

43:21-57

LEGISLATIVE HISTORY CHECKLIST
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(Unemployment benefits for people
enrolled in job training)

NJSA: 43:21-57 et seq.

LAWS OF: 1992 CHAPTER: 47

BILL NO: A1406

SPONSOR(S) Roma and others

DATE INTRODUCED: May 7, 1992

COMMITTEE: ASSEMBLY: Labor; Appropriations
SENATE: ---

AMENDED DURING PASSAGE: Yes Amendments during passage
denoted by asterisks

DATE OF PASSAGE: ASSEMBLY: June 25, 1992
SENATE: June 29, 1992

DATE OF APPROVAL: July 7, 1992

FOLLOWING STATEMENTS ARE ATTACHED IF AVAILABLE:

SPONSOR STATEMENT: Yes

COMMITTEE STATEMENT: ASSEMBLY: Yes 6-10-92 & 6-14-92
SENATE: No

FISCAL NOTE: Yes

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MESSAGE ON SIGNING: Yes

FOLLOWING WERE PRINTED:

REPORTS: No

HEARINGS: No

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[FIRST REPRINT]
ASSEMBLY, No. 1406

STATE OF NEW JERSEY

INTRODUCED MAY 7, 1992

By Assemblymen ROMA, R. BROWN, Mikulak,
Assemblywoman Haines, Assemblyman Garrett, Assemblywomen
Weinberg and Heck

1 AN ACT concerning job training, amending P.L.1989, c.293, and
2 supplementing chapter 21 of Title 43 of the Revised Statutes,
3 and P.L.1987, c.457 (C.34:1A-76 et seq.).
4

5 BE IT ENACTED *by the Senate and General Assembly of the*
6 *State of New Jersey:*

7 1. (New section) The Legislature hereby finds and declares
8 that:

9 a. During the 1980's, New Jersey employers reported serious
10 difficulties in finding skilled workers for a wide range of jobs in
11 key sectors of the State's economy, and, notwithstanding the
12 current economic slowdown, a longterm shortage of skilled labor
13 will continue in many parts of the State's economy during the
14 1990's and beyond;

15 b. In addition, many New Jersey businesses are also hindered
16 by low levels of literacy and other basic skills among a significant
17 minority of the workforce;

18 c. Basic workplace literacy and vocational skill levels must be
19 raised if the industries and enterprises of this State are to be
20 successful in an increasingly competitive global economy;

21 d. Because of a slowing rate of population growth, the
22 retraining of the existing workforce will play a critical role in
23 meeting the growing need for skilled labor;

24 e. The effectiveness of current programs to retrain displaced
25 workers during the time that they receive unemployment benefits
26 is hindered by the limited duration of those benefits, which often
27 drives displaced workers into short-term retraining programs
28 with limited skill enhancement or results in the programs'
29 avoiding the selection of trainees who need more extensive
30 training to succeed;

31 f. It would increase the effectiveness of programs which
32 provide retraining to displaced workers if the unemployment
33 benefit period could be extended in cases where the longer
34 benefit period is necessary to provide needed in-depth education
35 and training;

36 g. Such extended unemployment benefits in connection with
37 job training and education would encourage displaced workers to
38 make greater use of retraining opportunities, thus making
39 productive use of periods of economic slowdown and helping to
40 close the skilled labor shortage during the growth periods that
41 follow;

EXPLANATION--Matter enclosed in bold-faced brackets [thus] in the
above bill is not enacted and is intended to be omitted in the law.

Matter underlined thus is new matter.

Matter enclosed in superscript numerals has been adopted as follows:

¹ Assembly ALA committee amendments adopted June 11, 1992.

1 h. New Jersey's Unemployment Compensation Fund, with its
2 current balance of ¹[\$2.6] more than two¹ billion dollars¹, is
3 among the most solvent in the nation;

4 i. It is therefore an appropriate public purpose, beneficial to
5 workers and employers and the longterm economic development
6 of New Jersey, to use a limited amount of unemployment
7 compensation funds to provide extended unemployment benefits
8 as needed to enable displaced workers to obtain the high quality
9 training and education required for success in occupations where
10 there are demonstrated longterm shortages of skilled labor.

11 2. (New section) As used in this act:

12 ¹"Commission" means the State Employment and Training
13 Commission.¹

14 "Employment and training services" means: counseling
15 provided pursuant to section 3 of this act; vocational training; or
16 remedial education.

17 "Labor Demand Occupation" means an occupation for which
18 there is or is likely to be an excess of demand over supply for
19 adequately trained workers, including, but not limited to, an
20 occupation designated as a labor demand occupation by the New
21 Jersey Occupational Information Coordinating Committee
22 pursuant to section ¹[9] 11¹ of this act.

23 ¹"Qualified job counselor" means a job counselor whose
24 qualifications meet standards established by the commissioner.¹

25 "Service provider" means a provider of employment and
26 training services other than the State.

27 "Remedial education" means any literacy or other ¹basic
28 skills¹ training or education which ¹[is] may¹ not ¹be¹ directly
29 related to a particular occupation but is needed to facilitate
30 success in vocational training ¹or work performance¹.

