

State Employment and Training Commission  
October 4, 2010  
4:00 PM  
Verizon Center  
One Verizon Way, 295 North Maple Avenue, Basking Ridge, NJ 07920

## **MINUTES**

**Welcome and Introductions** – Dennis M. Bone, Chairman, New Jersey State Employment and Training Commission.

The meeting was called to order at 4:05 pm by Chairman Bone with a welcome to all. In accordance with the Open Public Meetings Act, he stated that notice of this meeting was published in the Trenton Times and Star Ledger and posted on the SETC website. Chairman Bone indicated that the meeting was open to the public to attend either in person or electronically, and that the meeting would follow all the rules and procedures of a standard SETC board meeting, with time reserved for public comment after board business was completed. Roundtable introductions were conducted and a roll-call of phone attendees was taken.

Chairman Bone called for a motion to accept the minutes of the September 2, 2010 meeting. The motion was made by Robert Santare, with a request to amend the draft minutes to show that he was in attendance at the September 2 meeting. The motion was seconded, and the amended minutes were unanimously approved with no abstentions.

**Chairman's Report** - Dennis M. Bone, Chairman, New Jersey State Employment and Training Commission.

Chairman Bone reported that the purpose of this special meeting was to discuss and vote upon the proposed sanction rules provided to the SETC Members and/or alternates in their packets. The proposed rules were sent to all Members prior to the meeting via e-mail, for their review. Mr. Bone indicated that the SETC needs to have a sanction policy in place before the end of the calendar year. Mr. Bone then introduced Richard Constable, Deputy Commissioner, Department of Labor and Workforce Development, to lead a discussion of the proposed rules.

**Sanction Rules: Review of Rules Document** – Richard Constable, Deputy Commissioner, Department of Labor and Workforce Development

Deputy Commissioner Constable stated that the Department of Labor and Workforce Development (LWD) was advised by counsel that the State was deficient by not having a workforce area sanction policy in place. The proposed new rules have been drafted and are now submitted for consideration by the SETC board. The rules are jointly proposed by LWD and the SETC, as noted on page 3. Mr. Constable highlighted the two-year cycle of the sanction policy, outlined on pages 12 and 13 of the rules document and noted that the term "Technical Assistance" has not yet been defined. Mr. Constable will develop a definition of Technical Assistance with Matthew McDermott, Chief of Staff for LWD, and Mary Ellen Clark, Assistant Commissioner of Workforce Development for LWD.

The two-year process will operate as follows:

1. Following a Year 2 failure of a workforce area to meet local performance measures (despite having received Technical Assistance) the Assistant Commissioner of Workforce Development will submit LWD's recommendation for this workforce area to the SETC.
2. The SETC will have a 60-day period in which to discuss and comment on this recommendation. As part of this process, the SETC may reach out to the Workforce Investment Board (WIB) Director or One-Stop Operator for the local area, to gain additional information.
3. The SETC will then send its recommendation back to the Assistant Commissioner of Workforce Development. The SETC may recommend the rejection or adoption of the LWD recommendation, or the SETC may request a new recommendation from LWD.

Upon making its recommendation to LWD, the SETC role is then fulfilled. The One-Stop Operator for the local area can appeal any sanctions to the Commissioner of Labor and Workforce Development, and can further appeal the Commissioner's decision to the US Department of Labor (USDOL). Mr. Constable indicated that this same process is used in every other state. The rules document is being presented to the SETC for discussion purposes. Over the next 60 days, LWD will solicit public comment. The document will be updated with any necessary changes and the final document will be published by January 1, 2011.

Chairman Bone indicated that he and Robin Widing had reviewed the proposed rules, provided comments to Deputy Commissioner Constable, and were in agreement with the document as presented. Mr. Bone then opened the floor for discussion and questions about the proposed rules from SETC Members and/or alternates.

Robert Santare requested that language be added to the rules document, requiring that a local area which has been sanctioned must offer its customers the option to utilize another One-Stop in a fully-funded workforce area. This would prevent One-Stop customers from being negatively impacted by sanctions to their local workforce area. Mr. Santare noted that New Jersey residents may access services at any One-Stop Career Center in the state; they are not limited to using the One-Stop in the area in which they reside.

The Members agreed that the following language should be inserted into the rules document, at the end of the "Social Impact" section:

"In the event of a sanction, the state will make every effort to avoid disruption of services to individuals who are clients of the One-Stop system."

Mr. Tapas Sen asked for clarification of the language used throughout the rules document, which indicates that workforce areas can be sanctioned if "the local area fails to meet or exceed local performance measures." Mr. Sen expressed concern that this language could be misinterpreted to mean that a workforce area could be sanctioned for failing to exceed local performance measures. Deputy Commissioner Constable indicated that this was statutory language from the Workforce Investment Act (WIA) and therefore could not be altered.

