



# New Jersey State Employment and Training Commission

Dennis M. Bone, *Chairman*

Chris Christie, *Governor*

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

Tuesday, January 19, 2016

10 am – 12 pm

NJ Law Center, New Brunswick

### I. Welcome & Introductions

Chairman Dennis Bone called the meeting to order at 10:05 am and reviewed the agenda. Roundtable introductions were initiated. Chairman Bone announced that in accordance with the Open Public Meetings Act, notice of this meeting was submitted to the Trenton Times and Star Ledger and was posted on the SETC website. The minutes from the November 10, 2015 meeting were introduced. Harvey Nutter made a motion to approve the minutes; the motion was seconded by Julio Sabater. The minutes were unanimously approved by voice vote.

### II. Chairman's Report

Chairman Bone described the huge opportunity the SETC will have in designing policy, which will help in the transition from WIA to WIOA. He thanked all the commission members, workforce stakeholders and members of the public for their willingness to work together throughout the planning process. The analysis of WIOA has created some great collaboration between LWD, SETC and all the workforce partners (State, Education, CBOs and local workforce systems).

Chairman Bone asked LWD Deputy Commissioner Aaron Fichtner to report on the ongoing collaboration between LWD and the NJ Department of Human Services (DHS) to address recent changes to food stamp work requirements for Able-Bodied Adults Without Dependents (ABAWDs). Congress passed the Personal Responsibility and Work Opportunity Reconciliation Act in 1996. The Act requires Supplemental Nutrition Assistance Program (SNAP) recipients aged 19 – 49 years to be engaged in either 20 hours of work or work-related activities. If the SNAP recipient is not engaged in either form of work activity, that person will be in jeopardy of losing their food stamp benefits. New Jersey received a waiver from the federal government, which allowed the State to defer the 20-hour work activity requirement for ABAWDs. All states applied for these waivers in order to effectively utilize existing workforce funds that were being impacted by the 2008 recession. The waiver expired on January 1, 2016 for five New Jersey counties: Morris, Sussex, Hunterdon, Somerset and Passaic; and will expire for the remaining counties at the end of February 2016.

The 11,000 or more individuals identified as ABAWDs will need work activities to continue to receive food stamps and benefits. LWD is currently working with DHS and the local Workforce Development Boards (WDBs) to meet these work activity requirements. LWD utilizes about 20 million dollars annually to fund the work and training activities for the populations effected by the waiver. LWD is exploring the use of different funding streams, including Title II, WIOA and others, to provide work activities for these populations. New Jersey has just three months to get this up and

running or participants will lose their SNAP benefits. One program could include 10 hours of classroom and 10 hours of self-directed job search. The State is considering additional methods and strategies to effectively serve this population of jobseekers.

The Deputy Commissioner also informed the SETC that New Jersey will be sending a diverse group of workforce partners to Washington, DC to participate in the WIOA National Convening hosted by USDOL. A group of 13 individuals will represent state and local workforce partners, including the SETC, LWD, the Department of Education, Office of the Secretary of Higher Education, local Workforce Development Boards, NJ Community Colleges, and representation from the Governor's Office will join other workforce leaders in Washington, DC to learn from Federal Government representatives and national workforce associations regarding best practices and potential implementation strategies for WIOA.

The Chairman thanked Deputy Commissioner Fichtner for the updates on ABAWDs and the conference in Washington, DC. Chairman Bone continued to reiterate the importance of the many policies on today's agenda, which will impact New Jersey's implementation of WIOA. The Commission will discuss the strategic vision and the various initiatives that are crucial to New Jersey's Combined State Plan, and the Commission's policy decisions will shape and provide substance for the Plan. The Commission will vote on the approval of the Plan at its next meeting, before the draft Plan is submitted to USDOL.

### **III. State Plan Vision and Strategic Initiatives**

SETC Acting Executive Director Sheryl Hutchison and LWD Deputy Commissioner Aaron Fichtner provided a presentation about the vision, initiatives and key elements of New Jersey's Combined State Plan. Ms. Hutchison thanked all partners for providing assistance and feedback to inform the planning process and create an inclusive plan for the State.