31 ¹"Service provider" means a provider of employment and
32 training services including but not limited to a private or public
33 school or institution of higher education, a business, a labor
34 organization or a community-based organization.¹

35 "Vocational training" means training or education which is
36 ¹[for a particular] related to an¹ occupation and is designed to
37 enhance the marketable skills and earning power of a worker or
38 job seeker.

39 3. (New section) Counseling shall be made available by the
40 Department of Labor to each individual who meets the
41 requirements indicated in subsections a. and b. of section 4 of
42 this act. The department may provide the counseling or obtain
43 the counseling from a service provider, if the service provider is
44 different from and not affiliated with any service provider
45 ¹[providing] offering¹ any employment and training services to
46 the worker other than the counseling. The purpose of the
47 counseling is to assist the individual in obtaining the employment
48 and training services most likely to provide the worker with the
49 greatest opportunity for long-range career advancement with
50 high levels of productivity and earning power. The counseling
51 shall include:

52 a. Testing and assessment of the individual's job skills and
53 aptitudes, including the individual's literacy skills and other basic
54 skills. Basic skills testing and assessment shall be provided to the

1 individual unless information is provided regarding the
2 individual's educational background and occupational or
3 professional experience which clearly demonstrates that the
4 individual's basic skill level meets the standards indicated in
5 section 14 of P.L.1989, c.293 (C.34:15C-11) or unless the
6 individual is already participating in a remedial education
7 program which meets those standards;

8 b. An evaluation by a qualified job counselor of:

9 (1) Whether the individual is eligible for the additional benefits
10 indicated in section 5 of this act; and

11 (2) What remedial education, if any, is determined to be
12 necessary for the individual to succeed in any particular
13 vocational training which the individual would undertake in
14 connection with additional benefits indicated in section 4 of this
15 act, provided that the remedial education shall be at a level not
16 lower than that needed to meet the standards indicated in section
17 14 of P.L.1989, c.293 (C.34:15C-11);

18 c. The provision of information to the individual regarding any
19 of the labor demand occupations for which training meets the
20 requirements of subsection e. of section 4 of this act in the
21 claimant's case, including the information about the wage levels
22 in those occupations which is available to the Department of
23 Labor and any information available to the department regarding
24 the effectiveness of any particular provider of training for any of
25 those occupations which the claimant is considering using;

26 d. The provision of information to the individual regarding the
27 services and benefits available to the individual under the
28 provisions of this act and employment and training programs
29 provided or funded pursuant to P.L.1983, c.328 (C.34:15B-11 et
30 seq.), the "1992 New Jersey Employment and Workforce
31 Development Act," P.L. , c. (C.)(now pending before the
32 Legislature as Assembly Bill No.1402 of 1992) and the "Job
33 Training Partnership Act," Pub.L. 97-300 (29 U.S.C. §1501 et
34 seq.) and regarding the tuition waivers available pursuant to
35 P.L.1983, c.469 (C.18A:64-13.1 et seq.) and P.L.1983, c.470
36 (C.18A:64A-23.1 et seq.); and

37 e. Discussion with the counselor of the results of the testing
38 and evaluation and, based on those results, the development of a
39 written Employability Development Plan, consistent with the
40 requirements of subsections e., f. and g. of section 4 of this act,
41 for the individual describing any remedial education and the
42 vocational training that the individual will undertake in
43 connection with benefits provided pursuant to the provisions of
44 this act.

45 All information regarding an individual applicant or trainee
46 which is obtained or compiled in connection with the testing,
47 assessment and evaluation and which may be identified with the
48 individual shall be confidential and shall be released to an entity
49 other than the individual ¹, the counselor¹ or the department only
50 if: the individual provides written permission to the department
51 for the release of the information; or the information is used
52 solely for program evaluation.

53 4. (New section) Except as provided in section 8 of this act,
54 the additional benefits indicated in section 5 of this act shall be

1 provided any individual who:

2 a. Has received a notice of a permanent termination of
3 employment by the individual's employer or has been laid off and
4 is unlikely to return to his previous employment because work
5 opportunities in the individual's job classification are impaired by
6 a substantial reduction of employment at the worksite;

7 b. Is, at the time of the layoff or termination, eligible,
8 pursuant to the "unemployment compensation law," R.S.43:21-1
9 et seq., for not less than 26 weeks of unemployment benefits;

10 c. Enters into the counseling made available pursuant to
11 section 3 of this act as soon as possible following notification by
12 the Department of Labor of its availability;

13 d. (1) Notifies the department of the individual's intention to
14 enter into the education and training identified in the
15 Employability Development Plan developed pursuant to section 3
16 of this act, not later than 60 days after the date of the
17 individual's termination or layoff or not later than 30 days after
18 the department provides notice to the individual pursuant to
19 section 6 of this act, whichever occurs later;

20 (2) Enters into the education and training identified in the
21 Employability Development Plan as soon as possible after giving
22 the notice required by paragraph (1) of this subsection d.; and

23 (3) Maintains satisfactory progress in the education and
24 training;

25 e. Enrolls in vocational training which:

26 (1) Is training for a labor demand occupation;

27 (2) Is likely to facilitate a substantial enhancement of the
28 individual's marketable skills and earning power;

29 (3) Is provided by a ¹[competent and reliable public or private
30 entity] service provider¹ approved by the Commissioner of Labor,
31 which approval shall be made, if the "1992 New Jersey
32 Employment and Workforce Development Act," P.L. , c.
33 (C.)(now pending before the Legislature as Assembly Bill
34 No.1402 of 1992) is enacted, pursuant to the provisions of section
35 8 of that act; and

36 (4) Does not include on the job training or other training under
37 which the individual is paid by an employer for work performed
38 by the individual during the time that the individual receives
39 additional benefits pursuant to the provisions of section 5 of this
40 act;

41 f. Enrolls in vocational training, remedial education or a
42 combination of both on a full-time basis; and

43 g. Reasonably can be expected to successfully complete the
44 vocational training and any needed remedial education, either
45 during or after the period of additional benefits.

