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[First Reprint]

**ASSEMBLY, No. 4325**

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**STATE OF NEW JERSEY**  
**213th LEGISLATURE**

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INTRODUCED DECEMBER 3, 2009

**Sponsored by:**

**Assemblywoman PAMELA R. LAMPITT**

**District 6 (Camden)**

**Assemblyman ALBERT COUTINHO**

**District 29 (Essex and Union)**

**Co-Sponsored by:**

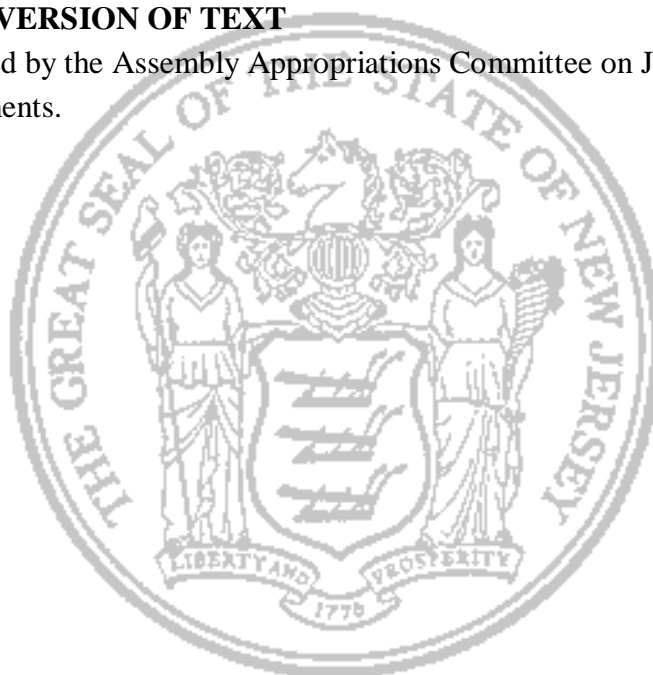
**Assemblyman Schaer, Senators Cunningham and Turner**

**SYNOPSIS**

“New Jersey Basic Skills Training Program for Economic Growth Act”

**CURRENT VERSION OF TEXT**

As reported by the Assembly Appropriations Committee on January 4, 2010,  
with amendments.



**(Sponsorship Updated As Of: 1/12/2010)**

1 AN ACT concerning a basic skills training program for economic  
2 growth, amending and supplementing P.L.2001, c.152 and  
3 amending P.L.2007, c.101.

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

7  
8 1. (New section) This act shall be known and may be cited as  
9 the “New Jersey Basic Skills Training Program for Economic  
10 Growth Act.”

11  
12 2. (New section) The Legislature finds and declares that:

13 a. A skilled workforce is one of the most critical issues to New  
14 Jersey businesses and the State’s economic competitiveness, and,  
15 unfortunately, the basic computer, mathematics, communications  
16 and English skills of many New Jersey workers is less than what  
17 employers require for success;

18 b. In 2007, a public-private partnership formed between the  
19 New Jersey Department of Labor and Workforce Development, the  
20 New Jersey Community College Consortium for Workforce and  
21 Economic Development, and the New Jersey Business and Industry  
22 Association to provide basic skills training with more flexibility to  
23 businesses throughout the State by means of a grant from the  
24 Supplemental Workforce Fund for Basic Skills;

25 c. During the first two years of this training program, 750  
26 employers sent almost 10,000 enrollees to be trained, significantly  
27 more than any other single New Jersey Department of Labor and  
28 Workforce Development grant program;

29 d. This program was successful in reaching so many more  
30 workers and businesses because of its flexibility, in not requiring  
31 employers to complete any paperwork or financial disclosure, not  
32 charging them for the training, other than requiring that they pay  
33 their employees while they are trained, and not requiring every  
34 class to have a minimum of ten employees from a single employer;

35 e. Credit for this flexibility and the program’s success should  
36 be given to Governor Jon S. Corzine, Commissioner David J.  
37 Socolow and the grant staff at the New Jersey Department of Labor  
38 and Workforce Development, because they understood that the  
39 focus of this grant should be on training as many workers as  
40 possible and not on fitting within previous grant structures and  
41 traditions, and without them, 750 businesses would not have been  
42 helped and 10,000 enrollees would not have been trained;

43 f. This program has been positive for all those involved: the  
44 employees receiving portable training and skills; the employers  
45 improving their workforce; the community colleges being optimally

**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:

<sup>1</sup>Assembly AAP committee amendments adopted January 4, 2010.

1 utilized to provide the most effective and efficient method of  
2 training; and the State positively contributing to workers,  
3 businesses and economic development with no new costs; and

4 g. Legislation is needed to ensure that the success of this  
5 program and the flexibilities afforded it by the Governor and  
6 commissioner are made permanent in the statutes.

7

8 3. Section 1 of P.L.2001, c.152 (C.34:15D-21) is amended to  
9 read as follows:

10 1. a. A restricted, nonlapsing, revolving "Supplemental  
11 Workforce Fund for Basic Skills," to be managed and invested by  
12 the State Treasurer, is hereby established in the Department of  
13 Labor and Workforce Development to provide basic skills training.  
14 All moneys appropriated to the fund, all interest accumulated on  
15 balances in the fund and all cash received for the fund from any  
16 other source shall be allocated by the Commissioner of Labor and  
17 Workforce Development as follows:

18 (1) 24% shall be deposited in an account reserved to support  
19 basic skills training delivered by the State's **【One-Stop】 One Stop**  
20 Career Centers to qualified displaced, disadvantaged and employed  
21 workers pursuant to Employability Development Plans developed  
22 pursuant to section 7 of P.L.1992, c.43 (C.34:15D-7);

23 (2) 28% shall be deposited in an account reserved for Workforce  
24 Investment Boards to provide grants for basic skills training for  
25 qualified displaced, disadvantaged and employed workers pursuant  
26 to Employability Development Plans developed pursuant to section  
27 7 of P.L.1992, c.43 (C.34:15D-7) and for other individuals with  
28 learning disabilities or otherwise in need of vocational  
29 rehabilitation services;

30 (3) **【38】 25%** shall be deposited in an account reserved for  
31 grants to consortia including one or more of any of the following:  
32 eligible individual employers, employer organizations, labor  
33 organizations, community-based organizations or educational  
34 institutions to provide basic skills training to qualified displaced,  
35 disadvantaged or employed workers or to other individuals seeking  
36 to enter apprenticeship training; **【and】**

37 (4) 13% shall be deposited in an account reserved for a grant to  
38 the New Jersey Community College Consortium for Workforce and  
39 Economic Development, a part of the New Jersey Council of  
40 County Colleges, to provide basic skills training to qualified  
41 displaced, disadvantaged or employed workers; and

42 **【(4)】 (5)** 10% shall be deposited in an account to be used, at  
43 the discretion of the commissioner, for any of the purposes  
44 indicated in this subsection a. and any administrative costs incurred  
45 by the Department of Labor and Workforce Development in  
46 connection with the fund.

47 b. Any grant provided in connection with paragraph (3) of  
48 subsection a. of this section directly to an employer or to an

1 employer through a consortium shall be regarded as a customized  
2 training grant and shall be administered by the Office of  
3 Customized Training and the employer and consortium shall  
4 comply with all requirements of section 5 of P.L.1992, c.43  
5 (C.34:15D-5), except that any grants provided directly or indirectly  
6 to an employer for use in connection with any program which  
7 includes apprenticeship training or activities or preparation for  
8 entry into apprenticeship training shall be exempt from the  
9 requirement of this subsection b. to be administered by the Office of  
10 Customized Training and be subject to the requirements of section 5  
11 of P.L.1992, c.43 (C.34:15D-5), if it is approved by the  
12 Apprenticeship Policy Committee, as defined in section 3 of  
13 P.L.1993, c.268 (C.34:15E-3), and the employer complies with the  
14 provisions of subsection e. of section 5 of P.L.1993, c.268  
15 (C.34:15E-5). Any grant provided in connection with paragraph (b)  
16 of subsection a. of this section directly to an individual shall be  
17 regarded as an individual training grant and shall be subject to the  
18 requirements of subsections a., c. and d. of section 6 of P.L.1992,  
19 c.43 (C.34:15D-6).

20 Also, any funds provided in connection with paragraph (4) of  
21 subsection a. of this section shall be provided to the New Jersey  
22 Community College Consortium for Workforce and Economic  
23 Development by the Office of Customized Training, and shall  
24 comply with the following requirements:

25 (1) The New Jersey Community College Consortium for  
26 Workforce and Economic Development shall work with all the  
27 community colleges throughout the State of New Jersey to deliver  
28 basic skills training in the most effective and efficient manner  
29 possible at any of their 63 campuses or at any appropriate business  
30 facility;

31 (2) There shall be no charge to the employer sending employees  
32 to the training, but the employer shall pay employees regular wages  
33 for the hours the training takes place;

34 (3) The employers sending their employees to this training shall  
35 not be asked to provide any paperwork or complete any financial  
36 disclosure forms, including a tax clearance certificate as provided in  
37 section 1 of P.L.2007, c.101 (C.54:50-39) <sup>1</sup>, except that employers  
38 shall provide the employees participating in the training with the  
39 information that the employees need to comply with paragraph (4)  
40 of this subsection, and shall provide the New Jersey Community  
41 College Consortium for Workforce and Economic Development  
42 with the information the employer has regarding its participating  
43 employees that the consortium needs to produce the annual report  
44 required pursuant to paragraph (7) of this subsection <sup>1</sup>;

45 (4) The employees being trained shall provide the Federal  
46 Employer Identification Number (FEIN) of their employer and the  
47 employer's contact information at the beginning of the training;

1       (5) The mean class size for training under this subsection shall  
2 be 10, but the New Jersey Community College Consortium for  
3 Workforce and Economic Development may aggregate employees  
4 from multiple employers in a single training to reach that mean of  
5 10;

6       (6) The training provided under this subsection shall be basic  
7 skills training, but the apportionment of classes in the different  
8 areas of basic skills as defined by subsection h. of this section may  
9 be determined by the New Jersey Community College Consortium  
10 for Workforce and Economic Development in consultation with  
11 representatives of the business community;

12       (7) The New Jersey Community College Consortium for  
13 Workforce and Economic Development shall file an annual report  
14 by September 1 of each year with the New Jersey Legislature and  
15 the New Jersey Department of Labor and Workforce Development  
16 containing the total number of workers trained, the total funds  
17 expended on training, the number of workers trained in each area of  
18 basic skills training, the number of businesses with employees  
19 trained, the number of classes held in each area of basic skills  
20 training, the number of classes held at each community college, the  
21 wage ranges of the workers trained, the job titles of the workers  
22 trained and the results of the pre-training and post-training  
23 assessments. The report shall also include an analysis of the  
24 strengths and weaknesses of the training program and how it can be  
25 improved in the following year. The report shall supplant all  
26 requirements for any other reporting that the New Jersey  
27 Community College Consortium for Workforce and Economic  
28 Development may be asked to complete with respect to the funds it  
29 receives through paragraph (4) of subsection a. of this section; and

30       (8) The New Jersey Community College Consortium for  
31 Workforce and Economic Development shall work with the  
32 business community to promote this program to businesses across  
33 the State, including chambers of commerce, Statewide associations,  
34 such as the New Jersey Business and Industry Association, and any  
35 other appropriate business organizations.

