed her gratitude, on behalf of the people of New Jersey, for the leadership and talent of SETC Executive Director Horst and her equally gifted staff, and for their countless hours and dedicated effort to develop this Plan. Ms. Duda also expressed gratitude for the strong partnership and assistance from Deputy Commissioner Fichtner and his staff, and to Chairman Bone and the Commission members for their wisdom. Many lives will be changed, transformed for the better, as a result of this Plan. Mr. Sen expressed similar sentiments regarding the work of the committee and the quality of the plan. He also thanked Chairman Bone and the group for the hard work done to accomplish this project. It is a complex plan; its creation required input and contributions from a number of stakeholders and partners in order to be successful. Mr. Sen commented that this plan is future thinking; it looks at employment as well as training and it contains a renewed emphasis on performance. This is a dynamic plan that has the flexibility to respond to the shifting needs of New Jersey's workforce and should be a national model.

Executive Director Horst thanked everyone involved in the development of the Plan. She noted this was truly a collaborative effort, including everyone on the SETC staff, the LWD staff partners and the four state partner agencies, who came together to create this Unified State Plan. The Plan is a culmination of thinking that has been happening over the last several years; we are now be able to put on paper and clearly state New Jersey's vision for talent and workforce development. The Plan was published on the SETC website and vetted at three public forums throughout the state. The next step will be to work with the local areas to align local plans with the Unified State Plan.

Ms. Horst reviewed the Plan. She explained the need for a compelling vision and mobilizing around the vision that New Jersey's workforce system is an innovative and

dynamic talent development engine fueling the state's 21st century success in a global economy. Ms. Horst reviewed the Plan priorities and discussed the Core Values that drive each part of the Plan. Each strategic action item outlined in the Plan was passed through the filter of these Core Values.

The organizing principles for the workforce system were set around sector strategies. The strategic actions for Core Value 1 were developed through the lens of the seven key industries, identified by LWD and approved earlier this year by the SETC. Statewide Talent Advisory Councils (TACs) are being created for the seven key industries. The TACs are employer-driven and will articulate the needs, skill gaps and targeted solutions for each sector. Ms. Horst invited member input as these TACs are created. Strengthening services for small and mid-sized business will also be a focus, but not to the exclusion of larger businesses. Ms. Horst indicated that the local areas have recognized the need to support regional planning and collaboration to be responsive to the State's labor markets.

Deputy Commissioner Fichtner thanked Teri Duda and Tapas Sen for their leadership and guidance, Assistant Commissioner Clark and her team for their hard work and dedication. He also recognized the leadership of SETC Executive Director Horst and hard work of her staff, and thanked Chairman Bone for his leadership of the Commission. Dr. Fichtner spoke about the critical role of the SETC and the collaborative effort of colleagues in other state agencies. He noted the commitment of all partners to work together to address high levels of unemployment and to build a strong workforce for the State's economy. The Plan provides a strategic direction that will evolve over time; this will be a living document to guide New Jersey's workforce system forward.

Dr. Fichtner discussed Core Value 2, including the transformation of the One-Stop Career Centers and the services provided to job seekers. He noted the Jobseeker Delivery Model, which reflects the diversity in jobseekers who have varying needs. New Jersey needs to provide an array of services that are useful to any and all jobseekers. Core Value 3, Equipping the Workforce for Employment, addresses skills and education, ensuring that our jobseekers have the skills they need to be successful in the workforce. That begins with literacy and SCALES has been a tremendous leader in that area. The partner agencies will work collaboratively to create an integrated literacy and basic skills strategy for the State. Core Value 4, the Balanced Scorecard refers to increasing system accountability. This begins with the SETC resolution today, and continues with a long-term effort to use a broader set of metrics for WIB accountability, as well as for our grantees. It also includes conducting formal evaluations of workforce programs, which New Jersey has not done in several years. Deputy Commissioner Fichtner noted the importance of hiring external evaluators who can use rigorous methodology to ascertain the effectiveness of our programs and to identify needed improvements.