The presentation included a one-page outline of the State Plan's 5 major strategic intents:

1. Governance
2. Career Pathways
3. High Quality Employer-Driven Partnerships
4. Career Navigation & Jobseeker Services
5. System Integrity

Each strategic intent includes a number of initiatives that will be implemented to drive its success.

#### Governance

Ms. Hutchison provided an overview of the key strategic initiatives under Governance. A primary focus will be regional collaboration between the local boards. Regional plans will be developed by the boards in each of the three regions - North, Central and South - with assistance from the Thomas P. Miller and Associates, the contracted consulting team. Local area designation requests will be reviewed at the next SETC meeting; each local area is required to submit an initial designation request under WIOA. The local Workforce Development Board (WDB) certification process will be discussed in greater detail during the policy portion of this meeting. To strengthen Governance efforts, local boards will approve both programs and board staffing budgets for their local area; this will be another topic for policy consideration today.

Chairman Dennis Bone noted that at the two-day WIOA stakeholder feedback conference, held in December, a number of draft policies were presented to a wide audience for their input and comments. These policies are now being presented to the SETC. Of the many policy discussions held during that conference, one of the most spirited centered on local boards being recognized as

governing bodies, rather than just advisory bodies. The conference highlighted the need to move the public workforce system towards more transparency and accountability. The conference discussions included the creation of new performance metrics for the State, with additional metrics focused on WDB Certification, Regional Planning and High Quality Partnerships. These metrics will ensure that the State is giving the local boards the necessary tools and technical assistance to fulfill the strategic roles outlined for workforce boards under WIOA.

Deputy Commissioner Fichtner emphasized his support of a strong board governance process and a strong SETC. Dr. Fichtner thanked Ms. Hutchison for her strong leadership throughout the planning process. Without her efforts, LWD, SETC and the various workforce partners would not have been able to get to this crucial point in the creation of the State Plan. Dr. Fichtner then discussed the following themes:

#### Career Pathways

The career pathway definition was adopted in the *Blueprint* and outlines the elements of career pathways. Career pathway models will be embedded into all of LWD's key initiatives and investments. The model includes ways to create stackable credentials, incorporate literacy priorities and occupational training that will enable NJ citizens to earn sustainable wages. The career pathway model is strongly linked to the development of the Industry-Valued Credential List; this list will be used to drive workforce program investments. The draft Credential List will be available for public comment in the coming weeks; it was created with employer input, in consultation with the Talent Networks and workforce stakeholders. Deputy Commissioner Fichtner acknowledged the tremendous assistance provided to LWD by Melanie Willoughby, and her team at New Jersey Business and Industry Association (NJBIA), to help gather valuable input from employers. The implementation of New Jersey's Industry-Valued Credentials List will enable employers to assess whether job applicants possess the skills, abilities and competencies their companies need, on the basis of the credentials the workers have earned. The SETC and LWD will explore both New Jersey's literacy priorities and the creation of an Employment First framework to ensure that the career pathways model is implemented for those in need of literacy services, persons with disabilities, and other priority populations.

#### High Quality Employer-Driven Partnerships

The New Jersey Policy Academy established the definition of a High Quality Partnership; this definition was adopted in the *Blueprint*. The State Plan will focus on aligning all LWD resources around the establishment and sustainability of high quality employer-driven partnerships throughout New Jersey. The Policy Academy, formed through a grant from National Governors Association, has fortified the relationships between NJBIA, LWD, SETC, the Office of the Secretary of Higher Education and Department of Education. LWD is committed to the establishment of high quality employer-driven partnerships and will sustain them through ongoing investment of resources. The investments in Talent Networks and Talent Development Centers will focus on gathering better labor market intelligence from employers, and helping establish quality training programs that deliver industry-valued credentials, to support high quality partnerships. Three new Talent Development Centers will be located at institutes of higher learning and will focus on Healthcare, Advanced Manufacturing and Transportation, Logistics and Distribution. LWD will provide each Talent Development Center with \$900,000 to establish a center of excellence that will focus on training dislocated and incumbent adult workers in the specified industry sector.

In addition, LWD is dedicating resources to effectively train its staff and partner staff, at all levels, on the importance of high quality partnership and the most effective strategies, methods and tools for working with employers to establish these long-term relationships. As mentioned earlier, new

performance metrics will be created to support local workforce boards in establishing high quality employer-driven partnerships within their local areas and regions.