36       c. Any employment and training services funded by the  
37 Supplemental Workforce Fund for Basic Skills shall be provided in  
38 a manner which complies with the provisions of subsections b., c.,  
39 f., g., h. and i. of section 4 of P.L.1992, c.43 (C.34:15D-4), to the  
40 extent that those subsections pertain to remedial education. Any  
41 service provider receiving moneys from the Supplemental  
42 Workforce Fund for Basic Skills shall be subject to the provisions  
43 of section 8 of P.L.1992, c.43 (C.34:15D-8) and section 8 of  
44 P.L.1992, c.44 (C.34:15D-19).

45       d. All staff located at any One Stop Career Center supported by  
46 funds provided from the Supplemental Workforce Fund for Basic  
47 Skills shall be hired and employed by the State pursuant to Title  
48 11A, Civil Service, of the New Jersey Statutes.

1 e. Beginning July 1, 2002, and for any subsequent fiscal year,  
2 if the unexpended cash balance in any of the accounts indicated in  
3 subsection a. of this section, less any amount awarded in grants but  
4 not yet disbursed from the account, is determined to exceed 20% of  
5 the amount of contributions collected for deposit in the account  
6 pursuant to this subsection during the fiscal year then ended, the  
7 excess shall be regarded as an unemployment compensation  
8 contribution and deposited into the unemployment compensation  
9 fund within seven business days of the date that the determination is  
10 made.

11 f. The Commissioner of Labor and Workforce Development  
12 shall establish standards of performance for providers of basic skills  
13 training pursuant to this act. The standards shall include, but not be  
14 limited to, standards for the curriculum or training to be furnished,  
15 qualifications for persons who will provide the training under the  
16 act, and standards for establishing what constitutes successful  
17 completion of the training program. The commissioner shall  
18 establish means of determining the ability of enrollees to gain or  
19 maintain employment following the successful completion of a  
20 training program established pursuant to this section. In the event  
21 that the commissioner determines that a provider has not conducted  
22 its training program in accordance with the standards of  
23 performance, he may take that action necessary to correct the  
24 deficiencies of the provider, or terminate the contract with the  
25 provider of basic skills services if the provider fails to respond to  
26 remedial action.

27 g. The State Employment and Training Commission shall  
28 review and evaluate the operations of programs supported by the  
29 Supplemental Workforce Fund for Basic Skills established pursuant  
30 to this section, with special consideration to how those programs  
31 assist in the implementation of the goals of the Strategic Five-Year  
32 State Plan for New Jersey's Workforce Investment System, and  
33 shall consult with the Commissioner of Labor and Workforce  
34 Development regarding its findings.

35 h. For the purpose of this section:

36 "Basic skills training" means basic mathematics, reading  
37 comprehension, basic computer literacy, English proficiency and  
38 work-readiness skills and shall be regarded as a form of "remedial  
39 education" for the purposes of section 3 of P.L.1992, c.43  
40 (C.34:15D-3);

41 "One Stop Career Center" means one of the centers established  
42 in local areas to coordinate a variety of State and local programs  
43 providing employment and training services, including job  
44 placement services, or any other similar State or local government-  
45 sponsored center providing employment and training services as  
46 may be developed at any later time; and

47 "Qualified disadvantaged worker," "qualified displaced worker,"  
48 "qualified employed worker," and "employment and training



1 services" have the meanings given to them by section 3 of  
2 P.L.1992, c.43 (C.34:15D-3).

3 (cf: P.L.2001, c.152, s.1)

4

5 4. Section 1 of P.L.2007, c.101 (C.54:50-39) is amended to  
6 read as follows:

7 1. a. A department or agency of State government, including  
8 independent authorities and instrumentalities of the State, shall, as a  
9 precondition to the award of business assistance or incentive or as a  
10 component of the application for business assistance or incentive as  
11 appropriate, require a person to submit a tax clearance certificate  
12 issued by the director prior to the department or agency making an  
13 award of business assistance or incentive to the person.

14 b. The person applying for business assistance or incentive may  
15 apply to the director for a tax clearance certificate and shall provide  
16 the director such information in such form as the director may  
17 prescribe necessary for the director to determine if the person has  
18 satisfied all requirements for filing those State tax and information  
19 returns and for paying those State taxes for which they have been  
20 liable as taxpayers or as collectors of tax.

21 c. If the director determines that the person has complied with  
22 all requirements for filing tax and information returns and for  
23 paying or remitting required State taxes and fees, the director shall  
24 issue to the person a tax clearance certificate.

25 If the director determines that the person has not filed all  
26 required tax and information returns or has not paid all tax,  
27 penalties, interest, or fees due, the director shall issue a notice of  
28 delinquency or deficiency listing unfiled returns or balances due.  
29 The director may require a person to resolve all delinquencies and  
30 deficiencies before a tax clearance certificate is issued, or upon  
31 review of the total circumstances, the director may issue an interim  
32 tax clearance certificate if the director determines to the director's  
33 satisfaction that the person will resolve all such delinquencies or  
34 deficiencies within the time period specified by the director.

35 The director's issuance of a regular or interim tax clearance  
36 certificate shall not constitute a waiver of authority to demand  
37 resolution of all deficiencies and delinquencies and shall not  
38 prevent further audit or the assessment of additional taxes,  
39 penalties, interest, or fees as may be provided by law. No  
40 additional right to protest or appeal the State tax indebtedness,  
41 filing deficiency, or penalties shall be available to any person  
42 pursuant to this section.

43 d. As used in this section:

44 "Business assistance or incentive" means monetary or financial  
45 assistance in any form, other than a tax credit or tax exemption  
46 granted pursuant to a claim made on a tax return filed with the  
47 Division of Taxation in the Department of the Treasury, including  
48 but not limited to a grant, loan, loan guarantee, or other monetary or

1 financial benefit awarded to a person by a department or agency of  
2 State government, including independent authorities and  
3 instrumentalities of the State, to assist the person in the conduct or  
4 operation of a business, occupation, trade, or profession in the  
5 State, in connection with the following programs:

6 (1) the business employment incentive program established  
7 pursuant to P.L.1996, c.26 (C.34:1B-124 et al.);

8 (2) the business retention and relocation assistance program  
9 established pursuant to P.L.1996, c.25 (C.34:1B-112 et seq.);

10 (3) the customized training services provided pursuant to section  
11 5 of P.L.1992, c.43 (C.34:15D-5), except for assistance provided to  
12 a person pursuant to paragraph (4) of subsection a. of section 1 of  
13 P.L.2001, c.152 (C.34:15D-21);

14 (4) the business, commercial and industrial components of the  
15 clean energy program administered by the Board of Public Utilities;

16 (5) the business grant, loan, and loan guarantee programs  
17 administered by:

18 (a) the New Jersey Economic Development Authority;

19 (b) the New Jersey Housing and Mortgage Finance [Authority]  
20 Agency; and

21 (c) the Casino Reinvestment Development Authority;

22 (6) the science and technology grants provided by or through the  
23 New Jersey Commission on Science and Technology; and

24 (7) any other similar State program that confers a significant  
25 monetary or financial benefit upon a business or businesses, as  
26 prescribed by the State Treasurer pursuant to regulations  
27 promulgated pursuant to the "Administrative Procedure Act,"  
28 P.L.1968, c.410 (C.52:14B-1 et seq.), except for assistance provided  
29 to a person pursuant to paragraph (4) of subsection a. of section 1 of  
30 P.L.2001, c.152 (C.34:15D-21).

31 e. The director may charge and collect an application fee from  
32 a person applying for a tax clearance certificate, to reflect the  
33 administrative costs, and may charge and collect a reasonable  
34 service fee for the provision of any expedited services offered.

35 f. In order to better manage the workload of issuing tax  
36 clearance certificates, the director may prescribe a schedule by  
37 which tax clearance certificates will initially be issued for only one  
38 or more of the programs enumerated as business assistance or  
39 incentive, or one or more of the components of one or more of those  
40 programs, and by which tax clearance certificate issuance for other  
41 programs enumerated, or other components of those programs, will  
42 be instituted beginning on dates specified according to the schedule.

43 In prescribing the schedule the director will give due regard to the  
44 monetary value of the assistance and incentive offered, the timing  
45 of the application process, the number of applicants, and necessary  
46 applicant and program administrator notice for a particular program  
47 or program component. Such a schedule adopted by the director  
48 shall be subject to change by the director, but in any case shall

1 provide for issuance of tax clearance certificates for all enumerated  
2 programs before January 1, 2009.

3 Notwithstanding any provisions of this section to the contrary,  
4 no tax clearance certificate shall be required as a precondition to the  
5 award of business assistance or incentive or as a component of the  
6 application for business assistance or incentive prior to its  
7 program's, or its program's component's, scheduling by the director  
8 pursuant to this subsection.

