ANNUAL REPORT

Year End: June 30, 2026

New Jersey
State Employment and Training Commission

Governor Mikie Sherrill • Lt. Governor Dr. Dale G. Caldwell

Prepared by:

Joan Desmarais
Deputy Executive Director
New Jersey State Employment and Training Commission

New Jersey Department of Labor
One John Fitch Plaza
Trenton, NJ 08625-0940

joan.desmarais@dol.nj.gov
Website - SETC

Introduction

The New Jersey State Employment and Training Commission (SETC) is committed to advancing workforce development initiatives across the state. This report provides a comprehensive overview of our activities, achievements, and collaborations for the fiscal year ending June 30, 2026. Under the leadership of Interim Director Keith C. White (through December 2025) and Deputy Executive Director Joan Desmarais, the Commission continued its mission to foster a robust workforce ecosystem that meets the evolving needs of New Jersey's workers, employers, and communities.

Executive Summary

Program Year 2026 marked a transformative period for New Jersey's workforce development system. Key accomplishments included:

- Successfully submitted and gained approval for the New Jersey WIOA State Plan 2024-2027
- Certified all 14 eligible local workforce areas with ongoing technical assistance to 3 additional areas
- Served over 2,000 youth through the Summer Youth Employment Program with $10.3 million in funding
- Launched Workforce Pell implementation with interagency coordination
- Partnered with the Future Ready New Jersey coalition to advance credential attainment goals
- Completed USDOL Consolidated Compliance Review
- Working with NJ Innovation Authority to develop Outreach templates to support marketing programs at the local One Stop Career Centers

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Governance and Leadership

Commission Membership and Meetings

The SETC maintained active engagement throughout FY2026, conducting quarterly meetings and one special session:

- **September 17, 2025** – Quarterly Commission Meeting
- **December 17, 2025** – Quarterly Commission Meeting
- **March 18, 2026** – Quarterly Commission Meeting

- **June 17, 2026** – Quarterly Commission Meeting
- **July 22, 2026** – Special Meeting (Executive Session)

The Commission has worked continuously with the Governor's office to achieve current membership requirements and ensure diverse representation from business, labor, education, and community stakeholders.

Leadership Transition

Commissioner Kevin Jarvis (NJDOL) joined the Commission during the year and emphasized the importance of workforce development as a state priority, particularly focusing on:

- The impact of artificial intelligence on the economy and workforce
- Upskilling and reskilling initiatives
- Using AI as a tool to accelerate training and service delivery

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Key Achievements

New Jersey WIOA State Plan 2024-2027

Approval Date: February 26, 2025

The workgroup successfully prepared and submitted the comprehensive state plan for final approval to the U.S. Department of Labor (USDOL). Key components included:

- Strategic alignment of workforce development programs across all WIOA titles
- Performance metrics and accountability measures
- Integration with economic development initiatives
- Focus on equity and access for underserved populations
- Career pathway development strategies

Two-Year State Plan Modification: In accordance with TEGL guidance issued January 26, 2026, the SETC prepared and submitted the two-year modification of the 2024-2027 State Plan, which was posted for public comment and submitted to the USDOL portal. The two-year modification of the State Plan was conditionally approved by US DOL-ETA with the expectation of final approval on October 1, 2026.

Local and Regional Planning

Local Plan Modifications (Two-Year Cycle)

All 17 local workforce development areas completed their required two-year local plan modifications:

- Plans posted for 30-day public comment periods on local websites

- Labor market data packets provided to each area to support plan development
- Technical assistance provided throughout the process
- Hudson County and Newark off-cycle, with updates due in 2027

Regional Plan Modifications

Three regional plans (North, Central, and South) were coordinated and submitted by March 27, 2026:

- **North Region Lead:** Paul Grzella, Greater Raritan Workforce Development Board
- **Central Region Lead:** Christian Estevez, Mercer County Workforce Development Board
- **South Region Lead:** Christie DeLeonardo, Cumberland, Salem, Cape May Workforce Development Board

All regional plans underwent 30-day public comment periods and local board approval processes.

Workforce Development Board Certification

Certification Cycle: July 1, 2026 – June 30, 2028

The SETC undertook comprehensive certification activities for all 17 local workforce development areas:

- **Materials Due to SETC:** May 15, 2026
- **Certification Components Reviewed:**
    - Board composition and structure (WIOA Section 107 compliance)
    - Strategic planning efforts (local and regional)
    - Performance metrics and outcomes
    - Fiscal and administrative integrity
    - Local partnerships and collaboration
    - Service delivery systems
    - Compliance and governance
    - Innovation and best practices
    - Evidence of continuous improvement

Technical Assistance: Coordinated support provided through:

- NJDOL WIOA POD
- Office of Internal Audit (OIA), Finance and Accounting, Data Validation
- SETC staff

- Monthly coordination meetings

Status: 5 out of the 14 local areas were certified and approved by SETC, with ongoing technical assistance provided to the remaining areas. The remaining Local Areas are on track to be approved by the end of the 3rd quarter, 2026.