46 If the requirements of this section are met, the division shall
47 not deny an individual unemployment benefits pursuant to the
48 "unemployment compensation law," R.S.43:21-1 et seq.,
49 P.L.1970, c.324 (C.43:21-24.11 et seq.) or the additional benefits
50 indicated in section 5 of this act for any of the following reasons:
51 the training includes remedial education needed by the individual
52 to succeed in the vocational component of the training; the
53 training is part of a program under which the individual may
54 obtain any college degree enhancing the individual's marketable

1 skills and earning power; the length of the training period under
2 the program; or the lack of a prior guarantee of employment upon
3 completion of the training. If the requirements of this section
4 are met, the division shall regard a training program as approved
5 for the purposes of paragraph (4) of subsection (c) of R.S.43:21-4.

6 5. (New section) Except as provided in section 8 of this act,
7 each individual who meets the requirements of section 4 of this
8 act, but has not completed the remedial education and vocational
9 training at the end of the period during which he is entitled to
10 receive unemployment benefits pursuant to the "unemployment
11 compensation law," R.S.43:21-1 et seq., P.L.1970, c.324
12 (C.43:21-24.11 et seq.) and any federally-financed supplemental
13 benefits program shall be entitled to receive a weekly benefit
14 equal to his previous weekly unemployment compensation benefit
15 for each additional week certified by the division as needed to
16 complete the remedial education or vocational training up to a
17 total of 26 additional weeks.

18 No additional benefits shall be paid pursuant to the provisions
19 of this section for any week during which the individual receives
20 training allowances or stipends pursuant to the provisions of any
21 federal law or any other State law. As used in this section,
22 "training allowances or stipends" means discretionary use,
23 cash-in-hand payments available to the individual to be used as
24 the individual sees fit, but does not mean direct or indirect
25 compensation for training costs, such as the costs of tuition,
26 books and supplies.

27 No employer's account shall be charged for the payment of
28 additional benefits pursuant to the provisions of this section.

29 6. (New section) a. The Department of Labor shall provide
30 notice to any individual who is laid off or notified of a pending
31 layoff of the services and benefits available to the individual
32 under the provisions of this act and employment and training
33 programs provided or funded pursuant to ¹[P.L.1983, c.328
34 (C.34:15B-11 et seq.),]¹ the "1992 New Jersey Employment and
35 Workforce Development Act," P.L. , c. (C.)(now pending
36 before the Legislature as Assembly Bill No.1402 of 1992) and the
37 "Job Training Partnership Act," Pub.L. 97-300 (29 U.S.C. §1501
38 et seq.) and of the tuition waivers available pursuant to P.L.1983,
39 c.469 (C.18A:64-13.1 et seq.) and P.L.1983, c.470
40 (C.18A:64A-23.1 et seq.) and permit the individual to apply to
41 receive the benefits, services or waivers upon any of the
42 following occurrences:

43 (1) When the individual applies for unemployment
44 compensation;

45 (2) When an individual who receives notification of a pending
46 layoff is contacted by the department prior to the layoff by
47 means of a response team or by other means; or

48 (3) Not later than ¹[30] 60¹ days after the effective date of
49 this act, if the individual has already been laid off and is
50 receiving unemployment benefits upon that effective date.

51 b. If an individual is given pre-notification of a permanent
52 layoff and subsequently receives vocational training or remedial
53 education provided by any employment and training program
54 funded or established pursuant to ¹[P.L.1983, c.328 (C.34:15B-11

1 et seq.),]¹ the "1992 New Jersey Employment and Workforce
2 Development Act," P.L. , c. (C.)(now pending before the
3 Legislature as Assembly Bill No.1402 of 1992) or the "Job
4 Training Partnership Act," Pub.L. 97-300 (29 U.S.C. §1501 et
5 seq.), the individual shall be permitted to commence the training
6 or education prior to the termination of employment, except that
7 this provision shall not apply to a federally-funded program if
8 permitting the individual to commence the training or education
9 prior to the termination of employment will result in a reduction
10 of federal funding for the program.