9 g. Notwithstanding any provision of P.L.1968, c.410  
10 (C.52:14B-1 et seq.) to the contrary, the director may adopt  
11 immediately upon filing with the Office of Administrative Law  
12 such regulations as the director deems necessary to implement the  
13 provisions of this act, which shall be effective for a period not to  
14 exceed 180 days following enactment of P.L.2007, c.101 (C.54:50-  
15 39) and may thereafter be amended, adopted or readopted by the  
16 director in accordance with the requirements of P.L.1968, c.410.

17 (cf: P.L.2007, c.101, s.1)

18

19 5. This act shall take effect immediately.

# ASSEMBLY, No. 4325

## STATE OF NEW JERSEY 213th LEGISLATURE

INTRODUCED DECEMBER 3, 2009

**Sponsored by:**

**Assemblywoman PAMELA R. LAMPITT**

**District 6 (Camden)**

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39 Employer Identification Number (FEIN) of their employer and the  
40 employer's contact information at the beginning of the training;

41 (5) The mean class size for training under this subsection shall  
42 be 10, but the New Jersey Community College Consortium for  
43 Workforce and Economic Development may aggregate employees  
44 from multiple employers in a single training to reach that mean of  
45 10;

46 (6) The training provided under this subsection shall be basic  
47 skills training, but the apportionment of classes in the different  
48 areas of basic skills as defined by subsection h. of this section may

1 be determined by the New Jersey Community College Consortium  
2 for Workforce and Economic Development in consultation with  
3 representatives of the business community;

4 (7) The New Jersey Community College Consortium for  
5 Workforce and Economic Development shall file an annual report  
6 by September 1 of each year with the New Jersey Legislature and  
7 the New Jersey Department of Labor and Workforce Development  
8 containing the total number of workers trained, the total funds  
9 expended on training, the number of workers trained in each area of  
10 basic skills training, the number of businesses with employees  
11 trained, the number of classes held in each area of basic skills  
12 training, the number of classes held at each community college, the  
13 wage ranges of the workers trained, the job titles of the workers  
14 trained and the results of the pre-training and post-training  
15 assessments. The report shall also include an analysis of the  
16 strengths and weaknesses of the training program and how it can be  
17 improved in the following year. The report shall supplant all  
18 requirements for any other reporting that the New Jersey  
19 Community College Consortium for Workforce and Economic  
20 Development may be asked to complete with respect to the funds it  
21 receives through paragraph (4) of subsection a. of this section; and

22 (8) The New Jersey Community College Consortium for  
23 Workforce and Economic Development shall work with the  
24 business community to promote this program to businesses across  
25 the State, including chambers of commerce, Statewide associations,  
26 such as the New Jersey Business and Industry Association, and any  
27 other appropriate business organizations.

28 c. Any employment and training services funded by the  
29 Supplemental Workforce Fund for Basic Skills shall be provided in  
30 a manner which complies with the provisions of subsections b., c.,  
31 f., g., h. and i. of section 4 of P.L.1992, c.43 (C.34:15D-4), to the  
32 extent that those subsections pertain to remedial education. Any  
33 service provider receiving moneys from the Supplemental  
34 Workforce Fund for Basic Skills shall be subject to the provisions  
35 of section 8 of P.L.1992, c.43 (C.34:15D-8) and section 8 of  
36 P.L.1992, c.44 (C.34:15D-19).

37 d. All staff located at any One Stop Career Center supported by  
38 funds provided from the Supplemental Workforce Fund for Basic  
39 Skills shall be hired and employed by the State pursuant to Title  
40 11A, Civil Service, of the New Jersey Statutes.

41 e. Beginning July 1, 2002, and for any subsequent fiscal year,  
42 if the unexpended cash balance in any of the accounts indicated in  
43 subsection a. of this section, less any amount awarded in grants but  
44 not yet disbursed from the account, is determined to exceed 20% of  
45 the amount of contributions collected for deposit in the account  
46 pursuant to this subsection during the fiscal year then ended, the  
47 excess shall be regarded as an unemployment compensation  
48 contribution and deposited into the unemployment compensation



1 fund within seven business days of the date that the determination is  
2 made.

3 f. The Commissioner of Labor and Workforce Development  
4 shall establish standards of performance for providers of basic skills  
5 training pursuant to this act. The standards shall include, but not be  
6 limited to, standards for the curriculum or training to be furnished,  
7 qualifications for persons who will provide the training under the  
8 act, and standards for establishing what constitutes successful  
9 completion of the training program. The commissioner shall  
10 establish means of determining the ability of enrollees to gain or  
11 maintain employment following the successful completion of a  
12 training program established pursuant to this section. In the event  
13 that the commissioner determines that a provider has not conducted  
14 its training program in accordance with the standards of  
15 performance, he may take that action necessary to correct the  
16 deficiencies of the provider, or terminate the contract with the  
17 provider of basic skills services if the provider fails to respond to  
18 remedial action.

19 g. The State Employment and Training Commission shall  
20 review and evaluate the operations of programs supported by the  
21 Supplemental Workforce Fund for Basic Skills established pursuant  
22 to this section, with special consideration to how those programs  
23 assist in the implementation of the goals of the Strategic Five-Year  
24 State Plan for New Jersey's Workforce Investment System, and  
25 shall consult with the Commissioner of Labor and Workforce  
26 Development regarding its findings.

27 h. For the purpose of this section:

28 "Basic skills training" means basic mathematics, reading  
29 comprehension, basic computer literacy, English proficiency and  
30 work-readiness skills and shall be regarded as a form of "remedial  
31 education" for the purposes of section 3 of P.L.1992, c.43  
32 (C.34:15D-3);

33 "One Stop Career Center" means one of the centers established  
34 in local areas to coordinate a variety of State and local programs  
35 providing employment and training services, including job  
36 placement services, or any other similar State or local government-  
37 sponsored center providing employment and training services as  
38 may be developed at any later time; and

39 "Qualified disadvantaged worker," "qualified displaced worker,"  
40 "qualified employed worker," and "employment and training  
41 services" have the meanings given to them by section 3 of  
42 P.L.1992, c.43 (C.34:15D-3).

43 (cf: P.L.2001, c.152, s.1)

44

45 4. Section 1 of P.L.2007, c.101 (C.54:50-39) is amended to  
46 read as follows:

47 1. a. A department or agency of State government, including  
48 independent authorities and instrumentalities of the State, shall, as a

1 precondition to the award of business assistance or incentive or as a  
2 component of the application for business assistance or incentive as  
3 appropriate, require a person to submit a tax clearance certificate  
4 issued by the director prior to the department or agency making an  
5 award of business assistance or incentive to the person.

6 b. The person applying for business assistance or incentive may  
7 apply to the director for a tax clearance certificate and shall provide  
8 the director such information in such form as the director may  
9 prescribe necessary for the director to determine if the person has  
10 satisfied all requirements for filing those State tax and information  
11 returns and for paying those State taxes for which they have been  
12 liable as taxpayers or as collectors of tax.

13 c. If the director determines that the person has complied with  
14 all requirements for filing tax and information returns and for  
15 paying or remitting required State taxes and fees, the director shall  
16 issue to the person a tax clearance certificate.

17 If the director determines that the person has not filed all  
18 required tax and information returns or has not paid all tax,  
19 penalties, interest, or fees due, the director shall issue a notice of  
20 delinquency or deficiency listing unfiled returns or balances due.  
21 The director may require a person to resolve all delinquencies and  
22 deficiencies before a tax clearance certificate is issued, or upon  
23 review of the total circumstances, the director may issue an interim  
24 tax clearance certificate if the director determines to the director's  
25 satisfaction that the person will resolve all such delinquencies or  
26 deficiencies within the time period specified by the director.

27 The director's issuance of a regular or interim tax clearance  
28 certificate shall not constitute a waiver of authority to demand  
29 resolution of all deficiencies and delinquencies and shall not  
30 prevent further audit or the assessment of additional taxes,  
31 penalties, interest, or fees as may be provided by law. No  
32 additional right to protest or appeal the State tax indebtedness,  
33 filing deficiency, or penalties shall be available to any person  
34 pursuant to this section.

35 d. As used in this section:

36 "Business assistance or incentive" means monetary or financial  
37 assistance in any form, other than a tax credit or tax exemption  
38 granted pursuant to a claim made on a tax return filed with the  
39 Division of Taxation in the Department of the Treasury, including  
40 but not limited to a grant, loan, loan guarantee, or other monetary or  
41 financial benefit awarded to a person by a department or agency of  
42 State government, including independent authorities and  
43 instrumentalities of the State, to assist the person in the conduct or  
44 operation of a business, occupation, trade, or profession in the  
45 State, in connection with the following programs:

46 (1) the business employment incentive program established  
47 pursuant to P.L.1996, c.26 (C.34:1B-124 et al.);

1 (2) the business retention and relocation assistance program  
2 established pursuant to P.L.1996, c.25 (C.34:1B-112 et seq.);

3 (3) the customized training services provided pursuant to section  
4 5 of P.L.1992, c.43 (C.34:15D-5), except for assistance provided to  
5 a person pursuant to paragraph (4) of subsection a. of section 1 of  
6 P.L.2001, c.152 (C.34:15D-21);

7 (4) the business, commercial and industrial components of the  
8 clean energy program administered by the Board of Public Utilities;

9 (5) the business grant, loan, and loan guarantee programs  
10 administered by:

11 (a) the New Jersey Economic Development Authority;

12 (b) the New Jersey Housing and Mortgage Finance **[Authority]**  
13 Agency; and

14 (c) the Casino Reinvestment Development Authority;

15 (6) the science and technology grants provided by or through the  
16 New Jersey Commission on Science and Technology; and

17 (7) any other similar State program that confers a significant  
18 monetary or financial benefit upon a business or businesses, as  
19 prescribed by the State Treasurer pursuant to regulations  
20 promulgated pursuant to the "Administrative Procedure Act,"  
21 P.L.1968, c.410 (C.52:14B-1 et seq.), except for assistance provided  
22 to a person pursuant to paragraph (4) of subsection a. of section 1 of  
23 P.L.2001, c.152 (C.34:15D-21).

24 e. The director may charge and collect an application fee from  
25 a person applying for a tax clearance certificate, to reflect the  
26 administrative costs, and may charge and collect a reasonable  
27 service fee for the provision of any expedited services offered.