Ms. Jody Levinson asked for input from Mr. Jim Black, as a local WIB representative and member of the Governance Committee. Mr. Black indicated that his WIB understands the consequences of not meeting performance measures, as outlined in the proposed rules. Mr. Black asked whether a WIB can provide its own input to USDOL regarding better measurements for improved services. Chairman Bone indicated that the rules document will be published in the Register for additional comment before it is finalized.

Mr. Bone noted that WIA performance measurements are determined by the USDOL, but the achievement goals for each workforce area are set by NJ LWD in consultation with each local area and its WIB. Robin Widing indicated that the outcomes of the performance measures for the past year were presented to the Members at the last SETC meeting. This “Dashboard” of goals and performance for each local area, as presented by Ken Ryan, showed that just three WIBs had missed one performance outcome, in one of the nine adult or dislocated worker measures last year. However, Ms. Widing indicated that the youth segment presents the greatest challenge; several WIBs did not meet one or more of the three youth measures last year. The SETC should examine this challenge due to its possible negative impact on future performance. Ms. Widing noted that many of the other local performance shortfalls highlighted by the “Dashboard” related to the Wagner-Peyser system, not WIA measures.

Chairman Dennis Bone introduced the proposed policy resolution, SETC #2010-04. Chairman Bone asked for a motion to approve the resolution, with the inclusion of the language to be added to Proposed New Rules: NJAC 12:42-3.1 through 3.11: “In the event of a sanction, the state will make every effort to avoid disruption of services to individuals who are clients of the One-Stop system.”

A motion to approve the resolution with the additional rules language was made by Charles Wowkanech. The motion was seconded by Joann Trezza. The motion was unanimously approved with no opposition or abstentions.

**Economic Development Update** – Matthew P. McDermott, Chief of Staff, Department of Labor and Workforce Development

Mr. McDermott provided a detailed synopsis of the current economic climate in New Jersey, as it pertains to employment and workforce development. He recognized Chairman Dennis Bone as playing a leading role in growing NJ business and industry. Governor Christie and Lieutenant Governor Guadagno have been working hard to retain and expand companies in New Jersey. The *New Jersey Business Action Center* (NJ BAC) is now open and operating under the direction of the Lt. Governor. Linda Kellner is the acting director of NJ BAC. The NJ BAC is part of a statewide economic development initiative. It will be a one-stop center for business, focused on retention, attraction and advocacy, to strengthen business and industry in New Jersey. The center and its staff will provide NJ businesses with diverse assistance, including obtaining state permits, answering questions through a new toll-free hotline, and bringing workforce development agencies into contact with employers. Governor Christie and Lt. Governor Guadagno have charged LWD with creating a nexus between economic development, which deals with financial capital, and workforce development, which is about human capital. LWD looks forward to taking the lead in this role.

Mr. McDermott noted that the administration's recent outreach efforts to retain and expand business have been productive. Coca-Cola, UPS and Watson Pharmaceutical are staying in NJ. Intrasphere is relocating to New Jersey, from New York City. PNY, the technology company that produces flash drives, is staying in New Jersey and upgrading its manufacturing facility; it is buying the old Pfizer building in Parsippany.

The Unemployment Fund is far from solvent, but it is in better shape now. There were 16.5% fewer jobless claims in January 2010 than in the prior year. There have been 3 straight months of positive gains in the private sector, offset by 3 straight months of negative growth in the public sector. From the standpoint of the state budget, this is a positive trend. For the period of December 2008 – August 2009, the state economy lost 120,000 jobs. For the period of December 2009 – August 2010, there were 7,000 jobs lost in New Jersey. As a result, the number of new jobless claims has declined.

Chairman Dennis Bone concurred, stating that he sees new momentum in economic development in New Jersey. A nationwide search is being conducted to find a Chief Executive Officer (CEO) for *Choose New Jersey*, the privately-funded agency that is working to market New Jersey to companies, both nationally and globally. As part of this CEO search, Mr. Bone was pleasantly surprised by the high caliber of talent that was attracted. There is an excellent pool of candidates and a selection will be made soon. Mr. Bone felt that this reflected a new "buzz" about economic development in New Jersey, and noted that it was exciting to be part of an economic turnaround for our state.

Mr. Joseph McNamara, who also serves on the Economic Development Authority (EDA), reported that commerce staffpersons from the EDA have now transitioned to the State Department, to work within the *NJ Business Action Center*, under the direction of the Lt. Governor. The EDA will continue its role as primarily a financial institution, while business outreach continues under the Lt. Governor's office. Mr. McNamara noted the excellent partnership between *Choose New Jersey*, the Lieutenant Governor's office and the EDA, and indicated that workforce development would play an important role in their efforts.

Robin Widing reported that Lt. Governor Guadagno was a keynote speaker at the Garden State Employment and Training Association (GSETA) conference last week. Her remarks reflected the importance of workforce development to New Jersey's efforts to compete in the national and global economy. Lt. Governor Guadagno was in turn impressed at the number of people in attendance at the GSETA conference, which was indicative of the strong workforce development system in our state. This was an important connection made by GSETA.

