



New Jersey State Employment and Training Commission

Dennis M. Bone, *Chairman*

Philip D. Murphy, *Governor*

State Employment and Training Commission Meeting Minutes

September 15, 2021 ~ 10am – 12pm
Online (GoTo Meeting Platform)

I. Welcome & Introductions

Chairman Dennis Bone called the meeting to order at 10:05am and welcomed members and guests. He announced that, in accordance with the Open Public Meetings Act of 1978, notice of this meeting was submitted to the Trenton Times and the Star-Ledger and was posted on the SETC website, njsetc.net. In place of round-table introductions, members and guests were asked to place their names in the Chat feature for attendance purposes. The agenda was reviewed; time will be made available for public comment, if needed.

Approval of Minutes:

The draft minutes of the June 30, 2021 meeting were provided to the members in advance of today's meeting. Approval of the draft minutes of the June meeting was put on hold, pending a quorum.

II. Chairman's Report

Chairman Bone indicated that the process is underway to appoint new members to the SETC; the team is vetting a number of new members for consideration by the Governor's office. The SETC is ready to move this forward as quickly as possible.

III. NJDOL Unemployment Insurance (UI) and Workforce Updates:

Ronald Marino, Assistant Commissioner of Income Security and Gregory Castellani, Director of Income Security, discussed New Jersey unemployment insurance benefits and challenges that arose during the pandemic. The in-depth presentation touched on a number of issues, including the high volume of UI claims experienced. For example, in the March - April 2020 period, the UI claims filed exceeded the volume of one year of claims filed during the Great Recession. Staffing issues were discussed; in February 2021, NJDOL had 1,400 staff working for the UI team, mostly in the Trenton office. One month later, almost all of these staff were working remotely, using laptops and other technology that had to be quickly ramped up. Additional staff have been added to the UI team, however backlogs still exist due to the volume of claims and the new federal programs that had to be implemented simultaneously. In 18 months, more than \$33 billion in UI benefits were distributed in New Jersey.

The new federal benefits programs were discussed: the Pandemic Unemployment Assistance (PUA) was a completely new federal program for self-employed individuals and those not normally eligible for UI benefits; the Pandemic Emergency Unemployment Compensation (PEUC) provided an additional 25 weeks of benefits. Also, the Federal Pandemic Unemployment Compensation (FPUC) program provided supplemental payments

to UI claimants – this started with an additional \$600 per week and was later decreased to an additional \$300 per week. These programs ended as of September 4, 2021; benefit payments may be approved for prior-dated claims, and may be sent after this date, but this is the last eligible week for UI benefits to be claimed under these programs. The State Extended Benefits (EB) program may be used to add more weeks of benefits, but not everyone is eligible for this extension; approximately 94,000 UI claimants have already exhausted their EB benefits.

Mr. Castellani discussed verification of claims and eligibility determination processes for UI claimants. Approximately 300,000 questionnaires were sent to the PUA claimants, and paystubs/letters of proof of work were collected for this group. Approximately 150,000 of the PUA claims have been verified so far; work will continue to process the pending claims under PUA. The State EB program is not for PUA customers; and not everyone in other UI categories would qualify for extended benefits.

NJDOL has sent out numerous emails and other communications to inform UI claimants of the September 4, 2021 end date for certain programs. Specifically, an email communication was sent to 663,000 claimants who will have no eligibility after that date. The email was sent to all PUA claimants regardless of current status, and all claimants that have exhausted State Extended Benefits and have no further eligibility. These emails were sent four weeks prior to end of the programs; the staff will continue to work to ensure that everyone is aware of this end date and their eligibility status.

The current Summary of Exhaustees was discussed: there were approximately 240,000 active PUA customers in August 2021, and approximately 94,000 PEUC claimants have already used up their State Extended Benefits. This totals to approximately 334,000 UI claimants who will have no further eligibility after receiving payment for the week ending September 4.

Fraud in UI claims was also discussed, and how it adversely affects claimants and their benefits. Identity theft is the most common type of fraud; NJDOL is partnering with an outside contractor, *ID.Me*, to verify uploaded documents. NJDOL has created a special email address for claimants who need to report fraud issues or have concerns about fraud/identity theft: <https://myunemployment.nj.gov/help/contact-us/reportfraud/>. Mr. Marino noted that NJDOL may add new fraud prevention/security vendors and already has added layers of protection from earlier fraud initiatives. A major challenge was presented by the federal PUA program, since the claimant and the employer are the same person in this type of claim. This makes verification of the claim more difficult. Fraud in UI programs is a national issue that all states continue to struggle with; fraud is also an international issue, with many foreign criminal actors operating abroad. NJDOL relies on both the UI claimant and the employer to respond to its queries and stop fraudulent claims before they are filed. This system has worked well and supports proactive fraud prevention.