28 f. In order to better manage the workload of issuing tax  
29 clearance certificates, the director may prescribe a schedule by  
30 which tax clearance certificates will initially be issued for only one  
31 or more of the programs enumerated as business assistance or  
32 incentive, or one or more of the components of one or more of those  
33 programs, and by which tax clearance certificate issuance for other  
34 programs enumerated, or other components of those programs, will  
35 be instituted beginning on dates specified according to the schedule.  
36 In prescribing the schedule the director will give due regard to the  
37 monetary value of the assistance and incentive offered, the timing  
38 of the application process, the number of applicants, and necessary  
39 applicant and program administrator notice for a particular program  
40 or program component. Such a schedule adopted by the director  
41 shall be subject to change by the director, but in any case shall  
42 provide for issuance of tax clearance certificates for all enumerated  
43 programs before January 1, 2009.

44 Notwithstanding any provisions of this section to the contrary,  
45 no tax clearance certificate shall be required as a precondition to the  
46 award of business assistance or incentive or as a component of the  
47 application for business assistance or incentive prior to its

1 program's, or its program's component's, scheduling by the director  
2 pursuant to this subsection.

3 g. Notwithstanding any provision of P.L.1968, c.410  
4 (C.52:14B-1 et seq.) to the contrary, the director may adopt  
5 immediately upon filing with the Office of Administrative Law  
6 such regulations as the director deems necessary to implement the  
7 provisions of this act, which shall be effective for a period not to  
8 exceed 180 days following enactment of P.L.2007, c.101 (C.54:50-  
9 39) and may thereafter be amended, adopted or readopted by the  
10 director in accordance with the requirements of P.L.1968, c.410.  
11 (cf: P.L.2007, c.101, s.1)

12

13 5. This act shall take effect immediately.

14

15

16

#### STATEMENT

17

18 This bill establishes the “New Jersey Basic Skills Training  
19 Program for Economic Growth Act.” The bill dedicates 13% of  
20 funds from the “Supplemental Workforce Fund for Basic Skills” to  
21 the New Jersey Community College Consortium for Workforce and  
22 Economic Development, a part of the New Jersey Council of  
23 County Colleges, to provide basic skills training to qualified  
24 displaced, disadvantaged or employed workers.

25 The bill also requires that any funds provided to the New Jersey  
26 Community College Consortium for Workforce and Economic  
27 Development would be provided by the Office of Customized  
28 Training, and shall comply with the following requirements:

29 1. The New Jersey Community College Consortium for  
30 Workforce and Economic Development shall work with all the  
31 community colleges throughout the State of New Jersey to deliver  
32 basic skills training in the most effective and efficient manner  
33 possible at any of their 63 campuses or at any appropriate business  
34 facility;

35 2. There shall be no charge to the employer sending employees  
36 to the training, but the employer must pay employees regular wages  
37 for the hours the training takes place;

38 3. The employers sending employees to this training shall not  
39 be asked to provide any paperwork or complete any financial  
40 disclosure forms, including a tax clearance certificate as defined in  
41 section 1 of P.L.2007, c.101 (C.54:50-39);

42 4. The employees being trained shall provide the Federal  
43 Employer Identification Number (FEIN) of their employer and the  
44 employer’s contact information at the beginning of the training;

45 5. The mean class size for training under this subsection shall  
46 be 10, but the New Jersey Community College Consortium for  
47 Workforce and Economic Development may aggregate employees

1 from multiple employers in a single training to reach that mean of  
2 10;

3 6. The training provided under this subsection shall be basic  
4 skills training, but the apportionment of classes in the different  
5 areas of basic skills may be determined by the New Jersey  
6 Community College Consortium for Workforce and Economic  
7 Development in consultation with representatives of the business  
8 community;

9 7. The New Jersey Community College Consortium for  
10 Workforce and Economic Development shall file an annual report  
11 with the Legislature and the Department of Labor and Workforce  
12 Development containing the total number of workers trained, the  
13 total funds expended on training, the number of workers trained in  
14 each area of basic skills training, the number of businesses with  
15 employees trained, the number of classes held in each area of basic  
16 skills training, the number of classes held at each community  
17 college, the wage ranges of the workers trained, the job titles of the  
18 workers trained and the results of the pre-training and post-training  
19 assessments. The report shall also include an analysis of the  
20 strengths and weaknesses of the training program and how it can be  
21 improved in the ensuing year. The report shall supplant all  
22 requirements for any other reporting that the New Jersey  
23 Community College Consortium for Workforce and Economic  
24 Development may be asked to complete with respect to the funds it  
25 receives under the bill; and

26 8. The New Jersey Community College Consortium for  
27 Workforce and Economic Development shall work with the  
28 business community to promote this program to businesses across  
29 the State, including chambers of commerce, Statewide associations,  
30 such as the New Jersey Business and Industry Association, and any  
31 other appropriate business organizations.

32 Finally, the bill states that assistance provided pursuant to the  
33 bill shall not be regarded as a "business assistance or incentive" for  
34 the purposes of section 1 of P.L.2007, c.101 (C.54:50-39) and that  
35 recipients of that assistance shall not be required to submit a tax  
36 clearance certificate pursuant to that act.

# ASSEMBLY APPROPRIATIONS COMMITTEE

## STATEMENT TO

### **ASSEMBLY, No. 4325**

with Assembly committee amendments

# **STATE OF NEW JERSEY**

DATED: JANUARY 4, 2010

The Assembly Appropriations Committee reports favorably Assembly Bill No. 4325, with committee amendments.

The bill, as amended, establishes the “New Jersey Basic Skills Training Program for Economic Growth Act.” The bill dedicates 13% of funds from the “Supplemental Workforce Fund for Basic Skills” to the New Jersey Community College Consortium for Workforce and Economic Development, a part of the New Jersey Council of County Colleges, to provide basic skills training to qualified displaced, disadvantaged or employed workers.

The bill also requires that any funds provided to the New Jersey Community College Consortium for Workforce and Economic Development would be provided by the Office of Customized Training in the Department of Labor and Workforce Development.

Finally, the bill states that assistance provided pursuant to the bill shall not be regarded as a "business assistance or incentive" for the purposes of section 1 of P.L.2007, c.101 (C.54:50-39) and that recipients of that assistance shall not be required to submit a tax clearance certificate pursuant to that act.

#### FISCAL IMPACT:

This legislation should have no overall impact on the “Supplemental Workforce Fund for Basic Skills.” The legislation does not alter the total amount of revenue collected or expended, but rather, shifts the current statutorily mandated allocations to require 13 percent of this revenue be expended for a grant reserved for the “NJ Community College Consortium for Workforce and Economic Development.”

#### COMMITTEE AMENDMENTS:

The amendments make an adjustment of requiring participating businesses to provide to the Community College Consortium for Workforce and Economic Development and employees of those businesses certain information which the bill requires the Consortium

and the employees to have, but which can only be obtained from the business.

# LEGISLATIVE FISCAL ESTIMATE

[First Reprint]

## ASSEMBLY, No. 4325

### STATE OF NEW JERSEY 213th LEGISLATURE

DATED: JANUARY 15, 2010

#### SUMMARY

- Synopsis:** "New Jersey Basic Skills Training Program for Economic Growth Act."
- Type of Impact:** Possible minimal revenue increase for County Community Colleges; no impact to the Supplemental Workforce Fund for Basic Skills.
- Agencies Affected:** Department of Labor and Workforce Development, County Community Colleges.

#### Office of Legislative Services Estimate

<b>Fiscal Impact</b>	<b><u>Year 1</u></b>	<b><u>Year 2</u></b>	<b><u>Year 3</u></b>
<b>State Cost</b>	\$0	\$0	\$0
<b>State Revenue</b>	\$0	\$0	\$0
<b>Local Revenue</b>	Minimal	Minimal	Minimal
<b>(County Community Colleges)</b>	Indeterminate Increase	Indeterminate Increase	Indeterminate Increase
<b>Local Cost</b>	\$0	\$0	\$0

- The Office of Legislative Services (OLS) asserts that this legislation will have no overall impact on the "Supplemental Workforce Fund for Basic Skills" (SWFBS), established pursuant to P.L.2001, c.152 (C.34:15D-21 et seq.). The legislation does not alter the total amount of revenue collected or expended by the SWFBS, but rather shifts the current statutorily mandated allocations to require that 13 percent of the SWFBS revenue be expended for a grant reserved for the "New Jersey Community College Consortium for Workforce and Economic Development" (consortium).
- Currently, the funds in the SWFBS are statutorily allocated for basic skills training delivered by several different groups: 24 percent to the State's One Stop Career Centers; 28 percent to Workforce Investment Boards; 38 percent to the Office of Customized Training for grants to labor, business and community groups; and, the remaining 10 percent is allocated for the Department of Labor and Workforce Development's administrative costs. The legislation decreases by 13 percent the funding allocated to the Office of Customized Training (OCT)



and creates a new category for the consortium and allocates 13 percent of the funding to that category.

- The department has indicated that it anticipates \$26.9 million in revenue for the SWFBS in FY2010. This revenue is in addition to the anticipated fund balance of \$4 million. Therefore, a 13 percent allocation from the SWFBS would equal approximately \$4 million for the consortium in FY2010.
- Historically, language in the Appropriations Act has authorized funds be diverted from the SWFBS to community colleges (\$16 million in FY2010) and to the New Jersey Youth Corps (\$2.2 million in FY2010). If these diversions are subtracted from the total funds available in the SWFBS, the 13 percent allocation available for the consortium would instead equal \$1.66 million in FY2010.
- According to the department, the consortium has received a total of approximately \$5.8 million in grants from the department in the previous three years. The OLS was not able to determine an annual grant amount for the consortium from the OCT; thus, the OLS cannot determine if \$1.66 million represents an annual increase or decrease.
- The consortium is not a public entity, but its members, county community colleges throughout the State, are local public entities and will receive a monetary gain through any increased funding pursuant to this legislation. The funds for the basic skills training are granted to the consortium from the department and then paid to the county community colleges either through billing for the direct service or through a shared compensation system.

