

34:15D-1

LEGISLATIVE HISTORY CHECKLIST
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(Workforce Development
Partnership Program)

NJSA: 34:15D-1

LAWS OF: 1992 **CHAPTER:** 43

BILL NO: A1402

SPONSOR(S): Roma

DATE INTRODUCED: May 7, 1994

COMMITTEE: **ASSEMBLY:** Appropriations; Labor

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 6-15-92 & 6-10-92

SENATE: No

FISCAL NOTE: ~~No~~ Yes

VETO MESSAGE: No

MESSAGE ON SIGNING: Yes

FOLLOWING WERE PRINTED:

REPORTS: No

HEARINGS: Yes

See also: Governor Kean's Annual "State of the State Message"--attached.

974.90 New Jersey. Legislature. Assembly. Labor Committee.
L123 Implementation of the Workforce Development Partnership
1993 Program, held 6-16-93 and 10-19-93, Trenton.

KBG:pp

[FIRST REPRINT]
ASSEMBLY, No. 1402

STATE OF NEW JERSEY

INTRODUCED MAY 7, 1992

By Assemblymen ROMA, GARRETT, Mikulak,
Assemblywoman Haines, Assemblyman R. Brown,
Assemblywomen Weinberg and Heck

1 AN ACT establishing the Workforce Development Partnership
2 Program and revising parts of the statutory law.

3

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

6 1. (New section) This act shall be known and may be cited as
7 the "1992 New Jersey Employment and Workforce Development
8 Act."

9 2. (New section) The Legislature finds and declares that:

10 a. New Jersey, facing an intensely competitive world
11 economy, must choose whether to compete against countries that
12 have low-paid, unskilled workforces or to compete for the
13 high-productivity jobs that can provide a foundation for an
14 economic leadership position for New Jersey and high living
15 standards for all of its citizens;

16 b. If New Jersey is going to take the high-skill,
17 high-productivity, high-wage path, it will need a genuine
18 partnership between business, labor and government to invest in
19 the first-rate training and education for front-line workers
20 needed to stimulate greater worker involvement in promoting
21 innovation, quality control and responsiveness to rapid
22 technological advances in production;

23 c. Current private sector efforts to train and educate
24 employees in New Jersey are extensive, involving the expenditure
25 of hundreds of millions of dollars, but the overwhelming majority
26 of those expenditures goes to the minority of employees, usually
27 placed in management, scientific and technical positions, who
28 already have college degrees;

29 d. The inadequate emphasis on training and ongoing education
30 for the broad majority of front-line workers is further
31 compounded by the fact that 90% of job training expenditures by
32 American businesses is spent by only one half of one percent of
33 American businesses;

34 e. Although current training programs for the long-term
35 jobless and other disadvantaged individuals have increased skilled
36 labor resources in the State, and although federal funding for
37 those programs is inadequate to cover more than a small minority
38 of those eligible, there is an even greater need for new public
39 resources to upgrade the skills of vastly larger numbers of
40 currently employed, or recently displaced, mainstream front-line
41 workers;

42 f. Proposals have been made by the administrations of both

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 Governor Kean and Governor Florio to redirect existing payroll
2 taxes to fund a broader and more in-depth program of worker
3 training and access to life-long education, a method successfully
4 employed by other States and by leading international industrial
5 competitors, such as Germany, Japan and France;

6 g. The potential contribution of business-labor cooperation to
7 create a highly productive workforce has also been demonstrated,
8 domestically and overseas, by the effectiveness of apprenticeship
9 programs in certain skilled trades;

10 h. It is therefore an appropriate public purpose ¹to sustain the
11 current level of support of training programs for disadvantaged
12 individuals and¹ to establish, with the active participation of New
13 Jersey's business and labor communities, a ¹[broad] broader¹
14 program of expanded, high-quality training and education,
15 including needed basic skills education, for currently employed
16 and recently displaced front-line workers, funded by the
17 redirection of a portion of existing payroll taxes.

18 3. (New section) As used in this act:

19 "Administrative costs" means any costs incurred by the
20 department to administer the program, including any cost
21 required to ¹collect information and¹ conduct ¹[surveys and]¹
22 evaluations of service providers pursuant to section 8 of this act
23 and ¹conduct¹ surveys of ¹[demand]¹ occupations pursuant to
24 section 12 of this act, to the extent that funding is not available
25 from federal or other sources.

26 "Approved service provider" means a service provider approved
27 pursuant to section 8 of this act.

28 ¹"Commission" means the State Employment and Training
29 Commission.¹

30 "Commissioner" means the Commissioner of Labor or the
31 commissioner's designees.

32 "Customized training services" means employment and training
33 services which are provided by the Office of Customized Training
34 pursuant to section 5 of this act.

35 "Department" means the State Department of Labor.

36 "Employer" or "business" means any employer subject to the
37 provisions of R.S.43:21-1 et seq.

38 "Employment and training services" means:

39 a. Counseling provided pursuant to section 7 of this act;

40 b. Vocational training;

41 c. Remedial education; or

42 d. Occupational ¹[health and]¹ safety ¹and health¹ training.

43 "Fund" means the Workforce Development Partnership Fund
44 established pursuant to section 9 of this act.

45 "Labor Demand Occupation" means an occupation for which
46 there is or is likely to be an excess of demand over supply for
47 adequately trained workers, including, but not limited to, an
48 occupation designated as a labor demand occupation by the New
49 Jersey Occupational Information Coordinating Committee
50 pursuant to section 12 of this act.

51 "Occupational safety and health training" means training or
52 education which is designed to assist in the recognition and
53 prevention of potential health and safety hazards related to an
54 occupation which is the subject of ¹[vocation] vocational¹
55 training.

1 "Office" means the Office of Customized Training established
2 pursuant to section 5 of this act.

3 "Permanent employment" means full-time employment
4 unsubsidized by government training funds which provides
5 1[long-term tenure and] a significant opportunity for career¹
6 advancement ¹and long-term job security¹ and is in the
7 occupation for which a worker receives vocational training
8 pursuant to this act.

9 "Program" means the Workforce Development Partnership
10 Program created pursuant to this act.