11 7. (New section) In using moneys provided as individual grants
12 pursuant to the "1992 New Jersey Employment and Workforce
13 Development Act," P.L. , c. (C.)(now pending before the
14 Legislature as Assembly Bill No. 1402 of 1992), and in using
15 moneys appropriated for any employment and training program
16 funded or established pursuant to ¹[P.L.1983, c.328 (C.34:15B-11
17 et seq.), or]¹ the "Job Training Partnership Act," Pub.L. 97-300
18 (29 U.S.C. §1501 et seq.), the Department of Labor and each
19 program shall, to the extent feasible and to the extent it has
20 authority to do so, give priority to funding vocational training and
21 remedial education for individuals who meet the requirements of
22 section 4 of this act, to the extent that those individuals also fall
23 within the target population of the respective program, except
24 the moneys shall not be allocated in any case in a manner which
25 is contrary to any other priorities imposed on the program by law
26 or will result in a reduction of federal funds available to the
27 State for the program.

28 8. (New section) a. ¹[If] Whenever¹ the Commissioner of
29 Labor determines that ¹[, during the most recent month for which
30 unemployment insurance benefit payment information is
31 available,]¹ the total amount of additional benefits paid pursuant
32 to this act ¹[is equal to 8% or more of the total amount of all
33 unemployment insurance benefits paid,] during a calender year
34 has become greater than 1.5% of the amount of the balance in
35 the unemployment trust fund on the immediately preceeding
36 December 31,¹ the commissioner shall ¹, during the period lasting
37 until the end of that calender year,¹ prohibit any additional
38 individuals from beginning to receive additional benefits pursuant
39 to this act.

40 b. ¹[For each month subsequent to the month in which the
41 commissioner first prohibits additional individuals from beginning
42 to receive additional benefits pursuant to subsection a. of this
43 section, the commissioner shall compare the total amount of
44 additional benefits that were paid pursuant to this act during that
45 month with the total amount of unemployment benefits that were
46 paid during that month. Upon the first month during which the
47 total amount of additional benefits paid is less than 8% of the
48 total amount of unemployment benefits paid for that month, the
49 commissioner shall end the prohibition imposed pursuant to
50 subsection a. of this section and permit additional individuals who
51 meet the requirements of section 4 of this act to begin receiving
52 additional benefits pursuant to this act.

53 c.]¹ The Department of Labor shall, during any period in which
54 the commissioner prohibits additional individuals from beginning

1 to receive additional benefits pursuant to subsection a. of this
2 section, continue to provide any otherwise eligible individual with:

3 (1) The notice required pursuant to section 6 of this act;
4 (2) The counseling required pursuant to section 3 of this act;
5 and

6 (3) The opportunity for the individual to notify the department
7 of the individual's intention to enter into remedial education or
8 vocational training pursuant to subsection d. of section 4 of this
9 act. Any individual who, during the period in which the
10 commissioner prohibits additional individuals from beginning to
11 receive additional benefits pursuant to subsection a. of this
12 section, meets the requirements of section 4 of this act shall be
13 permitted to receive additional benefits pursuant to this act after
14 the commissioner has ended the prohibition pursuant to
15 subsection b. of this section.

16 ¹[d.] c.¹ Additional benefits paid pursuant to this act shall
17 continue for ¹[individuals] any individual¹ who ¹[are] , at the time
18 that the commissioner imposes the prohibition pursuant to
19 subsection a. of this section, is¹ already receiving the additional
20 benefits ¹[at the time that the commissioner imposes the
21 prohibition pursuant to subsection a. of this section] ¹or has
22 already enrolled in the training or education identified in the
23 Employability Development Plan developed pursuant to section 3
24 of this act¹.

25 ¹9. (New section) The commissioner shall, pursuant to the
26 "Administrative Procedure Act," P.L.1968, c.410 (C.52:14B-1 et
27 seq.), adopt rules and regulations necessary to govern the proper
28 conduct and operation of the program consistent with the
29 provisions of this act.¹

30 ¹10. (New section) The State Employment and Training
31 Commission shall, not later than December 31, 1996, make a
32 report to the Governor and the Legislature regarding the
33 effectiveness of benefits provided pursuant to this act in
34 enhancing occupational training and education opportunities for
35 displaced workers. The report shall include an assessment of the
36 appropriateness of continuing the benefit program and, if the
37 commission determines that the program should be continued,
38 draft legislation to do so, which shall include any modifications in
39 this act deemed appropriate by the commission.¹

40 ¹[9.] ¹11. (New section) The New Jersey Occupational
41 Information Coordinating Committee shall conduct, not less than
42 once every three years, and on a Statewide basis, a
43 comprehensive survey of occupations in the State comparing the
44 total anticipated need for trained workers in each occupation
45 with the total number being trained and designate as a labor
46 demand occupation each occupation which is likely to have a
47 significant excess of demand over supply for adequately trained
48 workers during the subsequent period of four or more years. The
49 committee may utilize survey data obtained by other agencies or
50 from other sources to fulfill its responsibilities under this section.