### **BILL DESCRIPTION**

Assembly Bill No. 4325 (1R) of 2009 establishes the “New Jersey Basic Skills Training Program for Economic Growth Act.” The bill dedicates 13 percent of funds from the “Supplemental Workforce Fund for Basic Skills” to the New Jersey Community College Consortium for Workforce and Economic Development, a part of the New Jersey Council of County Colleges, to provide basic skills training to qualified displaced, disadvantaged or employed workers.

The bill also requires that any funds provided to the New Jersey Community College Consortium for Workforce and Economic Development would be provided by the Office of Customized Training, and shall comply with certain requirements.

Finally, the bill states that assistance provided pursuant to the bill shall not be regarded as a “business assistance or incentive” for the purposes of section 1 of P.L.2007, c.101 (C.54:50-39) and that recipients of that assistance shall not be required to submit a tax clearance certificate pursuant to that act.

### **FISCAL ANALYSIS**

#### ***EXECUTIVE BRANCH***

None received.

**OFFICE OF LEGISLATIVE SERVICES**

The OLS asserts that this legislation will have no overall impact on the SWFBS, established pursuant to P.L.2001, c.152 (C.34:15D-21 et seq.). The legislation does not alter the total amount of revenue collected or expended by the SWFBS, but rather shifts the current statutorily mandated allocations to require that 13 percent of the SWFBS revenue be expended for a grant reserved for the “New Jersey Community College Consortium for Workforce and Economic Development” (consortium).

Currently, the funds in the SWFBS are statutorily allocated for basic skills training delivered by several different groups: 24 percent to the State’s One Stop Career Centers; 28 percent to Workforce Investment Boards; 38 percent to the Office of Customized Training for grants to labor, business and community groups; and, the remaining 10 percent is allocated for the Department of Labor and Workforce Development’s administrative costs. The legislation decreases by 13 percent the funding allocated to the OCT and creates a new category for the consortium and allocates 13 percent of the funding to that category.

The department has indicated that it anticipates \$26.9 million in revenue for the SWFBS in FY2010. This revenue is in addition to the anticipated fund balance of \$4 million. Therefore, a 13 percent allocation from the SWFBS would equal approximately \$4 million for the consortium in FY2010. Historically, language in the Appropriations Act has authorized funds be diverted from the SWFBS to community colleges (\$16 million in FY2010) and to the New Jersey Youth Corps (\$2.2 million in FY2010). If these diversions are subtracted from the total funds available in the SWFBS, the 13 percent allocation available for the consortium would instead equal \$1.66 million in FY2010.

According to the department, the consortium has received a total of approximately \$5.8 million in grants from the department in the previous three years. The OLS was not able to determine an annual grant amount for the consortium from the OCT; thus, the OLS cannot determine if \$1.66 million represents an annual increase or decrease.

The consortium is not a public entity, but its members, county community colleges throughout the State, are local public entities and will receive a monetary gain through any increased funding pursuant to this legislation. The funds for the basic skills training are granted to the consortium from the department and then paid to the county community colleges either through billing for the direct service or through a shared compensation system.

*Section: Commerce, Labor and Industry*

*Analyst: Robin C. Ford  
Associate Fiscal Analyst*

*Approved: David J. Rosen  
Legislative Budget and Finance Officer*

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 (C. 52:13B-6 et seq.).

**SENATE, No. 3113**

**STATE OF NEW JERSEY**  
**213th LEGISLATURE**

INTRODUCED DECEMBER 7, 2009

**Sponsored by:**

**Senator SANDRA B. CUNNINGHAM**

**District 31 (Hudson)**

**Senator SHIRLEY K. TURNER**

**District 15 (Mercer)**

**SYNOPSIS**

“New Jersey Basic Skills Training Program for Economic Growth Act.”

**CURRENT VERSION OF TEXT**

As introduced.



**(Sponsorship Updated As Of: 1/8/2010)**

1 AN ACT concerning a basic skills training program for economic  
2 growth, amending and supplementing P.L.2001, c.152 and  
3 amending P.L.2007, c.101.

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

7  
8 1. (New section) This act shall be known and may be cited as  
9 the “New Jersey Basic Skills Training Program for Economic  
10 Growth Act.”

11  
12 2. (New section) The Legislature finds and declares that:

13 a. A skilled workforce is one of the most critical issues to New  
14 Jersey businesses and the State’s economic competitiveness, and,  
15 unfortunately, the basic computer, mathematics, communications  
16 and English skills of many New Jersey workers is less than what  
17 employers require for success;

18 b. In 2007, a public-private partnership formed between the  
19 New Jersey Department of Labor and Workforce Development, the  
20 New Jersey Community College Consortium for Workforce and  
21 Economic Development, and the New Jersey Business and Industry  
22 Association to provide basic skills training with more flexibility to  
23 businesses throughout the State by means of a grant from the  
24 Supplemental Workforce Fund for Basic Skills;

25 c. During the first two years of this training program, 750  
26 employers sent almost 10,000 enrollees to be trained, significantly  
27 more than any other single New Jersey Department of Labor and  
28 Workforce Development grant program;

29 d. This program was successful in reaching so many more  
30 workers and businesses because of its flexibility, in not requiring  
31 employers to complete any paperwork or financial disclosure, not  
32 charging them for the training, other than requiring that they pay  
33 their employees while they are trained, and not requiring every  
34 class to have a minimum of ten employees from a single employer;

35 e. Credit for this flexibility and the program’s success should  
36 be given to Governor Jon S. Corzine, Commissioner David J.  
37 Socolow and the grant staff at the New Jersey Department of Labor  
38 and Workforce Development, because they understood that the  
39 focus of this grant should be on training as many workers as  
40 possible and not on fitting within previous grant structures and  
41 traditions, and without them, 750 businesses would not have been  
42 helped and 10,000 enrollees would not have been trained;

43 f. This program has been positive for all those involved: the  
44 employees receiving portable training and skills; the employers  
45 improving their workforce; the community colleges being optimally

**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.**

1 utilized to provide the most effective and efficient method of  
2 training; and the State positively contributing to workers,  
3 businesses and economic development with no new costs; and

4 g. Legislation is needed to ensure that the success of this  
5 program and the flexibilities afforded it by the Governor and  
6 commissioner are made permanent in the statutes.

7

8 3. Section 1 of P.L.2001, c.152 (C.34:15D-21) is amended to  
9 read as follows:

10 1. a. A restricted, nonlapsing, revolving "Supplemental  
11 Workforce Fund for Basic Skills," to be managed and invested by  
12 the State Treasurer, is hereby established in the Department of  
13 Labor and Workforce Development to provide basic skills training.  
14 All moneys appropriated to the fund, all interest accumulated on  
15 balances in the fund and all cash received for the fund from any  
16 other source shall be allocated by the Commissioner of Labor and  
17 Workforce Development as follows:

18 (1) 24% shall be deposited in an account reserved to support  
19 basic skills training delivered by the State's **【One-Stop】 One Stop**  
20 Career Centers to qualified displaced, disadvantaged and employed  
21 workers pursuant to Employability Development Plans developed  
22 pursuant to section 7 of P.L.1992, c.43 (C.34:15D-7);

23 (2) 28% shall be deposited in an account reserved for Workforce  
24 Investment Boards to provide grants for basic skills training for  
25 qualified displaced, disadvantaged and employed workers pursuant  
26 to Employability Development Plans developed pursuant to section  
27 7 of P.L.1992, c.43 (C.34:15D-7) and for other individuals with  
28 learning disabilities or otherwise in need of vocational  
29 rehabilitation services;

30 (3) **【38】 25%** shall be deposited in an account reserved for  
31 grants to consortia including one or more of any of the following:  
32 eligible individual employers, employer organizations, labor  
33 organizations, community-based organizations or educational  
34 institutions to provide basic skills training to qualified displaced,  
35 disadvantaged or employed workers or to other individuals seeking  
36 to enter apprenticeship training; **【and】**

37 (4) 13% shall be deposited in an account reserved for a grant to  
38 the New Jersey Community College Consortium for Workforce and  
39 Economic Development, a part of the New Jersey Council of  
40 County Colleges, to provide basic skills training to qualified  
41 displaced, disadvantaged or employed workers; and

42 **【(4)】 (5)** 10% shall be deposited in an account to be used, at  
43 the discretion of the commissioner, for any of the purposes  
44 indicated in this subsection a. and any administrative costs incurred  
45 by the Department of Labor and Workforce Development in  
46 connection with the fund.

47 b. Any grant provided in connection with paragraph (3) of  
48 subsection a. of this section directly to an employer or to an

1 employer through a consortium shall be regarded as a customized  
2 training grant and shall be administered by the Office of  
3 Customized Training and the employer and consortium shall  
4 comply with all requirements of section 5 of P.L.1992, c.43  
5 (C.34:15D-5), except that any grants provided directly or indirectly  
6 to an employer for use in connection with any program which  
7 includes apprenticeship training or activities or preparation for  
8 entry into apprenticeship training shall be exempt from the  
9 requirement of this subsection b. to be administered by the Office of  
10 Customized Training and be subject to the requirements of section 5  
11 of P.L.1992, c.43 (C.34:15D-5), if it is approved by the  
12 Apprenticeship Policy Committee, as defined in section 3 of  
13 P.L.1993, c.268 (C.34:15E-3), and the employer complies with the  
14 provisions of subsection e. of section 5 of P.L.1993, c.268  
15 (C.34:15E-5). Any grant provided in connection with paragraph (b)  
16 of subsection a. of this section directly to an individual shall be  
17 regarded as an individual training grant and shall be subject to the  
18 requirements of subsections a., c. and d. of section 6 of P.L.1992,  
19 c.43 (C.34:15D-6).