11 1"Qualified disadvantaged worker" means a worker who is not
12 a qualified displaced worker or a qualified employed worker but
13 who otherwise meets the following criteria:

14 a. Is unemployed;

15 b. Is working part-time and actively seeking full-time work or
16 is working full-time but is earning wages substantially below the
17 median salary for others in the labor force with similar
18 qualifications and experience; or

19 c. Is certified by the Department of Human Services as:

20 (1) Currently receiving public assistance;

21 (2) Having been recently removed from the public assistance
22 rolls because of gross income exceeding the grant standard for
23 assistance; or

24 (3) Being eligible for public assistance but not receiving the
25 assistance because of a failure to apply for it.¹

26 "Qualified displaced worker" means a worker who:

27 a. Is unemployed, and:

28 (1) Is currently receiving unemployment benefits pursuant to
29 R.S.43:21-1 et seq. or any federal or State unemployment benefit
30 extension; or

31 (2) Has exhausted eligibility for the benefits or extended
32 benefits during the preceding 52 weeks; or

33 b. Meets the criteria set by Title III of the "Job Training
34 Partnership Act," Pub.L. 97-300 (29 U.S.C. §1651 et seq.) to be
35 regarded as an "eligible dislocated worker" pursuant to that act.

36 "Qualified employed worker" means a worker who is employed
37 by an employer participating in a customized training program.

38 1"Qualified job counselor" means a job counselor whose
39 qualifications meet standards established by the commissioner.¹

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

44 "Service provider" or "provider" means a provider of
45 employment and training services including but not limited to a
46 private or public school or institution of higher education, a
47 business, a labor organization or a community-based organization.

48 1"Total revenues dedicated to the program during any one
49 fiscal year" means all moneys received for the fund during any
50 fiscal year, including moneys withdrawn from the State disability
51 benefits fund pursuant to section 3 of P.L. , c. (C.)(now
52 pending before the Legislature as Assembly Bill, No. 1403), minus
53 any repayment made during that fiscal year from the fund to the
54 State disability benefits fund pursuant to that section.¹

1 "Training grant" means a grant provided to fund vocational
2 training and any needed remedial education for a qualified
3 displaced ¹or disadvantaged¹ worker pursuant to section 6 of this
4 act.

5 "Vocational training" means training or education which is
6 ¹[for a particular] related to an¹ occupation and is designed to
7 enhance the marketable skills and earning power of a worker or
8 job seeker.

9 4. (New section) a. The Workforce Development Partnership
10 Program is hereby established in the Department of Labor and
11 shall be administered by the Commissioner of Labor. The purpose
12 of the program is to provide qualified displaced ¹, disadvantaged¹
13 and employed workers with the employment and training services
14 most likely to provide the greatest opportunity for long-range
15 career advancement with high levels of productivity and earning
16 power. To implement that purpose, the program shall provide
17 those services by means of training grants or customized training
18 services, to the extent that funding for the services is not
19 available from federal or other sources. The commissioner is
20 authorized to expend moneys from the Workforce Development
21 Partnership Fund to provide the training grants or customized
22 training services and provide for each of the following:

23 (1) The cost of counseling required pursuant to section 7 of
24 this act, to the extent that ¹adequate¹ funding for counseling is
25 not available from federal or other sources;

26 (2) Reasonable administrative costs not to exceed 10% of the
27 ¹[total]¹ revenues ¹[dedicated to the program] collected pursuant
28 to section 2 of P.L. , c. (C.)(now pending before the
29 Legislature as Assembly Bill, No. 1403)¹ during any one fiscal
30 year, except for additional start-up administrative costs
31 approved by the Director of the Office of Management and
32 Budget during the first year of the program's operation ¹[, not
33 exceeding 5% of the total revenues for that year]¹ ;

34 (3) Reasonable costs, not exceeding ¹[\$175,000 per] 0.5% of
35 the revenues collected pursuant to section 2 of P.L. of P.L. ,
36 c. (C.)(now pending before the Legislature as Assembly Bill,
37 No. 1403) during any one fiscal¹ year, as required by the State
38 Employment and Training Commission to design criteria and
39 conduct an annual evaluation of the program; and

40 (4) The cost of reimbursement to individuals for excess
41 contributions pursuant to section 6 of P.L. , c. (C.)(now
42 pending before the Legislature as Assembly, No.1403).

43 b. Not more than ¹[5%] 10%¹ of the moneys received by any
44 service provider pursuant to this act shall be expended on
45 anything other than direct costs to the provider of providing the
46 employment and training services, which ¹direct costs¹ shall not
47 include any administrative or overhead expense of the provider.

48 c. Training and employment services shall be provided to a
49 worker ¹who receives counseling¹ pursuant to ¹section 7 of¹ this
50 act only if the counselor who evaluates the worker pursuant to
51 that section ¹[7 of this act]¹ determines that the worker can
52 reasonably be expected to successfully complete the training and
53 education identified in the Employability Development Plan
54 developed pursuant to that section for the worker.

1 d. All vocational training provided under this act:

2 (1) Shall be training which is likely to substantially enhance
3 the individual's marketable skills and earning power; and

4 (2) Shall be training for a labor demand occupation, except for
5 ¹[customized] :

6 (a) Customized¹ training provided to the present employees of
7 a business which the commissioner deems to be in need of the
8 training to prevent job loss caused by obsolete skills,
9 technological change or national or global competition ¹; or

10 (b) Customized training provided to employees at a facility
11 which is being relocated from another state into New Jersey¹.

12 e. Not less than 30% of ¹[the qualified employed and displaced
13 workers receiving funding for employment and training services
14 by means of training grants and customized services combined
15 during any one fiscal year shall be] the total revenues dedicated
16 to the program during any one fiscal year shall be reserved to
17 provide employment and training services for¹ qualified displaced
18 workers. ¹8% of the total revenues dedicated to the program
19 during any one fiscal year shall be reserved to provide
20 employment and training services for qualified disadvantaged
21 workers.¹ Not less than 3% of the total revenues dedicated to
22 the program during any one fiscal year shall be reserved for
23 occupational safety and health training.

24 f. Funds available under the program shall not be used for
25 activities which induce, encourage or assist: any displacement of
26 currently employed workers by trainees, including partial
27 displacement by means such as reduced hours of currently
28 employed workers; any replacement of laid off workers by
29 trainees; or any relocation of operations resulting in a loss of
30 employment at a previous workplace ¹located in the State¹.