Deputy Commissioner Fichtner closed the presentation with a review of the New Jersey's Talent Connection Vision. This graphic outlines the new direction that will enable our state to build a 21st century workforce system that will serve us well.

Chairman Bone opened the floor to comments and questions about New Jersey's Unified Workforce Investment Plan for 2012-2017.

Layoff aversion was discussed as a key program provided by the Department of Labor and Workforce Development (LWD). It was noted that the Rapid Response Team, housed within LWD, is critically involved with layoff aversion. Deputy Commissioner Fichtner advised that LWD has two key efforts concerning layoff aversion. The first is the customized training grant program, which helps companies invest in the skills of their own workers to be more successful. This program has had great success in helping companies re-tool. The second is legislation that the State passed regarding a shared work program. A shared work program is anticipated to start within the next year, so that if companies reduce their hours, the affected employees can claim some unemployment benefits. Dr. Fichtner stated that LWD is committed to use this Unified Workforce Investment Plan as the guide for all the programs implemented whether they are mentioned in the plan or not. These layoff aversion activities are aligned with the key industries and other jobseeker priorities.

Members suggested a public relations effort, by the SETC, to educate the public about practices and positive initiatives already in existence. Members also suggested a heightened focus on incumbent workers, job retention, layoff aversion and worker productivity in the PowerPoint presentation and priorities of the Plan. Another member suggested adding "low literacy" population to the priorities in the plan. Executive Director Horst indicated that this feedback is in line with some public comments received, and indicated that these items can be addressed in the implementation plan.

A member asked if any financial incentives are being considered so businesses can stay in business in New Jersey, keep their employees and avoid layoffs. Deputy Commissioner Fichtner responded to these comments that New Jersey has a robust state strategy around economic development led by Choose NJ, the Economic Development Authority and NJ BAC. LWD works closely with them when it is relevant. They are aggressively helping companies stay in and move to New Jersey in a variety of way. Once again, Labor's Rapid Response Team works with companies in a variety of ways to help companies and employees as soon as possible.

The discussion included the ongoing analysis of key industry sectors, and selection of new key industries. Deputy Commissioner Fichtner noted that the focus on key industries does not preclude efforts in other sectors of the economy. The selected industries will continue to be discussed and evaluated for their economic impact. If there are industries that have specific needs or challenges, LWD is ready to address those needs, even if they are not part of the key industry sectors.

Members noted the importance of including all partners in these sector strategy efforts, such as faith-based and community-based organizations, training providers, vocational-technical schools, and organized labor. Members supported the focus on small and medium sized companies. Deputy Commissioner Fichtner indicated that LWD and SETC

can partner with the WIBs to focus on working with the small and medium sized businesses to avoid layoffs. Another implementation point might be around the Talent Advisory Councils, to develop comprehensive strategies for each industry, since some of those industries are growing and some are shrinking. For example, in discussion with advanced manufacturing employers, this may include how to retain those companies and their workforce and put together a strategy targeted toward that sector.

Commission member Dana Berry commended the inclusion of apprenticeships in the Plan and offered to lead the Apprenticeship Pathways Committee.

The Talent Advisory Councils were also discussed, and how these would interact with the WIBs and One-Stop Career Centers. Executive Director Horst explained that the SETC staff will work with local areas to tap into business groups and associations, and involve the business representatives from the local WIBs. The Talent Networks are also charged with articulating industry needs and educating One-Stop staff about career and educational pathways. They also bring employers and training providers together to create those training programs. So the Talent Networks have been the industry experts that interface between the One-Stop and the employer needs.

Chairman Bone asked for a motion to approve New Jersey's Unified Workforce Investment Plan for 2012-2017. A motion was made by Tapas Sen and seconded by Caroline Wade. The motion was unanimously passed and the Plan was approved.