51 ¹[10.] ¹12. Section 14 of P.L.1989, c.293 (C.34:15C-11) is
52 amended to read as follows:

53 14. a. The commission shall foster and coordinate initiatives
54 of the Department of Education and the Department of Higher

1 Education to maximize the contributions of the State's public
2 schools and institutions of higher education in implementing the
3 State employment and training policy developed by the
4 commission. The commission shall foster and coordinate
5 initiatives of the Department of Education and the Department
6 of Higher Education which will enhance the State's efforts to
7 assist at-risk youths in achieving educational success and making
8 successful transitions to work. The commission shall foster
9 initiatives of the Department of Higher Education among
10 institutions of higher education which will enhance the State's
11 employment and training efforts, including: the coordination of
12 vocational programs between institutions; more use of facilities
13 at institutions which provide education at or above the level of
14 county colleges, including, but not limited to, the Advanced
15 Technology Centers established pursuant to P.L.1985, c.102
16 (C.52:9X-1 et seq.), P.L.1985, c.103 (C.18A:64J-1 et seq.),
17 P.L.1985, c.104 (C.18A:64J-8 et seq.), P.L.1985, c.105
18 (C.18A:64J-15 et seq.), and P.L.1985, c.106 (C.18A:64J-22 et
19 seq.); developing more programs to offer four year degrees for
20 working students who attend only at nights and on weekends; and
21 expanding programs which provide college credit for training and
22 educational experiences outside of traditional academic contexts.

23 b. The commission shall have the responsibility, jointly with
24 the Department of Education, the Department of Labor and the
25 Department of Higher Education, to: (1) establish standards
26 regarding the minimum levels of remedial education which shall
27 be made available to a trainee under any employment and
28 training program, including any program of training undertaken in
29 connection with additional unemployment compensation benefits
30 provided pursuant to the provisions of P.L. , c. (C.) (now
31 pending before the Legislature as this bill) or any program funded
32 or established pursuant to ¹[P.L.1983, c.328 (C.34:15B-11 et
33 seq.), P.L.1987, c.71 (C.34:15B-27 et al.),]¹ the "1992 New Jersey
34 Employment and Workforce Development Act," P.L. , c.
35 (C.)(now pending before the Legislature as Assembly Bill
36 No.1402 of 1992), the "Job Training Partnership Act,"
37 Pub.L.97-300 (29 U.S.C. §1501 et seq.), or Title VI of the
38 "Omnibus Trade and Competitiveness Act of 1988,"
39 Pub.L.100-418 (20 U.S.C. §5001 et al.); and (2) coordinate the
40 development of appropriate intake and assessment instruments
41 and procedures for the assessment of persons seeking access to
42 employment and training programs. The remedial education
43 standards shall take into account the differing needs and
44 characteristics of the various target populations which the
45 programs serve. The remedial education standards shall be based
46 on evaluations of the minimum levels of basic skills needed to
47 succeed in particular types of vocational training offered under
48 the programs and any additional improvements in basic skills
49 needed by individuals of each target population to successfully
50 adapt to the State's changing economy. The standard for the
51 minimum level of remedial education which shall be made
52 available to an individual receiving the vocational training for a
53 particular occupation shall not be less than the level necessary to
54 attain the minimum basic skill levels indicated as needed for that

1 occupation in the Dictionary of Occupational Titles issued by the
2 United States Department of Labor. The commission, the
3 Department of Education, the Department of Labor and the
4 Department of Higher Education, may jointly set this standard at
5 a higher level¹, but if they do not, the level indicated by the
6 Dictionary of Occupational Titles shall be regarded as the
7 established standard¹.

8 (cf: P.L.1989, c.293, s.14)

9 ¹[11.] 13.¹ This act shall take effect immediately ¹and
10 sections 1 through 11 of this act shall expire on December 31,
11 1997¹.

12

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14

15

16 Extends unemployment compensation during job training.

1 development of appropriate intake and assessment instruments
2 and procedures for the assessment of persons seeking access to
3 employment and training programs. The remedial education
4 standards shall take into account the differing needs and
5 characteristics of the various target populations which the
6 programs serve. The remedial education standards shall be based
7 on evaluations of the minimum levels of basic skills needed to
8 succeed in particular types of vocational training offered under
9 the programs and any additional improvements in basic skills
10 needed by individuals of each target population to successfully
11 adapt to the State's changing economy. The standard for the
12 minimum level of remedial education which shall be made
13 available to an individual receiving the vocational training for a
14 particular occupation shall not be less than the level necessary to
15 attain the minimum basic skill levels indicated as needed for that
16 occupation in the Dictionary of Occupational Titles issued by the
17 United States Department of Labor. The commission, the
18 Department of Education, the Department of Labor and the
19 Department of Higher Education, may jointly set this standard at
20 a higher level.

21 (cf: P.L.1989, c.293, s.14)

22 11. This act shall take effect immediately.

25 STATEMENT

26
27 This bill provides that certain individuals who are enrolled in an
28 authorized job training program while receiving unemployment
29 benefits may receive an extension of the unemployment benefit
30 period for as much as 26 weeks as is necessary to complete the
31 job training.

32 By assisting displaced workers to obtain longer term job
33 retraining, this bill will permit a "retooling" of the workforce to
34 better cope with economic change and contribute to long-term
35 economic development. It will also enhance efforts to increase
36 workplace literacy by allowing a longer period of remedial
37 education for those displaced workers who need it to succeed in
38 vocational training.