31 g. On-the-job training shall not be funded by the program for
32 any employment found by the commissioner to be of a level of
33 skill and complexity too low to merit training. The duration of
34 on-the-job training funded by the program for any worker shall
35 not exceed the duration indicated by the Specific Vocational
36 Preparation Code developed by the United States Department of
37 Labor for the occupation for which the training is provided and
38 shall in no case exceed 26 weeks. The department shall set the
39 duration of on the job training for a worker for less than the
40 indicated maximum, when training for the maximum duration is
41 not warranted because of the level of the individual's previous
42 training, education or work experience. On-the-job training shall
43 not be funded by the program unless it is accompanied,
44 concurrently or otherwise, by ¹[an] whatever¹ amount of
45 classroom-based vocational training, remedial education or both,
46 ¹is¹ deemed ¹[significant] appropriate for the worker¹ by the
47 commissioner.

48 h. Employment and training services funded by the program
49 shall not replace, supplant, compete with or duplicate in any way
50 ¹[already existing,]¹ approved apprenticeship programs.

51 ¹i. No activities funded by the program shall impair existing
52 contracts for services or collective bargaining agreements,
53 except that activities which would be inconsistent with the terms
54 of a collective bargaining agreement may be undertaken with the

1 written concurrence of the collective bargaining unit and
2 employer who are parties to the agreement.¹

3 5. (New section) a. There is hereby established, as part of the
4 Workforce Development Partnership Program, the Office of
5 Customized Training. Moneys allocated to the office from the
6 fund shall be used to provide employment and training services to
7 eligible applicants approved by the ¹[office] commissioner¹.

8 b. An applicant shall ¹[not]¹ be eligible for customized
9 training services ¹[unless] if¹ it is one of the following:

10 (1) An individual employer that seeks the customized training
11 services to create, upgrade or retain jobs in a labor demand
12 occupation;

13 (2) An individual employer that seeks customized training
14 services to upgrade or retain jobs in an occupation which is not a
15 labor demand occupation, if the ¹[office] commissioner¹
16 determines that the services are necessary to prevent the likely
17 loss of the jobs or that the services are being provided to
18 employees at a facility which is being relocated from another
19 state into New Jersey¹;

20 (3) An employer organization, labor organization or
21 community-based organization seeking the customized training
22 services to provide training in labor demand occupations in a
23 particular industry; ¹or

24 (4) A consortium made up of one or more educational
25 institutions and one or more eligible individual employers or
26 labor, employer or community-based organizations that seeks the
27 customized training services to provide training in labor demand
28 occupations in a particular industry.¹

29 c. Each applicant seeking customized training services shall
30 submit an application to the ¹[office] commissioner¹ in a form
31 and manner prescribed in regulations adopted by the ¹[office]
32 commissioner¹. The application shall be accompanied by a
33 business plan of each employer which will receive customized
34 training services if the application is approved. The business plan
35 shall include:

36 (1) A ¹[history of all relevant prior training and education
37 services provided or paid for by the employer which demonstrates
38 that the customized training services sought:

39 (a) Are different from, and in addition to, those services
40 previously provided or paid for by the employer;

41 (b) Will be provided to workers who have not previously
42 received the services from the employer; and

43 (c) Will not be provided unless funded] justification of the need
44 for the services and funding from the office, including
45 information sufficient to demonstrate to the satisfaction of the
46 commissioner that the applicant will provide significantly less of
47 the services if the requested funding is not provided¹ by the
48 office;

49 (2) A comprehensive long-term human-resource development
50 plan which:

51 (a) Extends significantly beyond the period of time in which
52 the services are funded by the office; and

53 (b) Significantly enhances the productivity and
54 competitiveness of the employer operations located in the State

1 and the employment security of workers employed by the
2 employer in the State;

3 (3) Evidence, if the training sought is for an occupation which
4 is not a labor demand occupation, that the customized training
5 services are needed to prevent job loss caused by obsolete skills,
6 technological change or national or global competition ¹or that
7 the services are being provided to employees at a facility which
8 is being relocated from another state into New Jersey¹; ¹[and]¹

9 (4) ¹Information demonstrating that most of the individuals
10 receiving the services will be trained primarily for work in the
11 direct production of goods or services; and

12 (5)¹ Any other information which the commissioner deems
13 appropriate.

14 The ¹[office] commissioner¹ may provide whatever assistance
15 ¹[it] he¹ deems appropriate in the preparation of the application
16 and business plan, ¹[including] which may include¹ labor market
17 information, projections of occupational demand and information
18 and advice on alternative training and education strategies.

19 d. Each employer that receives customized training services
20 shall contribute a minimum of 40% of the total cost of the
21 customized training services ¹[. The] , except that the¹
22 commissioner shall set ¹[standards specifying]¹ a higher ¹or
23 lower¹ minimum contribution by an employer, if warranted by the
24 size and economic resources of the employer or other factors
25 deemed appropriate by the commissioner.

26 e. Each employer receiving customized training services shall
27 hire or retain in permanent employment each worker who
28 successfully completes the training and education provided under
29 the customized training. The employer shall be entitled to select
30 the qualified employed ¹, disadvantaged¹ or displaced workers
31 who will participate in the customized training, except that if
32 any collective bargaining unit represents a qualified employed
33 worker, the selection shall be conducted in a manner acceptable
34 to both the employer and the collective bargaining unit. The
35 commissioner ¹[may] shall¹ provide for the withholding, for a
36 time period he deems appropriate, of whatever portion he deems
37 appropriate of program funding as a final payment for customized
38 training services, contingent upon the hiring and retention of a
39 program completer as required pursuant to this section.

40 f. The customized training services provided to an approved
41 applicant may include any combination of employment and
42 training services or any single employment and training service
43 approved by the ¹[office] commissioner¹, including remedial
44 education provided to upgrade workplace literacy. Each service
45 may be provided by a separate approved service provider.

46 g. Customized training services shall include any remedial
47 education determined necessary ¹[by a counselor]¹ pursuant to
48 section 7 of this act. Applications for customized training
49 services shall include estimates of the total need for remedial
50 education determined in a manner deemed appropriate by the
51 ¹[office] commissioner¹.

52 h. Any business seeking customized training services shall, in
53 the manner prescribed by the ¹[office] commissioner¹,
54 participate in the development of a plan to provide the services.

1 Any business seeking customized training services for workers
2 represented by a collective bargaining unit shall notify the
3 collective bargaining unit and permit it to participate in
4 developing the plan. No customized training services shall be
5 provided to a business employing workers represented by a
6 collective bargaining unit without the written consent of both the
7 business and the collective bargaining unit.

8 i. Any business receiving customized training services shall be
9 responsible for providing workers' compensation coverage for any
10 worker participating in the customized training.