Mr. Castellani noted another end date for State Extended Benefits program that will occur in December, when the additional 13 weeks of benefits will expire for another group of claimants. Also, a new Disaster Unemployment Assistance (DUA) program will start as a result of Hurricane Ida, which impacted 11 counties in New Jersey. People who were unemployed due to this storm may be eligible to claim DUA benefits. Mr. Marino and Mr. Castellani concluded by recognizing the hard work and dedication put forth by NJDOL Unemployment Insurance Staff. They also thanked Chairman Bone for providing the opportunity to discuss this critical work with the Commission. Chairman Bone expressed his appreciation for the NJDOL Unemployment Insurance team, and the incredibly detailed information shared today.

NJDOL Workforce Updates:

NJDOL Assistant Commissioner of Workforce Development Hugh Bailey provided key updates to the Commission, including work done during the pandemic and the transition underway now to provide career services and support those who are unemployed in getting back to work.

The NJDOL Workforce Development team and local area staff had to quickly transition to virtual services starting in March 2020. The return to the office date for staff was constantly shifting during the Summer of 2020, as there was great uncertainty about how long the pandemic would continue. NJDOL made the decision to shift as many services as possible to virtual platforms, so that virtual services represent the bulk of services delivery in the past year. Local area staff did a phenomenal job in supporting this move to virtual services. NJDOL is now looking to resume in-person services with a targeted start date after October 18, 2021. NJDOL will continue to offer Metrix online learning opportunities, and other virtual services, while opening up local One-Stop Career Centers for in-person career services by appointment only. Additionally, eligibility documentation for career services customers can now be done at the One-Stops, by appointment, for those who are unable to complete online document submissions. The timeframe for a return to the full service model used prior to the pandemic is unclear for now.

Health, safety and security protocols to protect both customers and staff are paramount considerations as in-person services resume. The NJ Department of Health has been a great help in developing these protocols. Masking requirements for both customers and staff will continue; the number of people allowed in the building will be limited and social distancing rules will continue as well. Asst. Commissioner Bailey noted that only career services will be provided at the One-Stop Career Centers. UI claimants will still use the phone and website platforms to file claims, speak to UI claims staff and to get their issues resolved. NJDOL understands that customers may be confused about which services are available at the One-Stops, therefore increased security measures are being put in place to ensure a smooth customer flow at the One-Stops for career services customers.

Asst. Commissioner Bailey noted that NJDOL will continue to evaluate the effectiveness of the service delivery model and if successful, the hybrid model of in-person and virtual services may continue in future, depending on customer needs. He thanked the Commission for the opportunity to speak to them today and thanked everyone for their continued hard work and dedication.

Chairman Bone thanked Asst. Commissioner Bailey for sharing these insights, and opened up the floor for questions. Members and guests discussed the continuation of UI services via phone and website platforms; for now, the customer phone banks for UI access at the One-Stops will remain closed. UI customers will continue to access services through their own phones and internet connections. Fraudulent UI claims inquiries sent to NJDOL by employers or employees will not get specific replies to their inquiries, due to the volume of claims and inquiries. However, Mr. Castellani indicated that all potential fraud issues that are reported will be actively pursued by NJDOL. Local WDB Directors voiced their appreciation for the outstanding efforts of the UI staff, both in Trenton and local offices, who have been working tirelessly to process the incredible volume of UI claims and inquiries during the pandemic.

IV. Local WDB Certifications - SETC Governance Committee Recommendations

SETC Deputy Executive Director Sheryl Hutchison presented the LWDB certification recommendations for the 2020-2022 cycle, and the 2018-2020 cycle; the certifications must be renewed every two years under

WIOA law. The summary recommendations document was provided to members prior to the meeting. Ms. Hutchison reviewed the SETC Governance Committee process and findings to date. She noted that this is an important quality assurance initiative, focused on continuous improvement across local areas. It considers both compliance with federal regulations and identifies best practices to improve the quality of operations around the state.

The Local Workforce Development Board (LWDB) Certification process provides a learning opportunity for both SETC/state staff and local area staff. The information gathered is shared with NJDOL teams and this informs policy decisions and shapes future guidance for both the SETC and NJDOL. The goal is not to have perfection or complete uniformity, rather to support improvement in each local area, as we work through each round of certification. The LWDB Certification process was launched in 2014; the 2020-2022 cycle is the fourth time going through this process. Ms. Hutchison noted that the current application, approved by the SETC in November 2020, was adjusted in recognition of the unprecedented impacts of the pandemic, and the resources available in local areas. Submissions were due to the SETC in February 2021 and continue to be received and reviewed by SETC staff. The SETC staff is also working with five (5) local WDBs to complete their 2018-2020 certifications; most of these remaining areas have just a few items to be addressed in this prior cycle, before moving on to the current cycle.