Career Navigation and Jobseeker Services

This theme centers on career exploration and ensuring that jobseeker services are comprehensive and meaningful for all customers. The goal is to equip all types of jobseekers with the skills, training, information and connections necessary to enter a career pathway and secure good wages. This will be achieved by creating strong local area workforce systems with the ability to serve the needs of various customers. The competency of the local workforce areas is being clearly articulated through the establishment of roles and responsibilities of both state and local staff at the One-Stop Career Centers. The State and its local workforce board partners are discussing the best ways to implement a number of critical WIOA elements, including competitive selection of One-Stop Operators, infrastructure cost agreements and the One-Stop Career Center certification process.

The new Career Connections platform will be used to expand the online tools offered to jobseeker and employer customers, and will provide a broader audience of stakeholders with information and resources to effectively serve their customers. As part of this initiative, LWD will award 2.5 million dollars to as many as 28 public libraries, to become additional workforce access points for jobseeker customers. LWD is partnering with community colleges and libraries to form a Career Connection Partner Network and provide programs and services to more NJ citizens. In addition, ten libraries will be partnering with community colleges and other literacy providers to strengthen the provision of adult literacy services throughout the state.

System Integrity

As noted under the Governance discussion, System Integrity will be key to all efforts to ensure successful implementation of WIOA by the State, local boards, and all system partners. Dr. Fichtner outlined the performance metrics required under WIOA, as well as the efforts to strengthen and improve the Eligible Training Provider List (ETPL) and the Consumer Report Card (CRC), so that One-Stop staff and jobseekers themselves can be better informed about their training choices, which will promote the best outcomes for the customer. LWD will implement performance dashboards to provide the SETC, program managers and other stakeholders with vital data about program performance, to facilitate informed investment decisions, program development, and system transparency. Dr. Fichtner emphasized the importance of the SETC’s role to provide oversight and governance of New Jersey’s public workforce system. At the next meeting of the SETC, additional metrics to support the initiatives outlined today will be presented for the SETC’s consideration.

**IV. Policy Presentations: State Plan Adoption**

<b>Policy</b>	<b>Type</b>	<b>Motion to Approve</b>	<b>Motion Seconded</b>
LWDB Certification #2016-01	Governance	Melanie Willoughby	Dana Berry
NJ Subsequent Local Area Designation #2016-02	Governance	Julio Sabater	Harvey Nutter
NJ Local Budgets and Staffing #2016-03	Governance	Julio Sabater	Terry Duda
Local Area Funding Allocations Formula #2016-04	Governance	Harvey Nutter	Melanie Willoughby
College and Career Readiness Standards #2016-05	SCALES	Robert Wise	Dana Berry
Out-of-School Youth Work Experience Definitions #2015-03	Youth	Terry Duda	Melanie W
Employment First Definition #2016-06	DVRS	Aaron Fichtner	Daniel Frye
Employment First Framework #2016-07	DVRS	Daniel Frye	Anthony Ferrera
VR and CBVI State Rehabilitation Councils #2016-08	DVRS	Robert Wise	Melanie Willoughby

**a. Governance: NJ Local Workforce Development Board Certification, #2016-01**

- i. **New Jersey Local Workforce Development Board Certification Process for 2016:** Chairman Bone reviewed the proposed WDB certification process for 2016. This will be a streamlined version that will focus on 10 items. Local boards were last certified in 2014; each board has experience and knowledge to effectively get through the 2016 process. The abbreviated process has been reviewed with local board chairs, One-Stop Operators and other stakeholders. Chairman Bone reviewed the timeline, the information to be submitted and authorizations required for each local area. Ms. Hutchison discussed the new board membership requirements, which allow local boards to be more nimble and flexible. Members discussed the designation of the One-Stop Operator; the competitive selection of a One-Stop Operator required under WIOA is an area in which more guidance is needed from USDOL. More information will be sought at the National Convening in Washington, DC. The Commission voted unanimously to approve the 2016 WDB certification process, SETC Policy Resolution #2016-01.
- ii. **NJ Subsequent Local Area Designation:** Chairman Bone introduced the policy, which articulates the need for local area designation under WIOA and proposed timeframe and process for completion. After the initial designation period, local workforce areas are required to request subsequent designation in 2017. This policy will be embedded in the State Plan and govern the process going forward. The Commission voted unanimously to approve the NJ Subsequent Local Area Designations, SETC Policy Resolution #2016-02.
- iii. **New Jersey Local Workforce Development Area (LWDA) Programs Budget and Local Workforce Development Board (WDB) Budget and Staffing Requirements:** Under WIOA, local boards are given additional strategic, planning and oversight responsibilities for the local workforce system. The NJ Local Budgets and Staffing policy will enable local boards to have oversight and additional control over both local programs and board staffing. The policy requires a minimum WDB staffing level of a board director, two policy staff and one administrative support staff person. Both the local area program budget and the board staffing budget must be approved by the local board.