39 The extended benefits provided by the bill are permitted only if
40 an individual:

41 1. Has received a notice of a permanent termination of
42 employment or has been laid off and is unlikely to return to his
43 previous employment;

44 2. Is, at the time of the termination, eligible for not less than
45 26 weeks of regular unemployment compensation benefits;

46 3. Enters into the counseling provided by the Department of
47 Labor, which includes an assessment of the individual's literacy
48 and basic skills levels and a determination of the need for
49 remedial education to succeed in job training;

50 4. Enrolls on a full-time basis in any needed remediation and
51 appropriate job training in a timely manner and maintains
52 satisfactory progress;

53 5. Can reasonably be expected to complete the education and
54 training successfully; and

1 6. Does not receive a training stipend or allowance from any
2 other program during the benefit period. The individual may,
3 however, receive funds from other programs for direct training
4 costs such as tuition and books.

5 The job training which the individual enrolls in:

6 1. Must be training for an occupation which has a projected
7 shortage of trained workers;

8 2. Must be likely to facilitate a substantial enhancement of
9 the individual's marketable skills and earning power;

10 3. Must be provided by an approved provider of training
11 services; and

12 4. May not include training under which the individual is paid
13 for work performed during the benefit period.

14 No charges are to be made against any employer's
15 unemployment account for the payments of benefits pursuant to
16 the provisions of this bill.

17 The bill limits the total amount of extended benefits paid out
18 under the bill during any one month to 8% of total unemployment
19 benefits paid in the State during that month. That limitation will
20 ensure that the extended benefit program will not jeopardize the
21 solvency of the Unemployment Compensation Fund.

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26 _____

Extends unemployment compensation during job training.

ASSEMBLY APPROPRIATIONS COMMITTEE

STATEMENT TO

[FIRST REPRINT]

ASSEMBLY, No. 1406

STATE OF NEW JERSEY

DATED: JUNE 15, 1992

The Assembly Appropriations Committee reports favorably Assembly Bill No. 1406 (1R).

Assembly Bill No. 1406 (1R) provides that certain individuals who are enrolled in an authorized job training program while receiving unemployment benefits may receive an extension of the unemployment benefit period for as much as 26 weeks as is necessary to complete the job training.

By assisting displaced workers to obtain longer term job retraining, the bill permits a "retooling" of the workforce to cope better with economic change and to contribute to long-term economic development. The bill also enhances efforts to increase workplace literacy by allowing a longer period of remedial education for those displaced workers who need it.

The extended benefits provided by the bill are permitted only if an individual:

1. has received a notice of a permanent termination of employment or has been laid off and is unlikely to return to his previous employment;
2. is, at the time of the termination, eligible for not less than 26 weeks of regular unemployment compensation benefits;
3. enters into the counseling provided by the Department of Labor;
4. enrolls on a full-time basis in any needed remedial education and appropriate job training in a timely manner and maintains satisfactory progress;
5. can reasonably be expected to complete the education and training successfully; and
6. does not receive a training stipend or allowance from any other program during the benefit period, other than certain direct training costs such as tuition and books.

The job training in which the individual enrolls must be:

1. training for an occupation which has a projected shortage of trained workers;
2. likely to facilitate a substantial enhancement of the individual's marketable skills and earning power;
3. provided by an approved provider of training services; and
4. must not include training under which the individual is paid for work performed during the benefit period.

No charges are to be made against an employer's unemployment account for the payments of benefits pursuant to the provisions of the bill.

The bill expires on December 31, 1997 and the State Employment and Training Commission is required, no later than December 31, 1996, provide an evaluation of the program and recommendations regarding continuing the program after the expiration date.

FISCAL IMPACT:

The bill does not impact State revenue or expenditures because the program is funded as a benefit from the unemployment compensation fund. Significant impact on the solvency of the unemployment compensation fund is prevented by the limits on the total amount of extended benefits paid out to trainees under the bill. If the total amount of extended benefits paid during a year is greater than 1.5% of the amount of the balance in the unemployment trust fund on the immediately preceding December 31, no additional individuals may receive the bill's extended benefits for the remainder of that year.

ASSEMBLY LABOR COMMITTEE

STATEMENT TO

ASSEMBLY, No. 1406

with committee amendments

STATE OF NEW JERSEY

DATED: JUNE 10, 1992

The Assembly Labor Committee reports favorably Assembly Bill No. 1406 with committee amendments.

As amended by the Committee, the bill permits an individual enrolled in an authorized job training program while receiving unemployment benefits to receive an extension of the unemployment benefit period for as much as 26 weeks, as needed to complete the job training.

By assisting displaced workers to obtain longer term job retraining, this bill will permit a "retooling" of the workforce to better cope with economic change and contribute to long-term economic development. It will also enhance efforts to increase workplace literacy by allowing a longer period of remedial education for those displaced workers who need it to succeed in vocational training.

The extended benefits provided by the bill are permitted only if an individual:

1. Has been notified of a permanent termination of employment or has been laid off and is unlikely to return to his previous employment;
2. Is, at the time of the termination, eligible for at least 26 weeks of regular unemployment compensation benefits;
3. Enters into the counseling provided by the Department of Labor, which includes an assessment of the individual's literacy and basic skills levels and a determination of the need for remedial education to succeed in job training;
4. Enrolls on a full-time basis in any needed remediation and appropriate job training in a timely manner and maintains satisfactory progress;
5. Can reasonably be expected to complete the education and training successfully; and
6. Receives no training stipend or allowance from any other program during the benefit period. The individual may, however, receive funds from other programs for direct training costs such as tuition and books.