Ms. Hutchison introduced a member of the Governance Committee, Mr. John Gagliano. Mr. Gagliano is the Executive Vice President, COO and General Counsel for the EPS Corporation of Eatontown, NJ. He has served on the Monmouth County WDB since 2004, and served as board's chairman for a number of years. He has also served on the SETC Governance Committee since 2010, and graciously joins us today. Mr. Gagliano thanked the Commission for allowing him to share insights related to local WDB certification. The WDB certification process is getting easier now that we are in the fourth cycle; boards and staff are now more familiar with the application and expectations. He expressed appreciation for the support that the SETC provides to the local areas; this is a learning process and while compliance issues are involved, it has really focused on continuous improvement and the two-year cycle ensures that these items remain on everyone's agenda. The sharing of best practices has been helpful to local areas, and he commended the local WDBs for their hard work and dedication to the citizens of New Jersey.

The Governance Committee recommendations were presented: Camden County successfully completed its application for the 2020-2022 cycle. Good practices were noted for Camden County WDB and other areas still in process, including enhanced use of the membership tracking spreadsheets which support both WIOA compliance and proper board function. Local areas have also responded positively to the request to share their local evaluations and customer satisfaction tools; this will help the SETC and NJDOL to build workforce program evaluation capacity statewide. Areas for continued general attention, not specific to Camden County, include a renewed focus on local WDB budgets to ensure appropriate detail is provided to the local boards and that resources are available to support board functions and initiatives. Also, the SETC staff have recognized strong local efforts to maintain continuity of operations during the pandemic; this will continue as an area of focus to ensure board activities and initiatives move forward expeditiously despite environmental disruptions.

Chairman Bone opened the floor for questions and comments, or a motion to approve the recommendation. Sally Nadler made a motion to approve the Camden County WDB Certification for 2020-2022; Carolyn Carter-Wade seconded the approval; all were in favor, with no abstentions. The motion was approved.

Ms. Hutchison reported that the Hudson-Jersey City WDB successfully completed its certification application for the 2018-2020 cycle. The remaining four (4) WDBs for the 2018-2020 cycle have pending items including evaluation activities and reports; local Memorandum of Understanding (MOU) items; and ensuring regularity

of meetings and posting minutes and membership on their websites. These are not large areas of concern, but are items to be addressed before these local WDBs can move into the 2020-2022 cycle. The Hudson-Jersey City WDB Certification for 2018-2020 was reviewed by the Governance Committee and is recommended for approval by the SETC. Ms. Carolyn Carter-Wade made a motion to approve the Hudson-Jersey City WDB Certification for 2018-2020; it was seconded by Catherine Milone. All were in favor, with no abstentions, and the motion was approved. Ms. Hutchison thanked the SETC and the Governance Committee for their continued support of this effort. Chairman Bone congratulated the Camden County WDB and the Hudson-Jersey City WDB, and thanked all the local areas for their ongoing attention to the certification effort.

V. SCALES Convening Report: Movement Along Career Pathways Towards Family Sustaining Wages

Dr. Aaron Fichtner, President, NJ Council of County Colleges and Dr. Hal Beder, SCALES Chairman, presented findings and next steps related to the Movement Along Career Pathways Towards Family Sustaining Wages initiative, sponsored by the SETC SCALES council. More has to be done to improve adult literacy and the focus on career pathways. The local community colleges are working together, and showing full support behind this vision.

An important aspect of this project is how to think differently with adult learners, and help them move up the career ladder. Dr. Beder informed the Commission that the program is free-of-charge to any that are interested in participating. Both Dr. Beder and Dr. Fichtner stressed that working together will make this vision a reality. They reflected on the limited options that have been available to the population in the past and how the effort has the backing of a multi-disciplined team including workforce development, education/higher education, local workforce development boards and the state's largest business organization, NJ BIA. The participation of former USDOL Asst. Secretary Jane Oates, now president of Working Nation, and Wendell Dallas, chair of the Georgia Workforce Development and Literacy Council, vice-chair of the National Association of State Workforce Board Chairs and Vice President of Georgia Power, were noted as highlights of the convening. Coming out of the session, the parties have agreed to work on building an easy segue from adult learning programs into community colleges where pathways and credentials will be available.

SETC Acting Executive Director Gary Altman thanked Dr. Beder and Dr. Fichtner, and the innovative leaders in Adult Literacy around the state, for their partnership in this initiative. Chairman Bone noted that he has particular interest in this effort, as the former chairman of the SCALES literacy council, and he looks forward to the great opportunities that will be made available to adult learners in the future.