Members discussed the role of Local Elected Officials in supporting the operation of local boards to fulfill their responsibilities. It will be useful for local board bylaws to include these policies and for further discussion of these roles and responsibilities with local elected officials. The SETC and LWD leadership are committed to effectively engaging local elected officials regarding the effective support of local workforce boards. Local WDB Chairs and Directors should continue engaging their local elected officials to strengthen the ability of boards in shaping the public workforce system under WIOA. Updated board staff job descriptions may help ensure that boards have the necessary manpower to manage the board's functions and initiatives, and support board accountability.

Members expressed their appreciation for the policy's direction to strengthen the local boards and their role in the workforce system, especially in light of the additional requirements under WIOA. Deputy Commissioner Fichtner agreed; the workforce system receives over 100 million dollars and LWD allocates these funds to the local areas through Notices of Obligation. If a local area is not able to meet the necessary staffing and budgeting requirements; which negatively impacts to their performance outcomes, there should be financial ramifications for such failures.

Melanie Willoughby indicated some inherent challenges in this effort to empower local boards; it will only be successful if local areas have the support of the State and its leadership, and assistance in navigating local politics. If implemented correctly, the policy has the ability to foster positive changes that will impact the business community. New Jersey business may start to respond better to the public workforce system, if they know that the boards will have stronger

oversight of the system. Ms. Willoughby indicated her commitment to seeing this policy implemented and will solicit the help of NJBIA business members to support the operationalization of this policy. The Commission voted unanimously to approve the NJ Local Workforce Development Area (LWDA) Programs Budget and Local Workforce Development Board (WDB) Budget and Staffing Requirements, SETC Policy Resolution #2016-03.

- iv. **NJ Local Area Funding Allocations Formula:** LWD Deputy Commissioner Fichtner presented the proposed policy for establishing the formulae to determine NJ local area funding allocations. WIOA requires the state's workforce development board to establish the formulae to calculate the local area funding allocations for WIOA Title I programs for Youth, Adults, and Dislocated Workers. The funds to serve each population are allocated using different formulae and criteria.

The Youth formula contains three required formula categories, or indicators, with some options for state discretion in the weights of the calculations. These categories are the number of disadvantaged youth, the relative number of unemployed individuals, and the relative excess number of unemployed individuals. The State is recommending that formula base 40% of the allocation on the number of the disadvantaged youth, as this strongly impacts the need for youth services in the local area. The State is also recommending a fourth category, focused on excess poverty.

The Adult formula has four categories that are proposed at 25% weight for the funding allocations: the relative number of disadvantaged adults, the relative excess number of unemployed individuals, the relative number of unemployed individuals in areas of substantial unemployment, and high school diploma attainment. The state is focused on high school diploma attainment because this is a basic requirement to enter most career pathways or occupational skills training.

The Dislocated Worker formula has six categories for funding allocations. WIOA allows the state to determine the weight for each of these six categories. The proposed policy sets Declining Industries at 25%, Insured Employment Data at 25%, Long-Term Unemployment at 25%, and Unemployment Concentration at 25%. The other two categories, Plant closing and Mass Layoff Data and Farmer-Rancher Economic Hardship Data, do not have reliable sources of data, and are proposed to be weighted at 0%. Deputy Commissioner Fichtner discussed lack of data on plant closings and mass layoffs; USDOL no longer supports the collection of this data on a regular basis. Further, the data provided by employers through WARN notices is not reliable: if a company anticipates that it will layoff 25 or more workers, the company will file a WARN notice with the State. However the number initially estimated to be laid off, and the number actually laid off can vary widely.