The job training which the individual enrolls in:

1. Must be training for an occupation which has a projected shortage of trained workers;
2. Must be likely to facilitate a substantial enhancement of the individual's marketable skills and earning power;
3. Must be provided by an approved training service provider; and
4. May not include training under which the individual is paid for work performed during the benefit period.

No charges are to be made against any employer's unemployment account for the payments of benefits pursuant to the provisions of this bill.

As amended, the bill limits the total amount of extended benefits paid out to trainees under the bill. Whenever the total amount of extended benefits paid during a year becomes greater than 1.5% of the amount of the balance in the unemployment trust fund on the immediately preceding December 31, no additional individuals may receive the bill's extended benefits for the remainder of that year. That limitation will ensure that the extended benefit program will not jeopardize the solvency of the unemployment trust fund.

As amended, the bill expires on December 31, 1997 and the State Employment and Training Commission is required, no later than December 31, 1996, to provide an evaluation of the program and recommendations regarding continuing the program after the expiration date.

The committee amendments:

1. Provide for the expiration of the bill and the evaluation of the program by the State Employment and Training Commission.
2. Establish the limit on the total amount of extended benefits which may be paid during a year.

LEGISLATIVE FISCAL ESTIMATE TO

[FIRST REPRINT]

ASSEMBLY, No. 1406

STATE OF NEW JERSEY

DATED: July 2, 1992

Assembly Bill No. 1406(1R) of 1992 provides that certain individuals who are enrolled in an authorized job training program while receiving unemployment benefits may receive an extension of the unemployment benefit period for up to 26 weeks as is needed to complete the job training. No charges are to be made against any employer's unemployment account for the payment of the extended benefits pursuant to the provisions of this bill.

The bill limits the total amount of extended benefits that may be paid out to trainees. Whenever the total amount of extended benefits paid during a calendar year exceeds 1.5% of the amount of the balance in the unemployment trust fund as of the immediately preceding December 31, no additional individual may receive an extension of the unemployment benefit period during the remainder of that year.

The Department of Labor and the Office of Management and Budget have not provided cost estimates concerning the fiscal impact of this bill.

The Office of Legislative Services (OLS), however, notes that the bill has no fiscal impact on the State, because all of the benefits provided to trainees under the bill would be paid from the unemployment compensation fund, not the general fund. Because the bill's provision that new benefits be stopped once the annual amount of benefits exceeds 1.5% of the previous year's unemployment compensation fund balance, the benefits would not have a significant negative impact on the fund.

The bill makes no appropriation for and would not result in new costs to the State in connection with training, counseling or other services provided to the trainees receiving the extended benefits. Those services would be provided from other existing sources of funding, at no additional cost to the State.

This legislative fiscal estimate has been produced by the Office of Legislative Services due to the failure of the Executive Branch to respond to our request for a fiscal note.

This fiscal estimate has been prepared pursuant to P.L.1980, c.67.



OFFICE OF THE GOVERNOR

NEWS RELEASE

CN-001
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Release:

Tuesday
July 7, 1992

GOVERNOR FLORIO SIGNS SKILLS TRAINING INITIATIVE *Program a National Model to Retain Jobs and Keep Workers Competitive*

In an effort to protect New Jersey jobs in the face of rising national unemployment, Governor Jim Florio today signed a 7-bill package placing New Jersey on the cutting edge of the nation by creating a permanent funding source to provide training and upgrade skills to keep New Jersey workers competitive.

"These bills sharpen our competitive edge by giving businesses the tools to respond to changes and opportunities in today's global economy. They improve our living standard by giving people the new skills they need to move up the economic ladder to a better life," said Governor Florio, who signed the legislation at Hill Refrigeration in Trenton, which will participate in customized training through the state Department of Labor.

"For too long, we've invested in the wrong things -- in the quick fix and the fast buck. But not anymore. Not in New Jersey. We're building a high-wage, high-value economy by investing in our people and our potential. And this program is an important part of our plan," he said. "No other state is doing anything like it."

The Workforce Development Partnership Act sets a national model by the type and scale of workforce training it offers. The job training program, which was a major initiative outlined in the Governor's 1992 State of the State Address, will provide skills training for the unemployed, people who have exhausted their unemployment benefits, and to workers or potential workers for firms seeking to expand, maintain competitiveness or locate in New Jersey. Skills training will be delivered through:

- Customized training services for employers
- Training grants to individuals

The program, which requires no additional taxes, will be funded by reallocating a portion of the both the employer and employee contribution to the state's Unemployment Insurance Fund which is expected to provide between \$40 to \$50 million annually. The program will not effect the \$2.6 billion balance in the fund, one of the soundest in the nation, nor have any affect on the state's General

Operating Fund. It will be administered by the Department of Labor, in conjunction with the departments of Commerce, Education and Higher Education.

"We know that retraining works. It boosts productivity and wages. It saves jobs and creates new ones. By the year 2000, 75 percent of all workers currently employed will need retraining in order to keep their jobs. Our new partnership is a common-sense way to make sure they get it," said Governor Florio. "It's an investment in a New Jersey that makes quality products that can compete with Japan and Germany -- a New Jersey with a first-rate work force that can match the high-tech production of our competitors and come out on top. We can't just work hard anymore. We've got to work smart to win."