11 6. (New section) The Workforce Development Partnership
12 Program shall, to the extent that resources available in the fund
13 permit, provide, for each qualified displaced ¹or disadvantaged¹
14 worker who undergoes counseling pursuant to section 7 of this
15 act, a training grant to pay for employment and training services
16 which are identified in the Employability Development Plan
17 developed pursuant to that section for that worker. No training
18 grant made during the first 12 months following July 1, 1992 shall
19 exceed the amount deemed reasonable by the commissioner for
20 the particular training, which amount shall not exceed \$4,000 ¹[if
21 the plan does not include remedial education or \$5,000 if it does
22 include] , except that the commissioner may permit an additional
23 amount, if he deems it necessary to provide¹ remedial education
24 ¹identified in the Employability Development Plan¹.

25 The maximum amounts permitted for training grants may be
26 adjusted annually thereafter by the commissioner, taking into
27 consideration changes in the prevailing costs of services and the
28 availability of alternative sources of funding for the services.
29 Any cost for employment and training services which exceeds the
30 amount of a training grant shall be the responsibility of the
31 worker receiving the grant. The cost of counseling provided
32 pursuant to section 7 of this act shall not be charged against the
33 training grant. No portion of a training grant may be expended
34 on wage subsidies.

35 If the requirements of this section and sections 4 and 7 of this
36 act are met, a qualified displaced ¹or disadvantaged¹ worker
37 shall not be denied a training grant for any of the following
38 reasons: the training includes remedial education needed by the
39 worker to succeed in the vocational component of the training;
40 the training is part of a program under which the worker may
41 obtain any college degree enhancing the worker's marketable
42 skills and earning power; the length of the training period under
43 the program; or the lack of a prior guarantee of employment upon
44 completion of the training.

45 7. (New section) Counseling shall be made available by the
46 department to each qualified displaced ¹or disadvantaged¹
47 worker applying to participate in the program ¹[and] . Counseling
48 may also be made available¹ to ¹[each] a¹ qualified employed
49 worker selected to participate in a customized training program,
50 ¹[unless] if¹ the worker's employer ¹[chooses to provide]
51 requests¹ the counseling. ¹[If the applicant is a qualified
52 displaced worker or a qualified employed worker whose employer
53 does not provide the counseling, the] The¹ department may itself
54 provide the counseling or obtain the counseling from a service

1 provider, if the service provider is different from and not
2 affiliated with any service provider ¹[providing] offering¹ any
3 employment and training services to the worker other than the
4 counseling ¹, except that the department may obtain testing and
5 assessment services provided pursuant to subsection a. of this
6 section from a provider which also offers employment and
7 training services to the worker other than the counseling¹. The
8 purpose of any counseling made available pursuant to this section
9 is to assist each worker in obtaining the employment and training
10 services most likely to provide the worker with the greatest
11 opportunity for long-range career advancement with high levels
12 of productivity and earning power. Whether provided by the
13 department ¹[, the employer]¹ or a service provider, the
14 counseling shall include:

15 a. Testing and assessment of the worker's job skills and
16 aptitudes, including the worker's literacy skills and other basic
17 skills. Basic skills testing and assessment shall be provided to the
18 worker unless information is provided regarding the worker's
19 educational background and occupational or professional
20 experience which clearly demonstrates that the worker's basic
21 skill level meets the standards established pursuant to section 14
22 of P.L.1989, c.293 (C.34:15C-11) or unless the worker is already
23 participating in a remedial education program which meets those
24 standards;

25 b. An evaluation by a qualified job counselor of what remedial
26 education, if any, is determined to be necessary for the worker to
27 succeed in any particular vocational training which the worker
28 would undertake under the program, provided that the remedial
29 education shall be at a level not lower than that needed to meet
30 the standards established pursuant to section 14 of P.L.1989,
31 c.293 (C.34:15C-11);

32 c. The provision of information to the worker ¹[, unless the
33 worker is a qualified employed worker seeking customized
34 training services,]¹ regarding any of the labor demand
35 occupations for which training meets the requirements of section
36 4 of this act in the worker's case, including the information
37 about the wage levels in those occupations which is available to
38 the department and any information available to the department
39 regarding the effectiveness of approved service providers of
40 vocational training in occupations which the worker is considering;

41 d. The provision of information to the worker ¹[, unless the
42 worker is a qualified employed worker seeking customized
43 training services,]¹ regarding the services and benefits available
44 to the worker under the provisions of this act and P.L. , c.
45 (C.)(now pending before the Legislature as Assembly Bill,
46 No.1406); and

47 e. Discussion with the counselor of the results of the testing
48 and evaluation and, based on those results, the development of a
49 written Employability Development Plan identifying the training
50 and employment services, including any needed remedial
51 education, to be provided to the worker pursuant to this act.

52 ¹Counseling made available at the request of an employer
53 participating in a customized training program may include only
54 those components requested by the employer.¹

1 All information regarding a worker applicant or trainee which
2 is obtained or compiled in connection with the testing,
3 assessment and evaluation and which may be identified with the
4 worker shall be confidential and shall be released to an entity
5 other than the worker ¹, the counselor¹ or the department only if
6 the worker provides written permission to the department for the
7 release of the information or the information is used solely for
8 program evaluation.

9 8. (New section) a. No employment and training services shall
10 be obtained from a service provider with moneys from the fund
11 unless the provider is located in New Jersey and is approved,
12 pursuant to the procedures and criteria established by the State
13 Employment and Training Commission pursuant to section 13 of
14 this act, by:

15 (1) ¹[The commissioner, in the case of counseling and
16 vocational training;

17 (2)]¹ The commissioner in consultation with the Department of
18 Education and the Department of Higher Education, in the case
19 of ¹counseling, vocational training or¹ remedial education; ¹[and]
20 or¹

21 ¹[(3)] (2)¹ The commissioner in consultation with the
22 Department of Health, in the case of occupational safety and
23 health training.

24 b. No service provider shall be approved to be funded by the
25 program to provide an employment and training service unless the
26 provider agrees to provide the service to each trainee referred to
27 it on a first-come, first-served basis, up to the total number of
28 trainees that the provider agrees to serve. ¹This subsection shall
29 not be construed as limiting or curtailing in any way an
30 employer's right to select the workers who participate in
31 customized training pursuant to the provisions of subsection e. of
32 section 5 of this act.¹

33 c. Each service provider shall make appropriate records
34 available upon request for monitoring ¹or¹ inspection by the
35 commissioner, including:

36 (1) A record for each student enrolled, including the student's
37 name and Social Security number;

38 (2) A record of all administrative and overhead expenses of the
39 provider ¹related to the providing of employment and training
40 services funded by the program¹ and the provider's direct
41 expenses of providing ¹[employment and training] the¹ services
42 ¹[funded by the program]¹; and

43 (3) Any other information deemed appropriate by the State
44 Employment and Training Commission for evaluation purposes.