Members discussed the geographic variations that are taken into account by these formulae, such as substantial areas of unemployment, as compared to the statewide rates. Members also discussed consideration of the needs of those with low literacy skills; it was noted that the State will use data on high school diploma attainment in the local area in these calculations. It was noted that the formulae determine how the WIOA funds for these programs and services will be divided among the local areas; local boards then set the priorities for the investment of those funds at the local level. The policy proposed today builds a process for ongoing review of the formulae, and the SETC has the ability to modify the formulae in future. The Commission voted unanimously to approve the Local Area Funding Formula Allocations, SETC Policy Resolution #2016-04.

- b. SCALES: Adoption of College and Career Readiness Standards:** The SCALES Council provided a dual presentation on the historical perspective and current state of adult literacy standards in the State of New Jersey. Acting SCALES Chair Hal Beder presented information on the adoption, development, and implementation of the current Equipped For the Future (EFF) adult literacy standards. Joanne Hala discussed on the College and Career Readiness Standards (CCRS), and their relevance and practical use in the field. SCALES articulated that the EFF standards had provided a strong foundation for New Jersey's literacy system; the CCRS will now be used to build upon this foundation. The CCRS will allow the state to create a more comprehensive framework that will support the development of both curriculum and instructors. The Commission voted unanimously to SETC Policy Resolution ##2016-05, to adopt the College and Career Readiness Standards for Adult Education as the standards for New Jersey's Adult Literacy system.
- c. Youth: Update to Out-of-School Youth Work Experiences Definition:** At an earlier SETC Commission meeting, it was requested that SETC staff investigate possible changes made to the federal requirements for an unpaid internship position. SETC Policy Analyst Kirk Lew engaged Federal contacts and the LWD Wage and Hour office to strengthen and clarify the unpaid intern definition in the SETC Policy #2015-03 approved on October 9, 2015. USDOL suggested the addition of six new criteria for the unpaid intern work experience definition in the current policy; no changes were required under state law. The language has been included in the updated policy presented today. The Commission voted unanimously to approve the updated NJ OSY Definition and Youth Work Experiences Definition, SETC Policy Resolution #2015-03.
- d. DVRS: NJ Employment First Framework**
- i. Employment First Definition:** DVRS Director Alice Hunnicutt provided two policy recommendations to the SETC, both related to New Jersey's efforts as an Employment First state for individuals with disabilities. Governor Chris Christie declared New Jersey an Employment First state in 2011. The proposed policy provides a comprehensive definition for Employment First in New Jersey. The definition ensures that those with disabilities would be given the training, tools and resources to make informed choices on their employment needs. The creation of an Employment First definition that recognizes the importance of individuals with disabilities having the ability to make informed choices aligns with WIOA. The Commission voted unanimously to approve Employment First Definition, SETC Policy Resolution #2016-06.
- ii. Employment First Framework:** The second proposed policy focuses on the establishment of an Employment First framework that is built around a career pathways model. The Employment First Career Pathways Framework will strive to achieve the following goals: increase the availability of integrated workforce, education and employment opportunities for individuals with disabilities; increase the number of youth with disabilities who earn a post-secondary industry-valued credential or degree in their chosen careers; increase knowledge among individuals with disabilities and their families of the variety of pathways that lead to competitive integrated employment; and increase the number of individuals with disabilities who obtain competitive integrated employment. The Commission voted unanimously to approve Employment First Career Pathways Framework, SETC Policy Resolution #2016-07.
- V. Designation of VR and CBVI State Rehabilitation Councils (SRCs) as Policy Advisory Bodies to the SETC:** Peggy Englebert, DVRS SRC Chair, and Fr. James Warnke, CBVI SRC Chair, made a joint presentation on the proposed policy, to recognize the DVRS and CBVI State Rehabilitation Councils as the entities which will provide disability expertise, policy recommendations and information to the SETC in order to improve New Jersey's public workforce system and its services to individuals with disabilities. Ms. Englebert thanked the SETC for the opportunity to present, and for its consideration of both SRCs in this role. Ms. Englebert and Fr. Warnke articulated the

importance of creating a strong collaboration between the SETC and SRCs. These relationships will ensure that the needs and concerns for persons with disabilities are addressed as part of the broader workforce and training-related discussions. Chairman Bone reviewed the policy with the SETC members and articulated that moving forward, the SETC would be depending on the SRCs to provide the SETC with the necessary information and data to effectively serve individuals with disabilities in a more meaningful way. The Commission voted unanimously to approve SETC Policy Resolution #2016-08, which recognizes the DVRS and CBVI State Rehabilitation Councils as the entities which will provide disability expertise, policy recommendations and information to the SETC.