20 Also, any funds provided in connection with paragraph (4) of  
21 subsection a. of this section shall be provided to the New Jersey  
22 Community College Consortium for Workforce and Economic  
23 Development by the Office of Customized Training, and shall  
24 comply with the following requirements:

25 (1) The New Jersey Community College Consortium for  
26 Workforce and Economic Development shall work with all the  
27 community colleges throughout the State of New Jersey to deliver  
28 basic skills training in the most effective and efficient manner  
29 possible at any of their 63 campuses or at any appropriate business  
30 facility;

31 (2) There shall be no charge to the employer sending employees  
32 to the training, but the employer shall pay employees regular wages  
33 for the hours the training takes place;

34 (3) The employers sending their employees to this training shall  
35 not be asked to provide any paperwork or complete any financial  
36 disclosure forms, including a tax clearance certificate as provided in  
37 section 1 of P.L.2007, c.101 (C.54:50-39);

38 (4) The employees being trained shall provide the Federal  
39 Employer Identification Number (FEIN) of their employer and the  
40 employer's contact information at the beginning of the training;

41 (5) The mean class size for training under this subsection shall  
42 be 10, but the New Jersey Community College Consortium for  
43 Workforce and Economic Development may aggregate employees  
44 from multiple employers in a single training to reach that mean of  
45 10;

46 (6) The training provided under this subsection shall be basic  
47 skills training, but the apportionment of classes in the different  
48 areas of basic skills as defined by subsection h. of this section may

1 be determined by the New Jersey Community College Consortium  
2 for Workforce and Economic Development in consultation with  
3 representatives of the business community;

4 (7) The New Jersey Community College Consortium for  
5 Workforce and Economic Development shall file an annual report  
6 by September 1 of each year with the New Jersey Legislature and  
7 the New Jersey Department of Labor and Workforce Development  
8 containing the total number of workers trained, the total funds  
9 expended on training, the number of workers trained in each area of  
10 basic skills training, the number of businesses with employees  
11 trained, the number of classes held in each area of basic skills  
12 training, the number of classes held at each community college, the  
13 wage ranges of the workers trained, the job titles of the workers  
14 trained and the results of the pre-training and post-training  
15 assessments. The report shall also include an analysis of the  
16 strengths and weaknesses of the training program and how it can be  
17 improved in the following year. The report shall supplant all  
18 requirements for any other reporting that the New Jersey  
19 Community College Consortium for Workforce and Economic  
20 Development may be asked to complete with respect to the funds it  
21 receives through paragraph (4) of subsection a. of this section; and

22 (8) The New Jersey Community College Consortium for  
23 Workforce and Economic Development shall work with the  
24 business community to promote this program to businesses across  
25 the State, including chambers of commerce, Statewide associations,  
26 such as the New Jersey Business and Industry Association, and any  
27 other appropriate business organizations.

28 c. Any employment and training services funded by the  
29 Supplemental Workforce Fund for Basic Skills shall be provided in  
30 a manner which complies with the provisions of subsections b., c.,  
31 f., g., h. and i. of section 4 of P.L.1992, c.43 (C.34:15D-4), to the  
32 extent that those subsections pertain to remedial education. Any  
33 service provider receiving moneys from the Supplemental  
34 Workforce Fund for Basic Skills shall be subject to the provisions  
35 of section 8 of P.L.1992, c.43 (C.34:15D-8) and section 8 of  
36 P.L.1992, c.44 (C.34:15D-19).

37 d. All staff located at any One Stop Career Center supported by  
38 funds provided from the Supplemental Workforce Fund for Basic  
39 Skills shall be hired and employed by the State pursuant to Title  
40 11A, Civil Service, of the New Jersey Statutes.

41 e. Beginning July 1, 2002, and for any subsequent fiscal year,  
42 if the unexpended cash balance in any of the accounts indicated in  
43 subsection a. of this section, less any amount awarded in grants but  
44 not yet disbursed from the account, is determined to exceed 20% of  
45 the amount of contributions collected for deposit in the account  
46 pursuant to this subsection during the fiscal year then ended, the  
47 excess shall be regarded as an unemployment compensation  
48 contribution and deposited into the unemployment compensation

1 fund within seven business days of the date that the determination is  
2 made.

3 f. The Commissioner of Labor and Workforce Development  
4 shall establish standards of performance for providers of basic skills  
5 training pursuant to this act. The standards shall include, but not be  
6 limited to, standards for the curriculum or training to be furnished,  
7 qualifications for persons who will provide the training under the  
8 act, and standards for establishing what constitutes successful  
9 completion of the training program. The commissioner shall  
10 establish means of determining the ability of enrollees to gain or  
11 maintain employment following the successful completion of a  
12 training program established pursuant to this section. In the event  
13 that the commissioner determines that a provider has not conducted  
14 its training program in accordance with the standards of  
15 performance, he may take that action necessary to correct the  
16 deficiencies of the provider, or terminate the contract with the  
17 provider of basic skills services if the provider fails to respond to  
18 remedial action.

19 g. The State Employment and Training Commission shall  
20 review and evaluate the operations of programs supported by the  
21 Supplemental Workforce Fund for Basic Skills established pursuant  
22 to this section, with special consideration to how those programs  
23 assist in the implementation of the goals of the Strategic Five-Year  
24 State Plan for New Jersey's Workforce Investment System, and  
25 shall consult with the Commissioner of Labor and Workforce  
26 Development regarding its findings.

27 h. For the purpose of this section:

28 "Basic skills training" means basic mathematics, reading  
29 comprehension, basic computer literacy, English proficiency and  
30 work-readiness skills and shall be regarded as a form of "remedial  
31 education" for the purposes of section 3 of P.L.1992, c.43  
32 (C.34:15D-3);

33 "One Stop Career Center" means one of the centers established  
34 in local areas to coordinate a variety of State and local programs  
35 providing employment and training services, including job  
36 placement services, or any other similar State or local government-  
37 sponsored center providing employment and training services as  
38 may be developed at any later time; and

39 "Qualified disadvantaged worker," "qualified displaced worker,"  
40 "qualified employed worker," and "employment and training  
41 services" have the meanings given to them by section 3 of  
42 P.L.1992, c.43 (C.34:15D-3).

43 (cf: P.L.2001, c.152, s.1)

44

45 4. Section 1 of P.L.2007, c.101 (C.54:50-39) is amended to  
46 read as follows:

47 1. a. A department or agency of State government, including  
48 independent authorities and instrumentalities of the State, shall, as a



1 precondition to the award of business assistance or incentive or as a  
2 component of the application for business assistance or incentive as  
3 appropriate, require a person to submit a tax clearance certificate  
4 issued by the director prior to the department or agency making an  
5 award of business assistance or incentive to the person.

6 b. The person applying for business assistance or incentive may  
7 apply to the director for a tax clearance certificate and shall provide  
8 the director such information in such form as the director may  
9 prescribe necessary for the director to determine if the person has  
10 satisfied all requirements for filing those State tax and information  
11 returns and for paying those State taxes for which they have been  
12 liable as taxpayers or as collectors of tax.

13 c. If the director determines that the person has complied with  
14 all requirements for filing tax and information returns and for  
15 paying or remitting required State taxes and fees, the director shall  
16 issue to the person a tax clearance certificate.

17 If the director determines that the person has not filed all  
18 required tax and information returns or has not paid all tax,  
19 penalties, interest, or fees due, the director shall issue a notice of  
20 delinquency or deficiency listing unfiled returns or balances due.  
21 The director may require a person to resolve all delinquencies and  
22 deficiencies before a tax clearance certificate is issued, or upon  
23 review of the total circumstances, the director may issue an interim  
24 tax clearance certificate if the director determines to the director's  
25 satisfaction that the person will resolve all such delinquencies or  
26 deficiencies within the time period specified by the director.

27 The director's issuance of a regular or interim tax clearance  
28 certificate shall not constitute a waiver of authority to demand  
29 resolution of all deficiencies and delinquencies and shall not  
30 prevent further audit or the assessment of additional taxes,  
31 penalties, interest, or fees as may be provided by law. No  
32 additional right to protest or appeal the State tax indebtedness,  
33 filing deficiency, or penalties shall be available to any person  
34 pursuant to this section.

35 d. As used in this section:

36 "Business assistance or incentive" means monetary or financial  
37 assistance in any form, other than a tax credit or tax exemption  
38 granted pursuant to a claim made on a tax return filed with the  
39 Division of Taxation in the Department of the Treasury, including  
40 but not limited to a grant, loan, loan guarantee, or other monetary or  
41 financial benefit awarded to a person by a department or agency of  
42 State government, including independent authorities and  
43 instrumentalities of the State, to assist the person in the conduct or  
44 operation of a business, occupation, trade, or profession in the  
45 State, in connection with the following programs:

46 (1) the business employment incentive program established  
47 pursuant to P.L.1996, c.26 (C.34:1B-124 et al.);

1 (2) the business retention and relocation assistance program  
2 established pursuant to P.L.1996, c.25 (C.34:1B-112 et seq.);

3 (3) the customized training services provided pursuant to section  
4 5 of P.L.1992, c.43 (C.34:15D-5), except for assistance provided to  
5 a person pursuant to paragraph (4) of subsection a. of section 1 of  
6 P.L.2001, c.152 (C.34:15D-21);

7 (4) the business, commercial and industrial components of the  
8 clean energy program administered by the Board of Public Utilities;

9 (5) the business grant, loan, and loan guarantee programs  
10 administered by:

11 (a) the New Jersey Economic Development Authority;

12 (b) the New Jersey Housing and Mortgage Finance **[Authority]**  
13 Agency; and

14 (c) the Casino Reinvestment Development Authority;

15 (6) the science and technology grants provided by or through the  
16 New Jersey Commission on Science and Technology; and

17 (7) any other similar State program that confers a significant  
18 monetary or financial benefit upon a business or businesses, as  
19 prescribed by the State Treasurer pursuant to regulations  
20 promulgated pursuant to the "Administrative Procedure Act,"  
21 P.L.1968, c.410 (C.52:14B-1 et seq.), except for assistance provided  
22 to a person pursuant to paragraph (4) of subsection a. of section 1 of  
23 P.L.2001, c.152 (C.34:15D-21).

24 e. The director may charge and collect an application fee from  
25 a person applying for a tax clearance certificate, to reflect the  
26 administrative costs, and may charge and collect a reasonable  
27 service fee for the provision of any expedited services offered.