45 d. In the case of ¹[providers] a provider¹ of vocational training
46 services, the commissioner shall collect the information needed
47 to ¹[conduct long-term follow up surveys of former trainees, to]
48 effectively¹ measure the ¹long-term¹ success of the former
49 trainees ¹of the provider¹ in obtaining permanent employment
50 and increasing earnings over a period of not less than two years
51 following the completion of training¹[, compared] . The
52 commission shall set such standards as it deems appropriate
53 regarding comparisons of the former trainees¹ with ¹[control]¹
54 groups ¹of otherwise similar individuals who did not receive the

1 training¹. The commissioner shall use the information obtained
2 ¹[in the follow-up surveys] pursuant to this subsection¹ to:

3 (1) Assist in evaluating the performance of providers of
4 vocational training services;

5 (2) Assist in determining which providers of vocational training
6 services to approve pursuant to subsection a. of this section;
7 ¹[and]¹

8 (3) ¹[Provide] Assist in providing¹ reliable information
9 regarding the quality of available providers of vocational training
10 services as part of the counseling provided pursuant to section 7
11 of this act ¹; and

12 (4) Assist in evaluating the overall effectiveness of training
13 funded by the program¹ .

14 ¹[e. If a service provider seeks approval, pursuant to this
15 section, approval to provide vocational training services, and also
16 seeks, pursuant to section 6 of P.L. , c. (C.)(now pending
17 before the Legislature as Assembly, No. 1407), to provide
18 vocational training services, the commissioner shall conduct a
19 consolidated process of surveying and reviewing the performance
20 of the provider and make a single approval determination.]¹

21 9. (New section) A restricted, nonlapsing, revolving Workforce
22 Development Partnership Fund, to be managed and invested by
23 the State Treasurer, is hereby established to: provide employment
24 and training services to qualified displaced ¹, disadvantaged¹ and
25 employed workers by means of training grants or customized
26 training services; and provide for the other costs indicated in
27 subsection a. of section 4 of this act. All appropriations to the
28 fund, all interest accumulated on balances in the fund and all
29 cash received for the fund from any other source shall be used
30 solely for the purposes specifically delineated by this act.

31 Beginning January 1, 1995, and for all subsequent calendar
32 years, the balance in the fund as of the previous December 31, as
33 determined in accordance with generally accepted accounting
34 principles, shall not exceed 1.5 times the amount of contributions
35 deposited for the calendar year then ended. If the balance
36 exceeds this amount, the excess shall be deposited into the
37 unemployment compensation fund within seven business days of
38 the date that the determination is made.

39 10. (New section) The Commissioner shall, in a manner which
40 complies with all provisions of this act:

41 a. Implement performance measurements for the program
42 consistent with the provisions of section 8 of this act and with
43 the criteria and procedures established by the State Employment
44 and Training Commission pursuant to section 13 of this act;

45 b. Establish minimum standards for consideration of proposals
46 from applicants for customized training services;

47 c. Establish review and approval procedures for training grant
48 applications from qualified displaced ¹and disadvantaged¹
49 workers; and

50 d. Ensure the provision of adequate fiscal accounting controls
51 for the monitoring and auditing of training grants and customized
52 training services provided pursuant to this act.

53 11. (New section) The commissioner shall, pursuant to the
54 "Administrative Procedure Act," P.L.1968, c.410 (C.52:14B-1 et

1 seq.), adopt rules and regulations necessary to govern the proper
2 conduct and operation of the program consistent with the
3 provisions of this act. These rules and regulations may include
4 guidelines in addition to, but not inconsistent with, those provided
5 by this act regarding:

6 a. Contracts between applicants for customized training
7 services, the program, service providers or any combination of
8 the three;

9 b. The issuance of training grants to qualified displaced ¹and
10 disadvantaged¹ workers;

11 c. Eligibility and priority of employment and training services
12 to employers and qualified displaced ¹, disadvantaged¹ and
13 employed workers; and

14 d. Qualifications of instruction, facilities, financial
15 responsibility, business practices, and any other matter essential
16 to the maintenance of the adequacy of employment and training
17 services.

18 12. (New section) The New Jersey Occupational Information
19 Coordinating Committee shall conduct, not less than once every
20 three years, and on a Statewide basis, a comprehensive survey of
21 occupations in the State comparing the total anticipated need for
22 trained workers in each occupation with the total number being
23 trained and designate as a labor demand occupation each
24 occupation which is likely to have a significant excess of demand
25 over supply for adequately trained workers during the subsequent
26 period of four or more years. The committee may utilize survey
27 data obtained by other agencies or from other sources to fulfill
28 its responsibilities under this section.

29 13. (New section) The State Employment and Training
30 Commission shall, in a manner which complies with all provisions
31 of this act and with the provisions of section 11 of P.L.1989,
32 c.293 (C.34:15C-8):

33 a. Establish criteria and procedures for the evaluation of
34 employment and training services funded pursuant to this act;

35 b. Establish criteria and procedures for the evaluation and
36 approval of service providers pursuant to section 8 of this act; and

37 c. Conduct an annual evaluation of the program and make an
38 annual report to the Governor and the Legislature regarding the
39 ¹[success] effectiveness¹ of the program in implementing the
40 purposes of this act during the previous State fiscal year. The
41 report shall include information regarding the effectiveness of
42 the program and of individual service providers in enhancing the
43 long-term productivity and earning power of trainees and in
44 placing the trainees in permanent employment. ¹The report
45 made by the commission pursuant to this subsection for the fiscal
46 year ending June 30, 1996 shall be provided to the Governor and
47 the Legislature not later than December 31, 1996 and shall
48 include an assessment of the appropriateness of continuing the
49 program and, if the commission determines that the program
50 should be continued, draft legislation to do so, which shall include
51 any modifications in this act deemed appropriate by the
52 commission.¹

53 14. Section 14 of P.L.1989, c.293 (C.34:15C-11) is amended to
54 read as follows:

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

25 b. The commission shall have the responsibility, jointly with
26 the Department of Education, the Department of Labor and the
27 Department of Higher Education, to: (1) establish standards
28 regarding the minimum levels of remedial education which shall
29 be made available to a trainee under any employment and
30 training program, including any program funded or established
31 pursuant to P.L.1983, c.328 (C.34:15B-11 et seq.), P.L.1987, c.71
32 (C.34:15B-27 et al.), the "1992 New Jersey Employment and
33 Workforce Development Act," P.L. , c. (C.)(now pending
34 before the Legislature as this bill), the "Job Training Partnership
35 Act," Pub.L.97-300 (29 U.S.C. §1501 et seq.), or Title VI of the
36 "Omnibus Trade and Competitiveness Act of 1988,"
37 Pub.L.100-418 (20 U.S.C. §5001 et al.); and (2) coordinate the
38 development of appropriate intake and assessment instruments
39 and procedures for the assessment of persons seeking access to
40 employment and training programs. The remedial education
41 standards shall take into account the differing needs and
42 characteristics of the various target populations which the
43 programs serve. The remedial education standards shall be based
44 on evaluations of the minimum levels of basic skills needed to
45 succeed in particular types of vocational training offered under
46 the programs and any additional improvements in basic skills
47 needed by individuals of each target population to successfully
48 adapt to the State's changing economy. The standard for the
49 minimum level of remedial education which shall be made
50 available to an individual receiving the vocational training for a
51 particular occupation shall not be less than the level necessary to
52 attain the minimum basic skill levels indicated as needed for that
53 occupation in the Dictionary of Occupational Titles issued by the
54 United State Department of Labor. The commission, the

1 Department of Education, the Department of Labor and the
2 Department of Higher Education, may jointly set this standard at
3 a higher level, but if they do not, the level indicated by the
4 Dictionary of Occupational Titles shall be regarded as the
5 established standards.

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

7 15. ¹P.L.1962, c.38 (C.34:15A-1 et seq.), P.L.1968, c.137
8 (C.34:15B-1 et seq.), P.L.1968, c.140 (C.34:15B-5 et seq.),¹
9 P.L.1977, c.461, ¹[sections 7, 10 and 11 of]¹ P.L.1983, c.328
10 ¹[(C.34:15B-17, 34:15B-20 and 34:15B-21)] (C.34:15B-11 et
11 seq.)¹, and ¹[sections 12, 13, 14 and 15 of]¹ P.L.1987, c.71
12 ¹[(C.34:15B-30, 34:15B-31, 34:15B-32 and 34:15B-33)]
13 (C.34:15B-27 et seq.)¹ are repealed.

14 16. This act shall take effect immediately ¹and sections 1
15 through 13 of this act shall expire on December 31, 1997¹.

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20 "1992 New Jersey Employment and Workforce Development
21 Act;" creates Workforce Development Partnership Program.

1 Department of Higher Education, may jointly set this standard at
2 a higher level, but if they do not, the level indicated by the
3 Dictionary of Occupational Titles shall be regarded as the
4 established standards.

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

6 15. P.L.1977, c.461, sections 7, 10 and 11 of P.L.1983, c.328
7 (C.34:15B-17, 34:15B-20 and 34:15B-21), and sections 12, 13, 14
8 and 15 of P.L.1987, c.71 (C.34:15B-30, 34:15B-31, 34:15B-32 and
9 34:15B-33) are repealed.

10 16. This act shall take effect immediately.

11 12 13 STATEMENT 14

15 This bill establishes a Workforce Development Partnership
16 Program, the purpose of which is to provide currently employed
17 and recently displaced workers with the employment and training
18 services most likely to provide them the greatest opportunity for
19 long-range career advancement with high levels of productivity
20 and earning power. The bill provides that the program will
21 provide those services by means of training grants to individual
22 displaced workers or customized training services tailored to the
23 needs of employers. The program is authorized to expend funds
24 from the Workforce Development Partnership Fund established by
25 the bill to provide:

26 1. The training grants or customized training services;

27 2. The cost of counseling and evaluation for prospective
28 trainees;

29 3. Program administrative costs not to exceed 10% of the
30 funds dedicated to the program, except for additional start-up
31 administrative costs for the first year of program operation not
32 to exceed 5% of the revenues; and

33 4. Reasonable costs, not exceeding \$175,000 per year, for the
34 State Employment and Training Commission to design criteria
35 and conduct an annual evaluation of the program.

36 Entities that contract with the program to provide employment
37 and training services are required to be approved pursuant to
38 standards adopted by the State Employment and Training
39 Commission and are prohibited from expending more than 5% of
40 funds from the program for their administrative or overhead
41 costs.

42 The bill requires that all vocational training provided by the
43 program is training which is likely to substantially enhance the
44 individual's marketable skills and earning power, and is training
45 for a labor demand occupation, except for customized training
46 needed to prevent job loss. The bill requires that not less than
47 30% of the trainees be unemployed workers and that not less than
48 3% of program funds be reserved for occupational safety and
49 health training.

50 The bill prohibits the use of program funds to encourage or
51 assist any displacement of currently employed workers by
52 trainees, or any relocation resulting in a loss of employment at a
53 previous workplace. Also prohibited is the use of program
54 training to replace or duplicate approved existing apprenticeship

1 programs.

2 Standards are set regarding on-the-job training to ensure that
3 it be accompanied with appropriate classroom-based training,
4 provided only for jobs with an appropriate level of skill and
5 complexity, and for a duration appropriate to the skill levels of
6 the job and the trainee.

7 The bill requires that counseling be made available to any
8 individual who is a prospective trainee including:

- 9 1. Testing and assessment of the individual's job skills;
- 10 2. An evaluation of any remedial education needed for the
11 individual's success in training;
- 12 3. The provision of relevant information regarding labor
13 market conditions, providers of vocational training services and
14 services available from other programs;
- 15 4. The development of a written Employability Development
16 Plan identifying the training and employment services, including
17 any needed remedial education, to be provided to the individual.

18 The bill codifies, as part of the program, the establishment of
19 the existing Office of Customized Training. The office is
20 directed to provide funding for employment and training services
21 approved by the office to meet the needs of individual businesses
22 and industries. Individual businesses or employer, labor or
23 community-based organizations may apply for customized
24 training services. Each application is required to be accompanied
25 by a business plan which documents that the customized training
26 will not duplicate prior training efforts of an employer and is part
27 of a comprehensive long-term human-resource development plan
28 to enhance productivity, competitiveness and employment
29 security.