## **VI. Public Comment and Adjournment**

Melanie Willoughby announced that NJBIA will be hosting an employer-focused Workforce Summit on April 8 at Raritan Valley Community College. NJBIA will host employers from across the state with a focus on the business products and services available at both the state and local workforce levels. New Jersey employers can benefit from the variety of products and services that support talent pipelines that have the potential to cater to their individual needs.

Chairman Bone announced that a High Quality Partnerships Summit will be held in May 2016, hosted by the NJ Policy Academy partner agencies, and funded through the grant from the National Governors Association. The Summit will provide examples of best practices from existing high quality partnerships in the state, and foster the creation of new partnerships among local and regional employers, education and workforce partners who attend. The Summit will take the employer engagement discussion to the next level, and will open the door for future discussions. Chairman Bone expressed his hope that the Summit and the initiatives it fosters, will support the meaningful involvement of more employers with the public workforce system.

Nils Richardson, of ACCSES-NJ, thanked the SETC and all the partner agencies for their work on today's proposed policies. He emphasized the need to bring employers to the table to discuss the opportunities of working with individuals with disabilities. Mr. Richardson recognized the SETC's use of the two SRCs as expert policy and disability entities; these are important relationships and will be crucial in advancing employment opportunities for people with disabilities.

The next SETC meeting is scheduled for March 29 at the New Jersey Law Center. The meeting will focus on the review and approval of the Combined State Plan. Chairman Bone emphasized the need for members to attend this meeting to ensure there is a quorum.

Teri Duda made a motion to adjourn the meeting, seconded by Julio Sabater. The meeting was adjourned at 12:03 pm.

**Next SETC Meeting:**  
Tuesday, March 29, 2016  
10 am – 12 pm, NJ Law Center, New Brunswick



**STATE EMPLOYMENT AND TRAINING COMMISSION MEETING ATTENDEES  
JANUARY 19, 2016**

<b><u>PRESENT MEMBERS and ALTERNATES</u></b>	
Barry, Marie (for Hespe) Berry, Dana Bone, Dennis Duda, Teri Ferrera, Anthony Fichtner, Aaron (for Wirths) Frye, Daniel (for Connolly) Garcia, Manuel (for Richman) Garlatti, Betsy (for Hendricks)	Howard, Donald (for McNamara) Karsian, Andrea Nadler, Sally Nutter, Harvey Sabater, Julio Safrin, Michele (for Blake) Willoughby, Melanie Wise, Robert
<b><u>ABSENT MEMBERS</u></b>	
Brown, Kevin Carey, Michael Donnadio, John Gacos, Nicholas Hornik, Stephen Levinson, Jody	Orson, Melissa Reisser, Clifford Sen, Tapas Trezza, JoAnn Wade, Carolyn Wowkanech, Charles
<b><u>OTHER ATTENDEES</u></b>	
Alarcon, Isobel Anderson, Linda Beder, Hal Briggs, Deborah Bonanno, Lisa Cooper, Belinda Englebert, Peggy Franklin, John Hala, Joanne Hunnicut, Alice Jean-Baptiste, Jecrois Kocsis, Violet Kurdziel, Kevin Jackson, Mark	Lane, Davetta Lee, Mimi Mombo, Mien Patrick Paskewich, Elizabeth Piano, Julie Richardson, Nils Rivera, Antonio Savage, Judy Scalia, Donna Strobel, Allison Swartz, Jeffrey Trem, Bernard Warnke, Fr. James
<b><u>SETC STAFF</u></b>	
Hutchison, Sheryl Lew, Kirk O'Brien-Murphy, Maureen	