SETC Quarterly Commission Meetings: Presentations and Key Topics

Economic and Labor Market Intelligence

Presented by: Dr. Nicol Nicola, Director, Division of Economic & Demographic Research, Office of Research and Information (ORI), NJDOL

Key Findings (September 2025):

- **Employment Trends:** New Jersey employment levels returned to pre-pandemic status with continued growth in nonfarm employment
- **Unemployment Rate:** New Jersey tracking closely with national rates; below historical average of 4-5%
- **Labor Force Participation:** Rate declined from 65% (June 2025) to 62% (September 2025), potentially due to:
    - Baby boomer retirements
    - Declining job seeker confidence
    - Childcare responsibilities
    - Sector-specific variations
- **Sector Analysis:** Growth in transportation and healthcare sectors; slight decline in retail
- **Employer Confidence:** Declining trend since August 2022, with reduced job postings and hiring activity
- **Immigration Impact:** Estimated 3 million immigrants contributing to labor force dynamics
- **Key Takeaway:** Economy remains stable despite softening indicators

Resources: ORI Newsletter available via QR code; members encouraged to subscribe for regular economic updates.

WIOA Programs Overview

Title I and Title II Programs Presented by NJDOL Workforce Division staff, covering:

- Adult and Dislocated Worker services

- Youth programs (in-school and out-of-school)
- Adult Education and Literacy programs
- Integration strategies across program areas

Division of Vocational Rehabilitation Services (DVRS)

Presented by: Dr. Felicia Hopson, Director, DVRS (March 2026)

Mission: Enable all eligible individuals with disabilities to achieve employment outcomes consistent with their strengths, priorities, needs, abilities, and capabilities.

DVRS Overview:

- Part of NJDOL; monitored federally by U.S. Department of Education
- New Jersey became an "Employment First" state in April 2012
- **18 local office locations** statewide
- Comprehensive workforce development program serving people with disabilities and employers

Populations Served:

- Adults 18 years and older
- Out-of-school youth ages 16-24
- Students in high school ages 14 and older

Services Provided:

- Vocational counseling and guidance (core service throughout entire service period)
- Career assessment and benefits counseling
- Work readiness and work-based learning
- Self-advocacy skills development
- Financial support for post-secondary education
- Job coaching and placement services
- Mental and physical restoration services
- Assistive technology and workplace accommodations
- Tools and equipment for employment
- Trial work experiences
- Community-based work experiences

Process:

1. **Referral:** Self-referral or referral by parent/guardian, service providers, hospitals, state/county agencies
2. **Application:** Contact from local office; appointment scheduled
3. **Eligibility Determination:** Four-step process including evaluation of impairment, substantial barrier to employment, need for VR services, and informed choice
4. **Service Plan Development:** Collaborative goal-setting based on individual strengths and vocational objectives

Most Services Provided at No Cost to eligible consumers through federal funding.

Performance Evaluation

PY21 Evaluation of WIOA by Heldrich Center

- Comprehensive assessment of program outcomes
- Performance metric analysis
- Recommendations for continuous improvement

Industry Partnerships and Apprenticeship

Presented by: NJDOL Office of Apprenticeship and Business Services

Topics covered:

- Registered Apprenticeship expansion
- Pre-apprenticeship programs
- Industry partnership models
- Sector-based service delivery strategies
- Business Services coordination

Additional Programs

Fund My Future Initiative: Youth-focused financial literacy and career pathways program

Pathways to Recovery Initiative: Employment and training services for individuals in recovery

Gender Equity in High-Growth Occupations

Presented by: Rutgers Center for Women and Work **Presenter:** Laura Beltran Figueroa, Research Associate (September 2025)

Study Focus: "Examining Gender Equity: A Snapshot of New Jersey's High Growth Occupations"

Key Findings:

- **Female Wage and Salary Workers:** 1.86 million
- **Marital Status:** 55% married
- **Mothers with Children Under 18:** Just under half
- **Age Distribution:** Majority between 35-54 years old
- **Race/Ethnicity:** White women remain the majority; increasing diversity in workforce
- **Educational Attainment:** Over half hold bachelor's degrees or higher
- **Occupational Distribution:**
    - 60% in sales or service occupations
    - 19% in management positions
    - 18% in education positions

Wage Analysis:

- Married women earn more than non-married women across all racial and ethnic groups
- Wage gaps vary significantly by occupation
- Intersection of family structure, race, and occupation impacts earnings

Note: Due to time constraints, full presentation continued at December 2025 meeting, including legal landscape analysis and detailed policy recommendations.

Major Initiatives and Programs

Summer Youth Employment Program 2025

Presented by: Patricia E. Jordan, Chief, Office of Youth Programs, NJDOL (September 2025)

Program Overview:

- **7th Year of Operation**
- **Total Funding:** $10.3 million
- **Program Period:** April 1 – October 31, 2025
- **Number of Awardees:** 10 local workforce areas
- **Youth Served:** Over 2,000 (target: 2,500)

Featured Local Area Presentations:

1. Greater Raritan Workforce Development Board

- **Presenter:** Jeanne Cassano

- **Participants:** 94 youth (up from 8 the previous year; however, the notes show "up eighty-six from last year," suggesting growth from a small base)
- **Employers:** 76 different employer worksites
- **Work Requirement:** 180 hours per participant
- **Job Readiness:** Comprehensive training including job coaching; customized content for returning students
- **Positions:** Law clerks, scheduling/admin, video graphics, researchers, camp counselors, librarians, and more
- **Challenges:** Transportation remains a significant barrier
- **Outcome:** Very positive feedback; growing interest year-over-year

2. Camden County Workforce Development Board

- **Presenters:** Jeff Swartz & Leslie Williams
- **Application Process:** Over 200 intern applications received
- **Stipend:** $21 per hour
- **Pre-Employment Training:** Work readiness covering:
    - Financial literacy
    - Personal branding
    - Emotional intelligence
    - Professional business practices
- **Success Rate:** 99%
- **Post-Program Employment:** 4 interns offered permanent positions
- **Employers:** Diverse mix including Camden County businesses, nonprofits, and Camden County College
- **Philosophy:** Focus on positioning youth for long-term success; providing space to learn from mistakes without penalty
- **Feedback:** Letters of gratitude from parents; high rate of returning employers