30 Employers are required to provide a matching contribution of
31 at least 40% of the total cost of the customized training services
32 and to hire or retain each worker who successfully completes the
33 training. The employer may select the trainees in a manner
34 mutually acceptable to both the employer and any collective
35 bargaining unit representing the trainees.

36 Businesses seeking customized training are required to
37 participate in planning the training, together with any collective
38 bargaining unit representing the trainees, and mutual agreement
39 regarding the training is required between them for the approval
40 of funding.

41 The bill provides, to the extent funds permit, for a training
42 grant for each eligible displaced worker to pay for employment
43 and training services included in the worker's Employability
44 Development Plan. Training grants made during the year
45 following July 1, 1992 are limited to \$4,000 each for plans
46 without remedial education or \$5,000 for plans with the
47 education. The maximum amounts are to be adjusted in
48 subsequent years. The trainee is responsible for service costs
49 exceeding the amount of grant.

50 The bill repeals previous sections of law concerning customized
51 training.

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3 "1992 New Jersey Employment and Workforce Development

4 Act;" creates Workforce Development Partnership Program.

ASSEMBLY LABOR COMMITTEE

STATEMENT TO

ASSEMBLY, No. 1402

with Assembly committee amendments

STATE OF NEW JERSEY

DATED: JUNE 10, 1992

The Assembly Labor Committee reports favorably Assembly Bill No. 1402 with committee amendments.

As amended by the committee, this bill establishes a Workforce Development Partnership Program, the main purpose of which is to provide currently employed and recently displaced workers with the employment and training services most likely to provide them the greatest opportunity for long-range career advancement with high levels of productivity and earning power. The bill provides that the program will provide those services by means of training grants to individual displaced workers or customized training services tailored to the needs of employers. The current funding level for the training of economically disadvantaged individuals is also sustained by the bill as amended.

As amended, the bill authorizes the program to expend funds from the Workforce Development Partnership Fund established by the bill to provide: the training grants or customized training services; the cost of counseling and evaluation for prospective trainees; and program administrative and evaluation costs not to exceed 10.5% of the funds dedicated to the program.

Entities that contract with the program to provide employment and training services are required to be approved pursuant to standards adopted by the State Employment and Training Commission. As amended, the bill prohibits those entities from expending more than 10% of funds from the program for their administrative, overhead, or other costs which are not direct costs of providing the services.

The bill requires that all vocational training provided by the program is training which is likely to substantially enhance the individual's marketable skills and earning power, and is training for a labor demand occupation, except for customized training needed to prevent the loss of existing jobs or customized training in connection with the relocation of a plant from out of State. As amended, the bill requires that not less than 30% of program funds be reserved for training laid off workers, that not less than 8% of the funds be reserved for training other economically disadvantaged individuals and that not less than 3% be reserved for occupational safety and health training.

As amended, the bill prohibits the use of program funds to encourage or assist any displacement of currently employed workers by trainees, or any relocation resulting in a loss of employment at a previous New Jersey workplace. Also prohibited is the use of program training to replace or duplicate approved existing apprenticeship programs.

Standards are set regarding on-the-job training to ensure that it be accompanied with appropriate classroom-based training.

provided only for jobs with an appropriate level of skill and complexity, and for a duration appropriate to the skill levels of the job and the trainee.

As amended, the bill requires that counseling be made available to any prospective trainee, except for a current employee of a business participating in customized training. The required counseling includes: testing and assessment of the trainee's job skills, including basic literacy skills; an evaluation of any needed remedial education; the provision of information about labor market conditions and training services providers; and the development of a written Employability Development Plan identifying the training and employment services to be provided to the trainee.

The bill codifies, as part of the program, the establishment of the existing Office of Customized Training. The office is directed to provide funding for employment and training services to meet the needs of individual businesses and industries. As amended, the bill provides eligibility for customized training services to individual businesses, employer, labor or community-based organizations or consortiums of any of those groups combined with educational institutions.

As amended, the bill requires each application to be accompanied by a business plan which shows that:

1. The business will provide significantly less training without the requested funding;
2. The training is part of a comprehensive long-term human-resource development plan to enhance productivity, competitiveness and employment security; and
3. Most of the training will be for work primarily in the direct production of goods or services.

As amended, the bill requires employers to provide a matching contribution of 40% of the total cost of the customized training services, except that the commissioner may increase or decrease the contribution if warranted. The employers are required to hire or retain each worker who successfully completes the training.

As amended, the bill provides, to the extent funds permit, for a training grant for each eligible displaced worker to pay for employment and training services included in the worker's Employability Development Plan. Training grants made during the year following July 1, 1992 are limited to \$4,000 each, except that more may be provided as needed for remediation. The maximum amount is to be adjusted in subsequent years.

As amended, the bill repeals the law which established the existing New Jersey Jobs Training Program, P.L.1983, c.328, (C.34:15B-11 et seq.), eliminating the program, and repeals all other existing sections of law concerning customized training. That program provided job-training for a variety of economically disadvantaged individuals, including the long-term unemployed and welfare recipients. The allocation by the bill of 8% of program funds for the economically disadvantaged is therefore, in effect, a "hold harmless" provision which sustains existing funding for training for that group, while permitting a reduction of \$3.9 million in expenditures from the general fund.

As amended, the bill provides that the bill's provisions will expire on December 31, 1997 and that the State Employment and Training Commission will, no later than December 31, 1996, provide

the Governor and the Legislature with an evaluation of the program and recommendations regarding continuing the program after the expiration date.

The committee amendments:

1. Entirely repeal the law which established the existing New Jersey Jobs Training Program, thus eliminating that program, which provided job-training for economically disadvantaged individuals, including the long-term unemployed and welfare recipients. The amendments also include a "hold harmless" provision, which allocates moneys from the Workforce Development Partnership Program to sustain current levels of funding for job training for the economically disadvantaged.

2. Provide for the expiration of the bill and the evaluation of the program by the State Employment and Training Commission.

3. Prohibit program-funded activities from impairing a collective bargaining agreement without the mutual consent of all parties to the agreement.

4. Permit applications for customized training services from consortiums made up of educational institutions and individual employers or labor, employer or community-based organizations.

5. Delete the unamended bill's requirement that a business applying for customized training demonstrate that the prospective trainees and the training are entirely different than in all training previously provided by the business. Instead, the amendments require that the business provide justification of the need for the services and funding from the office, showing that the applicant will provide significantly less training if the requested funding is not provided by the program. The amendments also require the applicant to show that most of the trainees will be trained primarily for work in the direct production of goods or services.