28 f. In order to better manage the workload of issuing tax  
29 clearance certificates, the director may prescribe a schedule by  
30 which tax clearance certificates will initially be issued for only one  
31 or more of the programs enumerated as business assistance or  
32 incentive, or one or more of the components of one or more of those  
33 programs, and by which tax clearance certificate issuance for other  
34 programs enumerated, or other components of those programs, will  
35 be instituted beginning on dates specified according to the schedule.  
36 In prescribing the schedule the director will give due regard to the  
37 monetary value of the assistance and incentive offered, the timing  
38 of the application process, the number of applicants, and necessary  
39 applicant and program administrator notice for a particular program  
40 or program component. Such a schedule adopted by the director  
41 shall be subject to change by the director, but in any case shall  
42 provide for issuance of tax clearance certificates for all enumerated  
43 programs before January 1, 2009.

44 Notwithstanding any provisions of this section to the contrary,  
45 no tax clearance certificate shall be required as a precondition to the  
46 award of business assistance or incentive or as a component of the  
47 application for business assistance or incentive prior to its

1 program's, or its program's component's, scheduling by the director  
2 pursuant to this subsection.

3 g. Notwithstanding any provision of P.L.1968, c.410  
4 (C.52:14B-1 et seq.) to the contrary, the director may adopt  
5 immediately upon filing with the Office of Administrative Law  
6 such regulations as the director deems necessary to implement the  
7 provisions of this act, which shall be effective for a period not to  
8 exceed 180 days following enactment of P.L.2007, c.101 (C.54:50-  
9 39) and may thereafter be amended, adopted or readopted by the  
10 director in accordance with the requirements of P.L.1968, c.410.  
11 (cf: P.L.2007, c.101, s.1)

12

13 5. This act shall take effect immediately.

14

15

16

#### STATEMENT

17

18 This bill establishes the "New Jersey Basic Skills Training  
19 Program for Economic Growth Act." The bill dedicates 13% of  
20 funds from the "Supplemental Workforce Fund for Basic Skills" to  
21 the New Jersey Community College Consortium for Workforce and  
22 Economic Development, a part of the New Jersey Council of  
23 County Colleges, to provide basic skills training to qualified  
24 displaced, disadvantaged or employed workers.

25 The bill also requires that any funds provided to the New Jersey  
26 Community College Consortium for Workforce and Economic  
27 Development would be provided by the Office of Customized  
28 Training, and shall comply with the following requirements:

29 1. The New Jersey Community College Consortium for  
30 Workforce and Economic Development shall work with all the  
31 community colleges throughout the State of New Jersey to deliver  
32 basic skills training in the most effective and efficient manner  
33 possible at any of their 63 campuses or at any appropriate business  
34 facility;

35 2. There shall be no charge to the employer sending employees  
36 to the training, but the employer must pay employees regular wages  
37 for the hours the training takes place;

38 3. The employers sending employees to this training shall not  
39 be asked to provide any paperwork or complete any financial  
40 disclosure forms, including a tax clearance certificate as defined in  
41 section 1 of P.L.2007, c.101 (C.54:50-39);

42 4. The employees being trained shall provide the Federal  
43 Employer Identification Number (FEIN) of their employer and the  
44 employer's contact information at the beginning of the training;

45 5. The mean class size for training under this subsection shall  
46 be 10, but the New Jersey Community College Consortium for  
47 Workforce and Economic Development may aggregate employees

1 from multiple employers in a single training to reach that mean of  
2 10;

3 6. The training provided under this subsection shall be basic  
4 skills training, but the apportionment of classes in the different  
5 areas of basic skills may be determined by the New Jersey  
6 Community College Consortium for Workforce and Economic  
7 Development in consultation with representatives of the business  
8 community;

9 7. The New Jersey Community College Consortium for  
10 Workforce and Economic Development shall file an annual report  
11 with the Legislature and the Department of Labor and Workforce  
12 Development containing the total number of workers trained, the  
13 total funds expended on training, the number of workers trained in  
14 each area of basic skills training, the number of businesses with  
15 employees trained, the number of classes held in each area of basic  
16 skills training, the number of classes held at each community  
17 college, the wage ranges of the workers trained, the job titles of the  
18 workers trained and the results of the pre-training and post-training  
19 assessments. The report shall also include an analysis of the  
20 strengths and weaknesses of the training program and how it can be  
21 improved in the ensuing year. The report shall supplant all  
22 requirements for any other reporting that the New Jersey  
23 Community College Consortium for Workforce and Economic  
24 Development may be asked to complete with respect to the funds it  
25 receives under the bill; and

26 8. The New Jersey Community College Consortium for  
27 Workforce and Economic Development shall work with the  
28 business community to promote this program to businesses across  
29 the State, including chambers of commerce, Statewide associations,  
30 such as the New Jersey Business and Industry Association, and any  
31 other appropriate business organizations.

32 Finally, the bill states that assistance provided pursuant to the  
33 bill shall not be regarded as a "business assistance or incentive" for  
34 the purposes of section 1 of P.L.2007, c.101 (C.54:50-39) and that  
35 recipients of that assistance shall not be required to submit a tax  
36 clearance certificate pursuant to that act.

# SENATE EDUCATION COMMITTEE

## STATEMENT TO

### **SENATE, No. 3113**

with committee amendments

# **STATE OF NEW JERSEY**

DATED: JANUARY 7, 2010

The Senate Education Committee favorably reports Senate Bill No. 3113 with committee amendments.

As amended, this bill is entitled the “New Jersey Basic Skills Training Program for Economic Growth Act.” The bill dedicates 13% of funds from the “Supplemental Workforce Fund for Basic Skills” to the New Jersey Community College Consortium for Workforce and Economic Development, a part of the New Jersey Council of County Colleges, to provide basic skills training to qualified displaced, disadvantaged, or employed workers.

Pursuant to the bill, any funds provided to the New Jersey Community College Consortium for Workforce and Economic Development will be provided by the Office of Customized Training, and will comply with the following requirements:

1. The New Jersey Community College Consortium for Workforce and Economic Development must work with all the community colleges throughout the State of New Jersey to deliver basic skills training in the most effective and efficient manner possible at any of their campuses or at any appropriate business facility;

2. There may be no charge to the employer sending employees to the training, but the employer must pay employees regular wages for the hours the training takes place;

3. The employers sending employees to this training must not be asked to provide paperwork or complete financial disclosure forms, including a tax clearance certificate; except, the employer must provide certain information to the employee and to the consortium that is required for compliance with other provisions of the bill;

4. The employees being trained must provide the Federal Employer Identification Number (FEIN) of their employer and the employer’s contact information at the beginning of the training;

5. The mean class size for training must be 10, but the New Jersey Community College Consortium for Workforce and Economic Development may aggregate employees from multiple employers in a single training to reach that number;

6. The training provided must be basic skills training, but the apportionment of classes in the different areas of basic skills may be

determined by the New Jersey Community College Consortium for Workforce and Economic Development in consultation with representatives of the business community;

7. The New Jersey Community College Consortium for Workforce and Economic Development must file an annual report with the Legislature and the Department of Labor and Workforce Development containing the total number of workers trained, the total funds expended on training, the number of workers trained in each area of basic skills training, the number of businesses with employees trained, the number of classes held in each area of basic skills training, the number of classes held at each community college, the wage ranges of the workers trained, the job titles of the workers trained, and the results of the pre-training and post-training assessments. The report must also include an analysis of the strengths and weaknesses of the training program and how it can be improved in the ensuing year. The report will supplant all requirements for any other reporting that the New Jersey Community College Consortium for Workforce and Economic Development may be asked to complete with respect to the funds it receives under the bill; and

8. The New Jersey Community College Consortium for Workforce and Economic Development must work with the business community to promote this program to businesses across the State, including chambers of commerce, Statewide associations, such as the New Jersey Business and Industry Association, and any other appropriate business organizations.

Finally, the bill states that assistance provided pursuant to the bill will not be regarded as a "business assistance or incentive" for the purposes of section 1 of P.L.2007, c.101 (C.54:50-39) and that recipients of the assistance will not be required to submit a tax clearance certificate pursuant to that act. A tax clearance certificate affirms that an applicant for the award of financial business assistance and incentives by the State has no outstanding New Jersey tax liability and has filed all necessary information returns.

The committee amended the bill to require that certain information which can only be obtained from the participating business be provided by that business to the Community College Consortium for Workforce and Economic Development and to the employees of the participating business to enable the consortium and the employees to comply with certain other provisions of the bill.

**LEGISLATIVE FISCAL ESTIMATE**  
**SENATE, No. 3113**  
**STATE OF NEW JERSEY**  
**213th LEGISLATURE**

DATED: JANUARY 6, 2010

**SUMMARY**

**Synopsis:** "New Jersey Basic Skills Training Program for Economic Growth Act."  
**Type of Impact:** Possible minimal revenue increase for County Community Colleges; no impact to the Supplemental Workforce Fund for Basic Skills.  
**Agencies Affected:** Department of Labor and Workforce Development, County Community Colleges.

**Office of Legislative Services Estimate**

<b>Fiscal Impact</b>	<b><u>Year 1</u></b>	<b><u>Year 2</u></b>	<b><u>Year 3</u></b>
<b>State Cost</b>	\$0	\$0	\$0
<b>State Revenue</b>	\$0	\$0	\$0
<b>Local Revenue</b> (County <b>Community Colleges)</b>	Minimal indeterminate increase - See comments below		
<b>Local Cost</b>	\$0	\$0	\$0

- The Office of Legislative Services (OLS) asserts that this legislation will have no overall impact on the "Supplemental Workforce Fund for Basic Skills" (SWFBS), established pursuant to P.L.2001, c.152 (C.34:15D-21 et seq.). The legislation does not alter the total amount of revenue collected or expended by the SWFBS, but rather shifts the current statutorily mandated allocations to require that 13 percent of the SWFBS revenue be expended for a grant reserved for the "New Jersey Community College Consortium for Workforce and Economic Development"(consortium).
- Currently, the funds in the SWFBS are statutorily allocated for basic skills training delivered by several different groups: 24 percent to the State's One Stop Career Centers; 28 percent to Workforce Investment Boards; 38 percent to the Office of Customized Training for grants to labor, business and community groups; and, the remaining 10 percent is allocated for the Department of Labor and Workforce Development's administrative costs. The legislation decreases by 13 percent the funding allocated to the Office of Customized Training (OCT) and creates a new category for the consortium and allocates 13 percent of the funding to that category.