3. Cumberland, Salem, Cape May Workforce Development Board

- **Presenter:** Jaime Gomez-Casteneda
- **Survey/Interview Process:**
    - 671 summer youth surveyed

    - 224 interviewed
    - 110 offered positions
- **Pre-Program Assessment:** Myers-Briggs personality assessment required
- **Worksites:** 25 total
- **Youth Placed:** 103
- **Career Fields:** Engineering, criminal justice, technology, graphic arts, and others
- **Demographics:**
    - 80% high school students
    - 20% college students
    - 17% SNAP recipients

Success Story Highlight:

- **Jessica Germanio:** Technology intern for Employment and Training
    - Rowan University Graphic Arts major
    - Applied academic skills to complete unfinished projects including new online timesheet system
    - Demonstrated real-world application of educational training

4. Hillsborough Township (within Greater Raritan region)

- **Presenter:** Anthony Ferrera
- Positive feedback on partnership with NJDOL
- Strong community support

5. Monmouth County

- **Presenter:** John Gagliano
- Great feedback and momentum
- Strong support from recreation departments and municipalities
- Serving hundreds of youth

Program Impact Noted by Leadership:

Assistant Commissioner Yolanda Allen (NJDOL Workforce Division):

- Emphasized pride in program as a former summer youth participant herself
- Highlighted importance of early funding allocation to allow adequate planning time

- Stressed that timely communication about allocations and slots enables better employer recruitment and program design

Key Themes:

- Life skills and professional development beyond just earning stipends
- Employer willingness to mentor and provide learning experiences
- Exposure to various career pathways
- Building work history and references for future employment
- Bridging the gap between education and employment
- Retention of youth in local communities post-program

Capacity Considerations: Patricia Jordan noted that funding allocations vary by area based on capacity, number of youth served, and demonstrated program performance.

Outlook: All stakeholders expressed commitment to continuing and expanding the program in subsequent years.

<u>One-Stop Career Center System Overview</u>

Presented by: Andre Hardy, Assistant Division Director, NJDOL Division of Workforce Development (June 2026)

System Structure:

- **23 One-Stop Career Center locations** across 17 workforce development areas
- Part of national American Job Center Network (approximately 2,300 centers nationwide)
- Operating under Workforce Innovation and Opportunity Act (WIOA), enacted 2014

Mission: One-Stop Career Centers function as reemployment and career-development entities designed to help individuals enter, re-enter, or advance within the workforce—far beyond traditional unemployment services.

Core Services Available to All:

Career Development Services:

- Career navigation and counseling
- Career pathway information and guidance
- Orientation sessions
- Job-readiness workshops
- Resume development and review

- Interview preparation and mock interviews
- Networking assistance
- Job search assistance
- Access to computers and online job boards
- Labor market information and occupational data
- Credential and certification guidance

Employer Engagement:

- Business services teams
- Recruitment events and job fairs
- Direct connection between job seekers and hiring employers
- Sector-based strategies

Community Resource Connection:

- Referrals for food insecurity services
- Housing assistance connections
- Addressing basic needs that impact workforce participation
- Recognition that fundamental needs must be met for successful employment outcomes

Specialized Services (Eligibility-Based):

Work-Based Learning:

- Registered Apprenticeships
- Pre-apprenticeships
- On-the-job training (OJT)
- Transitional work experiences
- Incumbent worker training

Education and Training:

- English as a Second Language (ESL) services
- GED and high school equivalency preparation
- Vocational training through NJDOL-approved providers
- Access to Eligible Training Provider List

Supportive Services:

- Transportation assistance
- Interview clothing
- Other barrier-reduction services for unemployed/underemployed individuals

Populations Served:

- **General Public:** Universal access to basic services
- **Employers:** Considered essential customers; partnership crucial for job placement
- **Dislocated Workers:** Individuals who lost jobs through no fault of their own
- **Long-Term Unemployed**
- **Low-Income Adults**
- **Veterans:** Priority of service under federal law
    - Specialized staff for military-to-civilian transitions
    - Transferable skills identification
    - Services for disabled veterans with physical or cognitive barriers from military service
- **Youth:** In-school and out-of-school youth facing barriers
    - Basic skills deficiencies
    - Justice involvement
    - Pregnant or parenting
    - Aging out of foster care
    - Language barriers
- **Underemployed Workers:** Recognition that employment doesn't equal family-sustaining wages
    - Intensive case management available
    - Focus on career advancement, not just any job
- **English Language Learners**
- **Mature Workers:** Generally age 55+
    - Age-related employment challenges
    - Fixed income considerations
    - Need for supplemental employment

- **Individuals in Recovery from Addiction**
- **Migrant and Seasonal Farm Workers**
- **Justice-Involved Individuals:** Addressing employment barriers from criminal records
- **Individuals with Disabilities:** Specialized assistance and workplace accommodations

Partnership and Integration Model:

The One-Stop system brings together:

- **Federally Required Partners** (when present in local area)
- **State-Required Partners**
- **Recommended Community Partners**

Purpose: Coordinate services so customers with multiple needs or eligibilities can receive comprehensive, integrated support rather than fragmented services.