6. Modify the requirement that each employer who receives customized training services contribute a minimum of 40% of the cost of the services, by permitting the Commissioner of Labor to set a lower minimum contribution when warranted.

7. Eliminate the provision that the Commissioner of Labor may permit a training grant of up to \$5,000 for a trainee who is also undergoing remedial education, instead permitting the commissioner to determine whatever amount may be included for remediation.

8. Delete the requirement that counseling be provided for currently employed workers in customized training programs, but instead permit the counseling to be at the option of the employer.

9. Delete the requirement that training funds not be used in a way that will encourage or aid the relocation of facilities from out of State, and permit, in facilities which have been relocated from out of State, the funding of customized training for employees in occupations that are not labor demand occupations.

10. Change the annual administrative costs of the State Employment and Training Commission from \$175,000 to 0.5% of revenues, omit the 5% limit on Department of Labor administrative start-up costs during the first year of the program, increase the portion of training funds which may be expended by a training service provider on administration, overhead and related costs from 5% to 10%.

ASSEMBLY APPROPRIATIONS COMMITTEE

STATEMENT TO

[FIRST REPRINT]

ASSEMBLY, No. 1402

STATE OF NEW JERSEY

DATED: JUNE 15, 1992

The Assembly Appropriations Committee reports favorably Assembly Bill No. 1402 (1R).

Assembly Bill No. 1402 (1R) establishes a Workforce Development Partnership Program, with the main purpose of providing currently employed and recently displaced workers with the employment and training services most likely to provide them the greatest opportunity for long-range career advancement with high levels of productivity and earning power. The current funding level for the training of economically disadvantaged individuals is also sustained by the bill.

The program is authorized to expend funds from the Workforce Development Partnership Fund established by the bill to provide: training grants to individual displaced workers or customized training services tailored to the needs of employers; the cost of counseling and evaluation for prospective trainees; and program administrative and evaluation costs not to exceed 10.5% of the funds dedicated to the program.

Contractors providing program employment and training services must be approved pursuant to standards adopted by the State Employment and Training Commission. Contractors may not expend more than 10% of funds from the program for their administrative, overhead, or other costs which are not direct costs of providing the services.

All vocational training provided by the program must be likely to substantially enhance the individual's marketable skills and earning power, training for a labor demand occupation (except for customized training needed to prevent the loss of existing jobs or in connection with the relocation of a plant from out of State). Not less than 30% of program funds must be reserved for training laid-off workers, not less than 8% of the funds must be reserved for training other economically disadvantaged individuals and not less than 3% must be reserved for occupational safety and health training.

The bill prohibits the use of program funds to encourage or assist any displacement of currently employed workers, any relocations resulting in a loss of employment at a previous New Jersey workplace, or training used to replace or duplicate approved existing apprenticeship programs. Standards are set regarding on-the-job training to ensure it is appropriate to the jobs and the trainee. Counseling, including assessment of job skills, literacy skills, remedial education, labor market information, and a written services plan, must be made available to any prospective trainee, except for a current employee of a business participating in

customized training.

The bill codifies the existing Office of Customized Training, which provides funding for employment and training services to meet the needs of individual businesses, employer, labor or community-based organizations or consortiums of any of those groups combined with educational institutions. An applicant must provide a business plan which shows that: the business will provide significantly less training without the requested funding; the training is part of a comprehensive long-term human-resource development plan; and most of the training will be for work primarily in the direct production of goods or services. Employers are required to provide a matching contribution of 40% of the total cost of the customized training services, except as otherwise warranted. The employers are required to hire or retain each worker who successfully completes the training.

The bill provides, to the extent funds permit, for a training grant for each eligible displaced worker to pay for employment and training services included in the worker's Employability Development Plan. Training grants are limited to \$4,000, adjusted annually, except as more may be needed for remediation.

The bill's provisions will expire on December 31, 1997. The State Employment and Training Commission will, no later than December 31, 1996, provide the Governor and the Legislature with an evaluation of the program and recommendations regarding continuing the program after the expiration date.

FISCAL IMPACT:

The bill repeals all existing sections of law concerning customized training, including the law that established the existing New Jersey Jobs Training Program, P.L.1983, c.328, (C.34:15B-11 et seq.), eliminating the program that provided job-training for a variety of economically disadvantaged individuals, including the long-term unemployed and welfare recipients. The allocation by the bill of 8% of program funds for the economically disadvantaged is therefore, in effect, a "hold harmless" provision which sustains existing funding for training for that group. The program would instead be funded from the Workforce Development Partnership Fund established pursuant to the act now pending before the Legislature as Assembly Bill No. 1403 (1R) of 1992, which would be supported by reduction of current unemployment insurance taxes and the simultaneous levy of a new payroll tax of an identical amount, permitting a reduction of \$3.9 million in expenditures from the general fund.

LEGISLATIVE FISCAL ESTIMATE TO

[FIRST REPRINT]

ASSEMBLY, No. 1402

STATE OF NEW JERSEY

DATED: June 24, 1992

Assembly Bill No. 1402 [1R] of 1992 establishes a Workforce Development Partnership Program, the main purpose of which is to provide employed and unemployed workers with employment and training services. The bill provides that the program will provide those services by means of training grants to individuals or customized training services for employers.

The bill repeals the law which established the existing New Jersey jobs training program, P.L.1983, c.328, (C.34:15B-11 et seq.), eliminating the program, and repeals all other existing sections of law concerning customized training. That program provided job-training for a variety of economically disadvantaged individuals, including the long-term unemployed and welfare recipients. The allocation by the bill of 8 percent of Workforce Development Partnership Program funds for the economically disadvantaged is therefore, in effect, a "hold harmless" provision which sustains existing training for that group.

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 only fiscal impact of the bill on the State would be to eliminate the funding of existing job training programs from the General Fund by repealing the acts indicated above, thus permitting a reduction of \$3.9 million in General Fund expenditures without any adverse effect on those programs.

No General Fund expenditures would be made for the Workforce Development Partnership Program. The program would instead be funded from the Workforce Development Partnership Fund established by P.L.1992, c. (C.)(now pending before the Legislature as Assembly Bill No.1403 [1R] of 1992). That fund would be supported, at no net cost to employers or employees, by a reduction of current unemployment insurance payroll taxes and the simultaneous levying of a new payroll tax of an identical amount.

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
Contact:

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TRENTON, N.J. 08625

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.
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"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.