Ms. Widing also reported that a meeting will be held in November for WIB Directors and One-Stop Operators to meet the EDA staff who are now conducting business outreach for the *NJ Business Action Center*. Ms. Widing noted that she has been working closely with Mary Ellen Clark, Assistant Commissioner of Workforce Development, to align workforce development and business outreach efforts.

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

Robin Widing presented the newly-released LWD 2009 Annual Report to the Members. The annual report sets the stage for future work and identifies the priorities from the past year. These priorities include an organization of work around sector strategies; a response to economic issues, the implementation of ARRA funds, and the importance of performance and transparency, particularly in regard to the ARRA funds. Ms. Widing provided an overview of the key data findings. NJ LWD, with its local partners, provided 350,000 individuals with counseling, training, job placement and specialized programs. WIA funds of \$63 million were provided to New Jersey; another \$63 million was provided from ARRA, for two years. The report showed that 69,920 were served in 2009-2010, through WIA and ARRA-funded programs. Summer Youth programs served 6,000 statewide, and another 800 were served through an unsubsidized summer youth program. The report identified Transportation/Distribution/Logistics and Bio-Technology as growth sectors.

The State Energy Sector Partnership (SESP) Council has been in place for one year. Notice of Grant Awards letters have been sent to all awardees from Round 1 of the SESP grant. Out of 24 proposals received, 2 were late and 11 did not meet the minimum requirements to be reviewed. The review panel included representatives from the Governor's office, the Board of Public Utilities, LWD Labor Planning and Analysis, and one representative from the SETC. Robin Widing and Maureen O'Brien Murphy were not on the review panel, because of their prior contact with employers and organized labor. Of the 11 proposals which were reviewed, 6 were recommended for funding. In the first round of funding, about \$200,000 was awarded to the grantees, for 214 trainees. Several of the 11 submissions which were not reviewed had failed to provide the proper tax documentation. A second round Notice of Grant Opportunity (NGO) will be published in November. Lessons learned from the first round submissions will be used to update and improve the second round NGO.

**Public Comment** – Dennis M. Bone, Chairman, New Jersey State Employment and Training Commission.

Chairman Dennis Bone opened the floor for public comment. No members of the public were present at the meeting. Chairman Bone asked for public comment from any phone attendees. No public comment was received.

**Adjournment** - Dennis M. Bone, Chairman, New Jersey State Employment and Training Commission.

Chairman Bone thanked the Members and guests who attended this special meeting in person and by phone. He noted that the next meeting is scheduled for November 3, 2010, and will be held at a different location, the NJ Department of Labor Building, 13<sup>th</sup> Floor, John Fitch Plaza, from 10 am – 12 pm. He then asked for a motion to adjourn. The motion was made, seconded and all approved. The meeting concluded at 5:03 pm.

# STATE EMPLOYMENT & TRAINING COMMISSION MEETING

OCTOBER 4, 2010

## MEMBERS or ALTERNATES

<b>In Person:</b> <b>Dennis Bone</b> <b>Jody Levinson</b> <b>Matthew McDermott</b> <b>(for Wirths)</b> <b>Harvey Nutter</b> <b>Julio Sabater</b> <b>JoAnn Trezza</b> <b>Charles Wowkanech</b>	<b>By Phone:</b> <b>Marie Barry (for</b> <b>Hendricks)</b> <b>Gail Davis</b> <b>Nicky Gacos</b> <b>Maureen Hassett (for</b> <b>Franzini)</b> <b>Deborah Heinz (for</b> <b>Grifa)</b> <b>Msgr. William Linder</b> <b>Joe McNamara</b>	<b>By Phone (cont'd):</b> <b>Robert Santare</b> <b>Tapas Sen</b>
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## ABSENT MEMBERS

<b>Dana Berry</b> <b>Michael Cantwell</b> <b>Michael Carey</b> <b>Celeste Carpiano</b> <b>Henry Henderson</b> <b>Stephen Hornik</b>	<b>Andrea Karsian</b> <b>Veleria Lawson</b> <b>Brian McAndrew</b> <b>Robert Munyan</b> <b>Clifford Reisser</b> <b>Jerry Ryan (for Contini)</b> <b>Doris Sims (for Velez)</b>	<b>Bruce Stout</b> <b>Carolyn Wade</b>
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## OTHER ATTENDEES

<b>In Person:</b> <b>Jim Black</b> <b>Richard Constable</b> <b>Alice Hunnicutt</b>	<b>By Phone:</b> <b>Mary Ellen Clark</b> <b>Dan Frankel</b> <b>Hosea Johnson</b>	
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## SETC STAFF

<b>In Person:</b> <b>Sheryl Hutchison</b> <b>Robin Widing</b>	<b>By Phone:</b> <b>Lanse Davis</b> <b>Diane Evans</b> <b>Judy Formalarie</b> <b>Maureen O'Brien-Murphy</b>	
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