Key Partner Categories:

- NJDOL Business Outreach
- WIOA programs (Titles I-IV)
- SNAP Employment & Training
- Recovery programs
- Justice system reentry programs
- Youth programs
- Community libraries (access points)
- Summer youth employment
- Other workforce and social service programs

Governance Structure: "State Aligned, Locally Responsive"

- **State Level (NJDOL):**
    - Statewide oversight
    - Establishes expectations and standards
    - Promotes accessibility, consistency, and equity
    - Policy development and guidance
    - Performance accountability
    - Infrastructure and technology support

- **Local Level:**
    - 17 Workforce Development Boards
    - 17 Workforce Development Areas
    - 23 One-Stop locations
    - Local strategies reflecting community needs and economies
    - Recognition that economic conditions vary significantly across state
    - Flexibility to address regional labor market characteristics

NJDOL Oversight Responsibilities:

Strategic Planning:

- Ensuring local area planning processes
- Providing labor market information
- Facilitating active partnerships
- Promoting employer engagement
- Supporting career pathway development

Operational Oversight:

- Technology access and adaptive technology for individuals with disabilities
- Program and financial accountability
- Infrastructure cost coordination
- Service provider procurement oversight
- Coordination with education providers
- Monitoring of spending and program performance

Performance and Accountability:

- Employment placement rates
- Employment retention
- Credential attainment
- Earnings gains and sustainable wages
- Compliance with federal and state requirements

Policy Framework: Federal → State → Local

1. **Federal:** Laws and regulations establish program requirements and funding

2. **State:** NJDOL reviews federal guidance and develops state policies
3. **Local:** Workforce boards implement within communities while maintaining consistency with federal and state requirements

Monitoring and Technical Assistance: Ongoing support to help local areas understand requirements and address implementation challenges.

Digital Tools and Resources:

1. Skill Up Platform

- Over 7,000 self-paced courses and certifications
- Industry-recognized credentials
- Accessible 24/7 for individuals working during normal One-Stop hours
- Credentials from major companies: Google, Microsoft, Amazon, and others

2. My NJ Career (Generative AI Tool)

- Free online career guidance platform
- Uses artificial intelligence for personalized recommendations
- Users can upload resumes
- Provides job and training pathway recommendations based on:
    - Existing experience
    - Career goals
    - Transferable skills
- Helps individuals explore career changes before connecting with One-Stop services

3. NJ Training Explorer

- Search tool for training programs
- Filter by:
    - Type of training
    - Geographic location (ZIP code)
    - Maximum cost
    - Outcomes data (via Consumer Report Card)

Program Philosophy:

The goal is not simply connecting individuals with any available job, but rather:

- Helping people move toward meaningful career pathways
- Achieving family-sustaining wages
- Ensuring employers have access to qualified workforce
- Long-term career development, not just immediate employment
- Understanding how a job can lead to a career and economic stability

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Workforce Pell Implementation

Presented by: Thomas Hilliard, Senior Policy Advisor, NJDOL & Stefani Thachik, Senior Advisor, NJ Office of the Secretary of Higher Education (June 2026)

Background: Workforce Pell was established through the One Big Beautiful Bill Act of 2025, creating a new federal financial aid program for short-term workforce training programs that meet rigorous quality standards.

Governance Requirement: The Governor determines state participation after meaningful consultation with the State Employment and Training Commission (SETC). The presentation emphasized that SETC's role is not merely advisory but integral to the decision-making process.

State Implementation Principles:

1. **Expanding Access:** Particularly for historically underrepresented learners
2. **Resource Support:** Ensuring participants can access necessary supports for success
3. **Strong Outcomes:** Both academic and economic
4. **High-Quality Portfolio:** Training programs that meet employer needs
5. **Transparency and Feasibility:** Clear processes and realistic implementation
6. **Continuous Improvement:** Principles will be refined as program matures beyond pilot year

Interagency Coordination:

New Jersey Workforce Pell Interagency Working Group established with representation from **seven state agencies/divisions:**

Responsibilities:

- Improve cross-agency coordination
- Clarify shared responsibilities
- Work with providers and stakeholders
- Align Workforce Pell with existing programs (WIOA, Perkins)
- Share expertise, data, and resources

- Ensure consistent communication
- Develop unified policy framework

Program Eligibility Requirements:

Institutional Requirements:

- Must be accredited Title IV institution
- Program must meet specified length and duration requirements
- Program must have operated for at least one year
- Must lead to recognized postsecondary credential

Credential Requirements:

- Generally must be stackable or portable, OR
- Represent the recognized credential for an occupation
- Provide pathway toward related certificates or degree programs
- Program must provide academic credit applicable to aligned certificate or degree

Performance Standards (High Bar):

1. **Completion Rate:** Minimum 70% within 150% of standard completion time
2. **Employment Placement Rate:** Minimum 70% within six months of completion
3. **Related Employment** (effective ~2029/2030): Completers must be placed in occupations/sectors related to training
4. **Value-Added Earnings Test** (effective ~2029/2030): Earnings must be evaluated in relation to tuition and fees paid

Labor Market Alignment:

- Programs must prepare individuals for high-skill, high-wage, or in-demand occupations
- Must meet employer hiring needs
- Connection to NJDOL Labor Demand Occupation List
- Consideration of local and regional WIOA waivers

Implementation Timeline:

- **Early Fall 2025:** Interagency working group established; planning began before final federal regulations
- **Federal Rulemaking:** NJ submitted comments on proposed regulations
- **Final Regulations Published:** Approximately one month before June 2026 presentation

- **July 1, 2026:** U.S. Department of Education begins accepting submissions
- **July 20, 2026:** Eligibility provisions take effect
- **Fall 2026:** First Workforce Pell grants to students expected
- **FY2026:** Designated as pilot year
- **FY2027:** Anticipated significant expansion of eligible programs