V. Director's Report

SETC Executive Director Michele Horst introduced Kirk Lew, Policy Analyst, who joined the SETC staff in August. He is the expert in charge of creating our shared youth vision. He will be launching the work that began at the conference in Boston last year. The hope is to connect the local areas, develop a comprehensive state strategy for youth services, conduct gap analysis and articulate best practices to find solutions. Additionally, the SETC has approval for another new staff position to coordinate the Talent Advisory Councils; this person is expected to start in October. Ms. Horst commented that this robust, assertive and visionary plan will require a lot of work from partners and volunteers, not only Commission members, but also members of the SETC committees and councils. The oversight role becomes very critical and the expertise these partners bring to the table is crucial. There will be six SETC meetings in 2013, as opposed to five. The agendas for November and January meetings are already filled, reflecting the great amount of work to be done in the coming year.

VI. Public Comment

Chairman Bone first asked Commission members to suggest any items to be addressed in the future. For example, there was robust discussion on the issue of layoff avoidance today. Are there other issues that the Commission should discuss? A member suggested having longer meetings. Another member suggested lunch should be served.

Chairman Bone asked for comments from the public. One member of the public expressed appreciation for the dedication and hard work that was put into the Plan, and

noted their excitement at being part of its implementation. Also, they were pleased to see more thorough utilization of various funding streams and programs. Another member of the public asked about the process for collecting public comments. Executive Director Horst explained the Plan's public comment phase; all the comments received were summarized in a table, with a notation for the disposition of each comment. This table is attached to the Plan as an appendix. In response to a question on the implementation timetable, Ms. Horst replied that the implementation plan will cover Year 1 through Year 3. In Year 3, plan revisions will probably be added based on results to date, and the identified needs for Years 4 and 5. Chairman Bone noted that some items have already been implemented and that the Plan technically began two months ago, since it covers July 2012 to June 2017.

VII. Adjournment

Chairman Bone advised the next meeting will be on November 29th. He thanked everyone for their input into the discussion today.

Jody Levinson noted a new study published by United Way of Northern New Jersey, *ALICE, Asset Limited, Income Constrained, Employed*. This comprehensive study investigates the income needed to sustain a family of four in New Jersey. The report can be downloaded from the United Way website at:

http://www.unitedwaynj.org/documents/UWNNJ_ALICE%20Report_FINAL2012.pdf

Chairman Bone adjourned the meeting at 12:00 pm.

Next SETC Meeting

Thursday, November 29, 2012
10:00am -12:00pm
New Jersey Law Center
One Constitution Square, New Brunswick, NJ

**STATE EMPLOYMENT AND TRAINING COMMISSION MEETING
ATTENDEES – SEPTEMBER 11, 2012**

PRESENT MEMBERS or ALTERNATES

Barry, Marie (for Cerf)	Levinson, Jody
Berry, Dana	McAndrew, Brian
Bone, Dennis	Mickens, Felix (for Lawson)
Davis, Gail	Sabater, Julio
Duda, Teri	Santare, Robert
Fichtner, Aaron (for Wirths)	Sen, Tapas
Gacos, Nicholas	Wade, Carolyn
Garlatti, Betsy (for Hendricks)	Wowkanech, Charles
Hines-Cunningham, Lorna (for Velez)	
Hornik, Stephen	
Howard, Donald (for McNamara)	

ABSENT MEMBERS

Carey, Michael	Munyan, Robert
Constable, Richard	Nutter, Harvey
Franzini, Caren	Reisser, Clifford
Henderson, Henry	Stout, Bruce
Karsian, Andrea	Trezza, JoAnn
Linder, Msgr. William	

OTHER ATTENDEES

Angelucci, Dan	Guillard, Jane	Peter, Natasha
Battle, Sidney	Hunnicut, Alice	Richardson, Nils
Berry, Nicole	Janz, Greg	Rivera, Antonio
Bianco, Tom	Lynott, Kevin	Rountree, Cherron
Black, Jim	Maziarz, Marcela	Scalia, Donna
DeBaere, Gregg	Melcher, Robert	Smith, Tiffany
Ford, Robin	Mills, Beverly	Swartz, Jeffrey
	Nadler, Sally	Walker, Helen

SETC STAFF

Davis, Lansing
Formalarie, Judy
Horst, Michele
Hutchison, Sheryl
Lew, Kirk
Vetterl, Susan