The program parallels the Governor's New Skills Partnership Initiative which he proposed outlined in his 1992 State of the State Address, as a plan for economic renewal which included "Seven Points of Common Sense". The points, several of which have been adopted, include:

- Creation of a *statewide job training program* to give workers the needed high-tech skills and make businesses more productive into the 21st century.
- An *Economic Recovery Fund* to build long-needed projects and create jobs. Governor Florio signed legislation creating the \$200 million fund last month.
- *Eliminating the cap on the Transportation Trust Fund* to meet New Jersey's pressing transportation needs and stimulate the economy. Governor Florio signed legislation lifting the cap in May.
- *Stimulate the home building industry* and lower the costs of homeownership for middle-class people through low-interest mortgages and continued property tax relief. Governor Florio recently announced the WELCOME HOME program, an innovative homebuyer assistance program which expands an earlier program to provide mortgage assistance and also provides financing for upfront costs such as downpayment and closing. The Governor's proposed budget also included full funding for the state's Homestead Rebate program, which provides homeowners and tenants with rebates up to \$500.
- *Continue reforms that make health insurance more affordable* and health care more accessible.
- *Make higher education affordable* through low-cost loans for middle-class families and by stabilizing tuition hikes. Governor Florio's FY 93 budget proposal -- included funding to hold tuition increases to the rate of inflation the Tuition Stabilization Incentive Plan. He has also provided additional funding for two higher education assistance programs his administration created -- NJ CLASS (New Jersey College Loans To Assist State Students) and Garden State Savings Bonds.
- *Continue shore protection* through development guidelines, clean-up and pollution prevention measures. ERF provides \$15 million for shore protection efforts. Governor Florio has called on the Legislature to close the loophole in the state's Coastal Area Facilities Review Act (CAFRA) to provide for more responsible coastal development and to also find a stable source of funding for shore protection.

"New Jerseyans know the good life isn't something government hands to us. It's something we make for ourselves," Governor Florio said. "This legislation gives our people and businesses the training to shape their own future and keep our proud tradition of progress alive."

The bills signed by the Governor include A 1402 through A 1408; the two primary bills are A 1402 which sets up the program and A 1403 which establishes funding. The bills signed by the Governor include:

A 1402; sponsored by Assemblymen Garret and Roma; Provides qualified displaced, disadvantaged and employed workers with employment and training services through training grants and customized training.

A 1403; Sponsored by Assemblypersons Farragher and R. Brown; Provides for the reallocation of a portion of employer/employee contributions to the Unemployment Insurance Trust Fund to fund the program.

A 1404; Sponsored by Assemblypersons Sosa and Anderson; Extends an existing tuition waiver program for unemployed workers enrolled in job training courses by making the waivers available at all public institutions of higher education.

A 1405; Sponsored by Assemblywomen Haines and Weinberg; Establishes an approval process for training programs for individuals receiving unemployment insurance benefits.

A 1406; Sponsored by Assemblymen Roma and R. Brown; Extends unemployment compensation during job training.

A 1407; Sponsored by Assemblypersons Mikulak and Farragher; Establishes guidelines for existing job training programs funded by the federal "Job Training Partnership Act".

A 1408; Sponsored by Assemblypersons Haines and Wolfe; Allows public institutions of higher education to establish literacy tutoring programs and offer course credit toward graduation.

FLORIO FOLIO FOR ECONOMIC DEVELOPMENT:

WORKFORCE DEVELOPMENT PARTNERSHIP PROGRAM



Creates an expanded, customized training program for displaced workers and retain currently employed workers to meet the workforce needs of both employers and employees.

- New Jersey boasts a highly-skilled workforce, but rapid technological changes, foreign competition and other factors threaten to erode its quality and diminish New Jersey's global competitiveness.
- The New Jersey Workforce Development Partnership Program creates a permanent source of funding for job training and retraining. It is an expansion and enhancement of New Jersey's small, but very successful Customized Training Program. The program will aid not only the unemployed, but those currently employed who are in danger of losing their jobs because their skills are becoming obsolete.
- The program will be funded by reallocating a portion both employer and employee contributions to the Unemployment Insurance Fund. Of the current .625 worker contribution, .025 will be redirected along with a .1 contribution rate assessed on private sector employers to establish the funding stream of approximately \$40-50 million annually. The program will not effect the \$2.6 billion balance in the unemployment insurance trust fund, one of the soundest in the nation, nor have any effect on the State's General Operating Fund.
- Over the next few years, the Workforce Development Partnership will provide the opportunity to train up to 45,000 workers. Eligible workers will each receive a voucher with a value commensurate with their educational and training needs. Eligible workers include those workers whose companies determine there is a need to upgrade the skills their workforce needs to remain competitive, and dislocated workers who demonstrate a need for skills upgrading or the potential to master skills that are in demand.
- The program will be administered by the Department of Labor, in cooperation with the Departments of Commerce, Education and Higher Education. Training programs will be offered by private firms and institutions of higher education throughout the state.
- The Department of Labor will implement a system to monitor and evaluate the performance of the program on issues such as costs and service effectiveness which will be evaluated by the State Employment and Training Commission.