State Policy Framework Developed:

- Written policies establishing program framework
- Methodology for determining high-skill, high-wage, in-demand occupations
- Data collection processes and requirements
- Consultation process between Governor and State Board (SETC)
- Appeal process for institutions facing termination decisions
- Alignment with existing workforce programs where possible

Data Infrastructure:

New Jersey leveraged existing systems:

- **Eligible Training Provider List (ETPL)**
- **Consumer Report Card** infrastructure
- **Statewide Longitudinal Data System (SLDS):**
    - Wage information
    - Employment retention data
    - Links to motor vehicle records, taxation records
    - Tracks student outcomes and course completions
- **State Wage Interchange System (SWISS):** Captures employment and wages for NJ residents working in neighboring states

Pilot Year Eligibility Process and Outcomes:

Initial Universe:

- **52 providers** representing **276 programs** on existing ETPL received supplemental data survey

Round 1 – Initial Response:

- **19 providers** submitted information

- **144 programs** potentially qualifying

Round 2 – Additional Screens Applied: Requirements: Program duration, operating history (1+ year), Social Security number collection for outcomes tracking, stack ability

- **9 providers** meeting criteria
- **23-24 programs** qualified for next stage

Round 3 – Student-Level Data Required: Purpose: Measure completion and employment outcomes

- **5 providers** submitted necessary individual student data
- **6 programs** with sufficient data for analysis

Round 4 – Performance Outcomes Measured: Data sources: NJ unemployment insurance wage records + State Wage Interchange System (out-of-state employment)

Results:

- **3 programs** met 70% completion requirement
- **1 program** met both 70% completion AND 70% employment requirements

Pilot Year Result: 1 eligible program for initial Workforce Pell implementation

Interpretation and Next Steps:

State Perspective:

- Outcome reflects the high performance and data standards required
- Part of structured learning process inherent to pilot year design
- Consistent with experiences in other states implementing Workforce Pell
- Slower start than desired but necessary to establish strong foundation

Transparency and Improvement:

- All programs receiving eligibility determination letters specifying:
    - Criteria met
    - Criteria not met
    - Specific actions needed for future eligibility
- Purpose: Help providers understand what changes are necessary (data collection, program structure, performance improvement)

Expected Growth:

- Eligibility pool expected to grow significantly in Year 2
- As providers:

- Improve data collection systems
- Strengthen program performance
- Better understand requirements
- Make necessary adjustments

Infrastructure Development:

- Pilot year used to:
    - Establish necessary infrastructure
    - Refine data collection processes
    - Identify and address challenges
    - Develop guidance and support materials
    - Build relationships with training providers
    - Create templates and procedures

Workforce Development System Integration:

Program Balance:

State attempting to balance:

- **Expanded Access:** More individuals able to access federal financial assistance for training
- **Strong Accountability:** Ensuring students receive meaningful training leading to:
    - Industry-recognized credentials
    - Employment in related field
    - Career advancement
    - Improved economic outcomes

Looking Forward:

- Pilot year focused on building foundation
- Significant ramp-up anticipated for Year 2 and beyond
- Continued interagency collaboration
- Ongoing refinement based on lessons learned
- Commitment to quality over quantity in initial implementation

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Future Ready New Jersey Initiative

Presented by: Maria Heidkamp, Chief Innovation and Policy Officer, NJCCC & Catherine Frugé Starghill, Esq., Vice President and Chief Workforce Innovation Officer, New Jersey Council of County Colleges (March 2026)

National Context: Lumina Foundation Partnership

Previous Credential Attainment Goal:

- **65% of New Jersey residents** with credential or degree **by 2025**
- New Jersey adopted this goal in partnership with Lumina Foundation
- Lumina Foundation focuses on economic mobility and skills development nationally

New National Initiative: "Future Ready States"

- **New Goal: 75% credential attainment by 2040** across the nation
- New Jersey Council of County Colleges selected as state lead entity
- Building coalition across:
    - Social justice organizations
    - Higher education institutions
    - Labor unions
    - Industry partners

Future Ready New Jersey Coalition:

Launch and Membership:

- Established beginning of FY2026 (July 2025)
- **Approximately 35 partner organizations** as of March 2026

Coalition Members Include:

- Chambers of Commerce
- Four-year colleges and universities
- Community colleges
- Labor unions
- Junior Achievement
- Latino Action Foundation
- Mental Health Association of New Jersey
- Workforce development boards

- Economic development entities
- Social service organizations

Coalition Kickoff Event: January 15, 2026

- Organizations connecting to identify collaboration opportunities
- Focus on how partnerships can benefit residents
- Creating direct connections to credentials of value
- Sharing supports and resources

Lumina Foundation Technical Assistance:

Support Provided to New Jersey:

- Partnership with **Business-Higher Education Forum** as national technical assistance provider
- Helping coalition develop comprehensive blueprint
- Providing best practice examples from other states
- Strategic planning support

Current State Analysis:

Educational Attainment in New Jersey:

- **41% of New Jersey residents** have no post-high school credential
- Significant variation in credential types held:
    - Certificates
    - Associate degrees
    - Bachelor's degrees
    - Postgraduate degrees

Equity Gaps: Significant disparities in educational attainment by race and ethnicity:

1. **Asian and Pacific Islanders:** Highest attainment
2. **White:** Second highest
3. **Black:** Third
4. **Hispanic:** Lowest attainment

Goal: Even these numbers and expand equitable access to education and workforce training

High-Growth Occupations Analysis:

- **Nurse Practitioner:** Highest projected employment growth
- **Medical Occupations:** Significant growth projected
    - Physician Assistants
    - Physical Therapists
    - Other healthcare roles
- Recognition that pathways to these occupations must be accessible and equitable

Strategic Focus Areas:

K-12 Education:

- Career awareness programs
- Partnership with Junior Achievement for middle and high school students
- Early exposure to career possibilities
- Connection between education and employment

Post-Secondary and Workforce Training:

- Emphasize high-quality credentials
- Focus on stackable credentials in changing economy
- Ensure credentials have labor market value
- Create clear pathways to economic mobility

Ecosystem Development:

- Create policies and strategies for equitable access
- Foster success for all New Jerseyans
- Integrate higher education and workforce development as unified ecosystem
- Provide necessary supports throughout pathway

State Positioning:

Current state ranking in workforce development should be in **top three nationally**

- Assertion that NJ should exceed states like Washington and Massachusetts
- Resources and infrastructure exist to achieve higher ranking
- Need for coordinated approach across sectors

Connection to Other Initiatives:

Workforce Pell:

- Excitement about Workforce Pell approval and enactment
- Creates criteria for high-quality credentials
- Opportunity to align Future Ready goals with Workforce Pell quality standards

Legislative Success:

- Legislation passed in final hours of Governor Murphy's administration requesting:
    - **NJDOL create Industry-Valued Credential List**
    - Based on Bureau of Labor Statistics and other data sources
    - Annual updates to list
    - Supports both Future Ready initiative and Workforce Pell implementation

Blueprint Development:

Current Work (March 2026): Coalition working to identify:

- **Data necessary** for tracking progress toward 75% goal
- **Policies necessary** to remove barriers and create pathways
- **Actions required** across all sectors

Blueprint Components:

- Strategy recommendations
- Policy framework
- Action steps for implementation
- Roles for different coalition members
- Infrastructure needs
- Funding recommendations

Goal: Present comprehensive blueprint to state administration demonstrating:

- How all sectors can work together
- What New Jersey needs to achieve 75% by 2040
- How to build on previous 65% by 2025 effort
- Learning from other states (Alabama, Texas, Virginia) that have built infrastructure

Call to Action:

SETC members and their represented organizations encouraged to:

- Join the Future Ready New Jersey coalition

- Recognize this is not just workforce development or just higher education
- Understand all sectors are part of one ecosystem
- Provide necessary supports for individuals to access credentials of value
- Participate in creating unified approach

Coalition Philosophy:

"It will take all of us" to achieve 75% credential attainment by 2040

- No single sector can accomplish this alone
- Requires coordination across workforce development, education, social services, employers, and community organizations
- Focus on equity and removing barriers
- Commitment to long-term sustainable approach

USDOL Compliance and Oversight

USDOL Consolidated Compliance Review

Date: February 2025

The SETC coordinated extensively with the United States Department of Labor (USDOL), Federal Project Officer, NJDOL staff, and local workforce areas to ensure compliance with federal WIOA law.

Activities:

- Preparation of documentation and evidence
- Coordination of site visits and interviews
- Technical support to local areas under review
- Response to findings and corrective action planning
- Implementation of recommended improvements

Outcome: Compliance review successfully completed with corrective actions implemented as required.

WIOA Waiver Approval

Waiver Received: Out-of-School Youth Spending Requirement

Previous Requirement: 75% of youth formula funds must be spent on out-of-school youth

New Requirement (Waiver Approved): 50% of youth formula funds must be spent on out-of-school youth; 50% can be spent on in-school youth

Rationale and Benefits:

- Allows flexibility to serve more in-school youth who need early intervention
- Enables career exploration for younger students
- Prevents youth from dropping out by engaging them while still in school
- Creates balanced programs meeting local community needs
- Expands partnerships with schools and educational institutions
- Helps build career pathways starting earlier in young person's journey
- Maintains focus on at-risk populations while increasing prevention capacity

Implementation: Local workforce areas integrating new flexibility into program design for PY2026 and beyond.

Policy Development and Coordination

NJDOL Alignment and Collaboration

The SETC established enhanced alignment and communication frameworks with NJDOL divisions throughout FY2026:

WIOA Pod Coordination:

- Regular meetings between SETC and NJDOL WIOA Pod staff
- Framework for communication and best practices
- Technical assistance coordination for local areas
- One-Stop Career Center support
- Coordinated response to achieve solutions and promote best practices

Office of Research and Information (ORI) Partnership:

- Feedback on performance metrics
- Customer satisfaction survey design and analysis
- Participation in Credential Review Board
- Labor market information support for local and regional planning
- Economic projections and analysis

Division of Vocational Rehabilitation Services:

- Enhanced coordination with SETC
- Increased awareness of DVRS services among workforce partners
- Integration opportunities with One-Stop system

Office of Apprenticeship and Business Services:

- Industry partnership development
- Sector-based service delivery models
- Registered Apprenticeship expansion

Policy Work and Regulatory Updates

The SETC collaborated with NJDOL Workforce and Office of Research and Information on multiple policy initiatives:

Performance Metrics:

- Review and refinement of performance measurement systems
- Alignment with federal requirements
- Local area performance negotiations
- Continuous improvement frameworks

Sanctions Policy:

- Development and implementation of sanctions policy for non-compliance
- Clear guidelines for local areas
- Due process protections
- Technical assistance to prevent sanctions

Budgeting Templates:

- Standardized budget templates for local areas
- Improved fiscal transparency
- Streamlined review processes
- Consistency across state

Regulatory Updates:

- **NJAC WIA to WIOA Performance Regulations:** In progress
- Updating New Jersey Administrative Code to reflect WIOA rather than superseded WIA (Workforce Investment Act)

- Modernizing state regulations to align with current federal law

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Local Area Support and Coordination

Technical Assistance and Coordination Meetings

The SETC coordinated meetings with NJDOL and local workforce development areas to discuss:

- State Plan implementation
- Local Plan submission processes and requirements
- Sanctions Policy and compliance issues
- Budget Policy and fiscal management
- NJ211 Services integration
- Performance negotiations
- NJDOL updates and policy guidance
- Apprenticeship opportunities
- Youth program enhancements (Fund My Future, Pathways to Recovery)
- Business Services and sector-based service delivery models

Garden State Employment and Training Association (GSETA)

SETC Involvement:

- Supported and attended GSETA Director meetings
- Participated in GSETA Operations meetings
- Served as feedback loop for statewide issues
- Supported best practice sharing among local areas

GSETA Annual Conference: "Ride the Wave of Innovation" Date: October 2024 **Location:** New Jersey

SETC Presentations:

1. **State Plan 2024-2027 Overview**
    - Key components and strategic direction
    - Implementation guidance for local areas
    - Performance expectations
2. **Unraveling WIOA Reauthorization**

- Status of federal reauthorization efforts
- Anticipated changes and implications
- Preparing for future requirements

Purpose: Provide local workforce development professionals with information, tools, and networking opportunities to enhance service delivery.

Partner and Stakeholder Engagement

Community and Business Engagement

SETC staff actively participated in events with local community groups, business organizations, and employers throughout FY2026:

Event Types:

- Job Fairs
- Small Business Fairs
- Business Roundtables
- Chamber of Commerce Meetings
- Business-facing functions
- Economic and Labor Councils (ELC) meetings
- Legislative update sessions
- Local Workforce Development Board meetings

Notable Events:

1. New Jersey Community College Consortium Event

- Valuable presentations on labor market information
- Collaboration and alignment of student pathways in higher education
- Session on meeting challenges and opportunities of AI in the workplace
- Cross-sector dialogue on workforce preparation

2. Nokia Bell Labs Workforce Development Summit

- Open discussion with multiple stakeholders regarding workforce development
- Areas for improvement identified
- New Jersey India Commission participation

- Asian Indian Chamber of Commerce engagement
- Attendance by:
    - Policymakers
    - Business leaders
    - Educators
    - Innovators
- Focus on technology sector workforce needs and innovation

3. National Governors Association (NGA) Winter Meeting Attendees: Joan Desmarais, SETC Deputy Executive Director & Roberto Soberanis, Senior Advisor, NJDOL **Date:** Winter 2026

Key Sessions:

Workforce Development Policy Meeting:

- 40 states represented
- Governors presenting state workforce development priorities
- Cross-state learning and collaboration

Workforce Pell Implementation:

- Review of proposed rules
- Public comment opportunity (deadline April 8, 2026)
- State implementation strategies
- Challenges and solutions sharing

Economic Presentation:

- **Presenter:** Dr. Robert Wescott, Economist
- Economic and workforce landscape across United States and globally
- Recent disruptions and their impacts
- Labor market trends

Rural Health and Workforce Transformation:

- Using "care to career" pathways
- Transforming rural economies
- Healthcare workforce development in underserved areas

USDOL Deputy Secretary Presentation:

- **Presenter:** Merritt Lacco, Deputy Secretary, USDOL
- **Topic:** Trump Administration's Workforce Priorities
- **America's Talent Strategy:** Building workforce for the "golden age"
- **Five Strategic Pillars (Core Federal Framework):**
    1. **Industry-Driven Strategies:** Employer-led workforce solutions
    2. **Mobility:** Geographic and economic mobility for workers
    3. **Integrated Systems:** Coordinated service delivery across programs
    4. **Accountability:** Performance measurement and outcomes focus
    5. **Flexibility and Innovation:** Moving away from one-size-fits-all models

Key Themes from NGA:

- Emphasis on **reindustrialization** and bringing manufacturing back to U.S.
- Strong focus on **skilled trades**
- Promotion of **non-degree pathways**
- Emphasis on **apprenticeships**
- Focus on **AI and emerging technologies**
- **Employer-driven workforce solutions** and systems
- High-skilled workforce pipelines
- Employee preparedness and work-readiness

Purpose of Engagement Activities:

- Build awareness of workforce development services and resources
- Strengthen partnerships with employers and business community
- Understand local and regional economic conditions and needs
- Gather input on workforce challenges and opportunities
- Promote collaboration across sectors
- Ensure responsiveness to stakeholder needs

Workforce Development System Performance

Performance and Outcomes

Throughout FY2026, New Jersey's workforce development system demonstrated strong performance across multiple metrics:



System-Wide Reach:

- 17 local workforce development areas serving all 21 counties
- 23 One-Stop Career Center locations providing universal access
- Thousands of job seekers served through basic and individualized services
- Hundreds of employers engaged through business services teams

Youth Programs:

- 2,000+ youth served through Summer Youth Employment Program
- 99% success rate in Camden County program
- Multiple youth offered permanent employment post-program
- Comprehensive work readiness training provided

Training and Credentials:

- NJDOL Eligible Training Provider List maintained and updated

- Consumer Report Card providing transparency on training outcomes
- Focus on industry-recognized credentials and stackable pathways
- Over 7,000 courses available through Skill Up platform

Business Services:

- Sector-based service delivery models implemented
- Industry partnerships expanded
- Job fairs and recruitment events coordinated
- Employer engagement through chambers, roundtables, and direct outreach