VI. Public Comment and Adjournment

No public comments were made. Camden WDB Director Jeff Swartz thanked the SETC for its confirmation of the Camden County WDB Certification, and expressed his appreciation for the support and guidance from the SETC staff. Hudson-Jersey City WDB Director Michelle DeFilippo and Deputy Director Tim Sheridan also expressed their appreciation for the approval of the 2018-2020 WDB Certification for their area.

Chairman Bone concluded the meeting by thanking all who attended for their continued support, with a special thanks to the distinguished presenters, for sharing their expertise with the Commission. The meeting was adjourned at 11:55am.

Next SETC Meeting:

Wednesday, November 17, 2021 (online meeting) ~ 10am – 12pm

The 2022 calendar of SETC meetings will be announced shortly.

ATTENDEES: September 15, 2021

<u>PRESENT MEMBERS and ALTERNATES</u>	
Apple, Emily (for Sullivan) Asaro-Angelo, Robert Bone, Dennis Bussey, Karen (for Bridges) Butler, Kate (for Oliver) Drakeford, Shamira (for Duda) Franklin, John Gleason, Lisa (for Allen-McMillan)	Lee, Edwin (for Brown) - email vote Milone, Catherine Moody, Melissa (for Adelman) Nadler, Sally Safrin, Michele (for Blake) Sen, Tapas Wade, Carolyn Carter Wise, Robert - email vote
<u>ABSENT MEMBERS</u>	
Bridges, Brian Brown, Kevin Carey, Michael Donnadio, John Ferrera, Anthony Gacos, Nicholas Hornik, Stephen	Reisser, Clifford Rice, Ronald Wimberly, Benjie Wilson, McKenzie A. Wowkanech, Charles Wise, Robert - email vote

<u>OTHER ATTENDEES</u>				
Allen, Yolanda Alford, Autumn Alpart, Davidene Apple, Emily Anochi, Eva Arango, Oswaldo Armstrong, Jane Audet, Emily Bacola, Tom Baden, Almonor Bailey, Hugh Banks, Larry Barracato, Meredith Bicica, John Blanco, Francis Bobo, Linda Bonanno, Lisa Breedon, Larry Brown, Melissa Bogert, Duwan Burch, Monica Bussey, Karen Cacace, Mark Carvajal, Allyson Caramelo, JoAnne Carmona-Bell, L. Carter, Jean Carroll, Karen Cassese, Jason	Celestin, Sancia Connolly, Rob Crawford, Jim Cuitino, Albert Custard, Donna Davidene, Alpart Davila-Gatling, S. Davis, Patti DeBaere, Gregg DeFilippo, Michelle Diaz, Julie DiLeonardo, Christy Dunigan, Janet Donovan, Brittney Drakeford, Shamira Enright, Patricia Fazzino, Mike Fichner, Aaron Fisher, Meg Fitzgerald, Debbie Gagliano, John Gallo, Eileen Gatling, Kerri Gaetano, Christine Gehrke, David Gerson, Amanda Gleason, Lisa Giordano, Timothy Gonzalez, Diana	Gutierrez, Gillian Grzella, Paul Harrington, Laurie Hartman, Sharon Hiller, Nanci Higgs, Justin Hollenbeck, David Howard, Donald Jarvis, Shana Jose, Helen Joseph, LaToya Jubanyik, Danielle Levitt, Jill Ludizaca, Raul Kennedy, John King, Kia Kuhn, Fran Kurdziel, Kevin Kvarantan, Alexandra Levandowski, Andrea Liu, Helen Martin, Michelle McLean, Michael Milano-Sumalingog, S. Miller, Howard Mingo, Orlando Molinelli, Tammy Morrison, Angelique Murphy, Lauren	Meyer, Cheryl Myers, Curtis Oakman, Jeffrey Ochse, Maureen Odeneye, Jobi O'Connor, Thomas Paquette, Kathleen Pierre, Eric Singer-Quast, S. Ramsaran, Ravi Rodgers, Beth Ramsay, David Sabater, Julio Sabir, Zahira Safrin, Michele Satchell, Bridgette Scalia, Donna Schaeffer, Janine Schimanski, T. Schlosser, Craig Schuster, Manuela Seavers, Diane Sharp, Jon Sheridan, Timothy Shump, Patricia Soberanis, Roberto Soto, Luisa Sternbach, Larry	Sullivan, Sabrina Sumalinoy, Sam Strothers, Sandra Swartz, Jeffrey Taguwa, Denise Tabassum, Zainab Taylor, Yolanda Thompson, Cheri Vail, Les Vaidyanathan, S. Weir, Barbara Weil, Robert West, Kelly Williams, Sonja Williams, Albert Williams, Allen Williams, Leslie Wright, Tom Wolf, Lynda Yuen, Paul SETC STAFF: G. Altman S. Hutchison M. O'Brien Murphy K. Robinson C. Santarsiero