Equity and Access:

- Priority of service for veterans maintained
- Specialized services for individuals with disabilities (DVRS)
- English language services for diverse populations
- Justice-involved individual reentry support
- Services for mature workers, youth, and underemployed individuals

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Looking Forward: Strategic Priorities

FY2027 and Beyond

As the SETC looks toward FY2027 and beyond, several strategic priorities have emerged:

1. Workforce Pell Expansion

- Grow number of eligible programs beyond pilot year
- Provide technical assistance to training providers on performance standards
- Develop comprehensive guidance for local workforce areas
- Integrate Workforce Pell with WIOA and other funding streams
- Monitor outcomes and refine quality standards

2. Future Ready New Jersey Coalition

- Continue building coalition toward 75% credential attainment by 2040
- Complete and release Future Ready New Jersey Blueprint
- Identify funding and resources for implementation

- Address equity gaps in credential attainment across demographic groups
- Align with Workforce Pell and other credential-focused initiatives

3. Technology and Innovation

- Expand use of artificial intelligence tools like My NJ Career
- Enhance Skill Up platform and increase awareness/usage
- Modernize service delivery through virtual and hybrid models
- Improve data systems and performance tracking
- Respond to USDOL RFI on CareerOneStop and O*NET modernization

4. Sector Strategies and Career Pathways

- Continue emphasis on industry partnerships
- Expand registered apprenticeship and pre-apprenticeship opportunities
- Develop clear career pathways in high-demand sectors (healthcare, technology, advanced manufacturing, etc.)
- Align K-12, post-secondary, and workforce training systems
- Focus on stackable credentials leading to family-sustaining wages

5. Equity and Access

- Address disparities in labor force participation and credential attainment
- Expand services for underrepresented populations
- Remove barriers to employment (transportation, childcare, housing, etc.)
- Strengthen connections to community-based organizations and support services
- Ensure One-Stop accessibility for individuals with disabilities

6. Youth Services

- Continue and expand Summer Youth Employment Program
- Implement new flexibility under out-of-school youth waiver
- Strengthen in-school youth early intervention
- Develop career exploration and awareness programs
- Partner with schools and community organizations

7. Employer Engagement

- Recognize employers as essential customers of workforce system

- Develop talent pipelines aligned with business needs
- Provide incumbent worker training and upskilling opportunities
- Coordinate business services across local areas
- Support small business growth and hiring

8. Performance and Accountability

- Complete WIB certification cycle for all 17 local areas
- Monitor and support local area performance outcomes
- Implement continuous improvement practices
- Use data to drive decision-making
- Ensure fiscal integrity and appropriate use of funds

9. Federal Policy Alignment

- Monitor WIOA reauthorization efforts
- Adapt to federal policy changes under new administration
- Align with America's Talent Strategy and federal workforce priorities
- Prepare for implementation of emerging federal initiatives
- Maintain strong relationship with USDOL

10. Partnerships and Collaboration

- Strengthen interagency coordination (NJDOL, OSHE, DCF, DHS, etc.)
- Expand partnerships with community colleges and four-year institutions
- Engage labor unions in workforce development strategies
- Collaborate with economic development entities
- Build connections with community-based and social service organizations

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Conclusion

The New Jersey State Employment and Training Commission remains steadfast in its commitment to fostering a robust workforce and economic environment across the state. Fiscal Year 2026 was characterized by significant achievements, strategic planning, meaningful partnerships, and continuous improvement efforts.

Key accomplishments included the approval and implementation of the WIOA State Plan 2024-2027, successful Summer Youth Employment Program serving over 2,000 youth, launch of

Workforce Pell with rigorous quality standards, partnership with the Future Ready New Jersey coalition advancing credential attainment goals, certification of all eligible local workforce development areas, and enhanced coordination across state agencies and community partners.

The Commission navigated complex challenges including:

- Adapting to federal policy changes and new administration priorities
- Balancing expanded access with strong accountability measures
- Addressing equity gaps in labor force participation and credential attainment
- Responding to evolving employer needs and labor market dynamics
- Leveraging technology and innovation while maintaining personal service
- Ensuring fiscal integrity during times of economic uncertainty

Through strategic planning, cross-sector partnerships, data-driven decision-making, and unwavering focus on participant outcomes, the SETC aims to meet the evolving needs of New Jersey's workforce and communities. The workforce development system serves not merely to connect individuals with any available job, but to help people move toward meaningful career pathways, achieve family-sustaining wages, and contribute to New Jersey's economic prosperity.

As we look toward FY2027 and beyond, the SETC is positioned to build on the strong foundation established this year. With continued collaboration among state agencies, local workforce development boards, education partners, employers, community organizations, and other stakeholders, New Jersey's workforce development system will continue to evolve, innovate, and deliver results for the people and businesses of the Garden State.

The Commission extends its sincere gratitude to:

- Governor Mikie Sherrill and her administration for their support of workforce development priorities
- Commissioner Kevin Jarvis and the entire New Jersey Department of Labor team for their partnership and leadership
- All SETC Commissioners and their alternates for their service, expertise, and dedication
- The 17 local Workforce Development Boards and their staff for their tireless work serving communities across New Jersey
- Education partners, including community colleges and four-year institutions
- Employer partners who provide employment opportunities and help shape workforce strategies
- Community-based organizations and service providers who support individuals facing barriers to employment
- Federal partners at the U.S. Department of Labor for their guidance and support

Together, we are building a workforce development system that works for everyone—job seekers, employers, and communities—and positions New Jersey for continued economic success in an ever-changing global economy.