- The department has indicated that it anticipates \$26.9 million in revenue for the SWFBS in FY 2010. Therefore, a 13 percent allocation from the SWFBS would equal approximately \$3.5 million for the consortium in FY 2010.
- According to the department, the consortium has received a total of approximately \$5.8 million in grants from the department in the previous three years. The OLS was not able to determine an annual grant amount for the consortium from the OCT; thus, the OLS cannot determine how much of an annual increase \$3.5 million may equal. However, it seems likely that it will be a slight increase in funding for the consortium and therefore, the other OCT grantees may experience a slight decrease in funding from the SWFBS.
- The consortium is not a public entity, but its members, county community colleges throughout the State, are local public entities and will receive a monetary gain through any increased funding pursuant to this legislation. The funds for the basic skills training are granted to the consortium from the department and then paid to the county community colleges either through billing for the direct service or through a shared compensation system.

### **BILL DESCRIPTION**

Senate Bill No. 3113 of 2009 establishes the “New Jersey Basic Skills Training Program for Economic Growth Act.” The bill dedicates 13 percent of funds from the “Supplemental Workforce Fund for Basic Skills” to the New Jersey Community College Consortium for Workforce and Economic Development, a part of the New Jersey Council of County Colleges, to provide basic skills training to qualified displaced, disadvantaged or employed workers.

The bill also requires that any funds provided to the New Jersey Community College Consortium for Workforce and Economic Development would be provided by the Office of Customized Training, and shall comply with certain requirements.

Finally, the bill states that assistance provided pursuant to the bill shall not be regarded as a “business assistance or incentive” for the purposes of section 1 of P.L.2007, c.101 (C.54:50-39) and that recipients of that assistance shall not be required to submit a tax clearance certificate pursuant to that act.

### **FISCAL ANALYSIS**

#### ***EXECUTIVE BRANCH***

None received.

#### ***OFFICE OF LEGISLATIVE SERVICES***

The OLS asserts that this legislation will have no overall impact on the “Supplemental Workforce Fund for Basic Skills” (SWFBS), established pursuant to P.L.2001, c.152 (C.34:15D-21 et seq.). The legislation does not alter the total amount of revenue collected or expended by the SWFBS, but rather shifts the current statutorily mandated allocations to require that 13 percent of the SWFBS revenue be expended for a grant reserved for the “New Jersey Community College Consortium for Workforce and Economic Development” (consortium).



Currently, the funds in the SWFBS are statutorily allocated for basic skills training delivered by several different groups: 24 percent to the State's One Stop Career Centers; 28 percent to Workforce Investment Boards; 38 percent to the Office of Customized Training for grants to labor, business and community groups; and, the remaining 10 percent is allocated for the Department of Labor and Workforce Development's administrative costs. The legislation decreases by 13 percent the funding allocated to the Office of Customized Training (OCT) and creates a new category for the consortium and allocates 13 percent of the funding to that category.

The department has indicated that it anticipates \$26.9 million in revenue for the SWFBS in FY 2010. Therefore, a 13 percent allocation from the SWFBS would equal approximately \$3.5 million for the consortium in FY 2010.

According to the department, the consortium has received a total of approximately \$5.8 million in grants from the department in the previous three years. The OLS was not able to determine an annual grant amount for the consortium from the OCT; thus, the OLS cannot determine how much of an annual increase \$3.5 million may equal. However, it seems likely that it will be a slight increase in funding for the consortium and therefore, the other OCT grantees may experience a slight decrease in funding from the SWFBS.

The consortium is not a public entity, but its members, county community colleges throughout the State, are local public entities and will receive a monetary gain through any increased funding pursuant to this legislation. The funds for the basic skills training are granted to the consortium from the department and then paid to the county community colleges either through billing for the direct service or through a shared compensation system.

*Section: Commerce, Labor and Industry*  
*Analyst: Robin C. Ford*  
*Associate Fiscal Analyst*  
*Approved: David J. Rosen*  
*Legislative Budget and Finance Officer*

This fiscal estimate has been prepared pursuant to P.L.1980, c.67 (C.52:13B-6 et seq.).

# LEGISLATIVE FISCAL ESTIMATE

[First Reprint]

## SENATE, No. 3113 STATE OF NEW JERSEY 213th LEGISLATURE

DATED: JANUARY 15, 2010

### SUMMARY

- Synopsis:** "New Jersey Basic Skills Training Program for Economic Growth Act."
- Type of Impact:** Possible minimal revenue increase for County Community Colleges; no impact to the Supplemental Workforce Fund for Basic Skills.
- Agencies Affected:** Department of Labor and Workforce Development, County Community Colleges.

#### Office of Legislative Services Estimate

<b>Fiscal Impact</b>	<b><u>Year 1</u></b>	<b><u>Year 2</u></b>	<b><u>Year 3</u></b>
<b>State Cost</b>	\$0	\$0	\$0
<b>State Revenue</b>	\$0	\$0	\$0
<b>Local Revenue</b>	Minimal	Minimal	Minimal
<b>(County Community Colleges)</b>	Indeterminate Increase	Indeterminate Increase	Indeterminate Increase
<b>Local Cost</b>	\$0	\$0	\$0

- The Office of Legislative Services (OLS) asserts that this legislation will have no overall impact on the "Supplemental Workforce Fund for Basic Skills" (SWFBS), established pursuant to P.L.2001, c.152 (C.34:15D-21 et seq.). The legislation does not alter the total amount of revenue collected or expended by the SWFBS, but rather shifts the current statutorily mandated allocations to require that 13 percent of the SWFBS revenue be expended for a grant reserved for the "New Jersey Community College Consortium for Workforce and Economic Development" (consortium).
- Currently, the funds in the SWFBS are statutorily allocated for basic skills training delivered by several different groups: 24 percent to the State's One Stop Career Centers; 28 percent to Workforce Investment Boards; 38 percent to the Office of Customized Training for grants to labor, business and community groups; and, the remaining 10 percent is allocated for the Department of Labor and Workforce Development's administrative costs. The legislation decreases by 13 percent the funding allocated to the Office of Customized Training (OCT)

and creates a new category for the consortium and allocates 13 percent of the funding to that category.

- The department has indicated that it anticipates \$26.9 million in revenue for the SWFBS in FY2010. This revenue is in addition to the anticipated fund balance of \$4 million. Therefore, a 13 percent allocation from the SWFBS would equal approximately \$4 million for the consortium in FY2010.
- Historically, language in the Appropriations Act has authorized funds be diverted from the SWFBS to community colleges (\$16 million in FY2010) and to the New Jersey Youth Corps (\$2.2 million in FY2010). If these diversions are subtracted from the total funds available in the SWFBS, the 13 percent allocation available for the consortium would instead equal \$1.66 million in FY2010.
- According to the department, the consortium has received a total of approximately \$5.8 million in grants from the department in the previous three years. The OLS was not able to determine an annual grant amount for the consortium from the OCT; thus, the OLS cannot determine if \$1.66 million represents an annual increase or decrease.
- The consortium is not a public entity, but its members, county community colleges throughout the State, are local public entities and will receive a monetary gain through any increased funding pursuant to this legislation. The funds for the basic skills training are granted to the consortium from the department and then paid to the county community colleges either through billing for the direct service or through a shared compensation system.

### **BILL DESCRIPTION**

Senate Bill No.3113[1R] of 2009 establishes the “New Jersey Basic Skills Training Program for Economic Growth Act.” The bill dedicates 13% of funds from the “Supplemental Workforce Fund for Basic Skills” to the New Jersey Community College Consortium for Workforce and Economic Development, a part of the New Jersey Council of County Colleges, to provide basic skills training to qualified displaced, disadvantaged or employed workers.

The bill also requires that any funds provided to the New Jersey Community College Consortium for Workforce and Economic Development would be provided by the Office of Customized Training, and shall comply with certain requirements.

Finally, the bill states that assistance provided pursuant to the bill shall not be regarded as a "business assistance or incentive" for the purposes of section 1 of P.L.2007, c.101 (C.54:50-39) and that recipients of that assistance shall not be required to submit a tax clearance certificate pursuant to that act.

### **FISCAL ANALYSIS**

#### ***EXECUTIVE BRANCH***

None received.

**OFFICE OF LEGISLATIVE SERVICES**

The Office of Legislative Services (OLS) asserts that this legislation will have no overall impact on the “Supplemental Workforce Fund for Basic Skills” (SWFBS), established pursuant to P.L.2001, c.152 (C.34:15D-21 et seq.). The legislation does not alter the total amount of revenue collected or expended by the SWFBS, but rather shifts the current statutorily mandated allocations to require that 13 percent of the SWFBS revenue be expended for a grant reserved for the “New Jersey Community College Consortium for Workforce and Economic Development” (consortium).

Currently, the funds in the SWFBS are statutorily allocated for basic skills training delivered by several different groups: 24 percent to the State’s One Stop Career Centers; 28 percent to Workforce Investment Boards; 38 percent to the Office of Customized Training for grants to labor, business and community groups; and, the remaining 10 percent is allocated for the Department of Labor and Workforce Development’s administrative costs. The legislation decreases by 13 percent the funding allocated to the Office of Customized Training (OCT) and creates a new category for the consortium and allocates 13 percent of the funding to that category.

The department has indicated that it anticipates \$26.9 million in revenue for the SWFBS in FY2010. This revenue is in addition to the anticipated fund balance of \$4 million. Therefore, a 13 percent allocation from the SWFBS would equal approximately \$4 million for the consortium in FY2010. Historically, language in the Appropriations Act has authorized funds be diverted from the SWFBS to community colleges (\$16 million in FY2010) and to the New Jersey Youth Corps (\$2.2 million in FY2010). If these diversions are subtracted from the total funds available in the SWFBS, the 13 percent allocation available for the consortium would instead equal \$1.66 million in FY2010.

According to the department, the consortium has received a total of approximately \$5.8 million in grants from the department in the previous three years. The OLS was not able to determine an annual grant amount for the consortium from the OCT; thus, the OLS cannot determine if \$1.66 million represents an annual increase or decrease.

The consortium is not a public entity, but its members, county community colleges throughout the State, are local public entities and will receive a monetary gain through any increased funding pursuant to this legislation. The funds for the basic skills training are granted to the consortium from the department and then paid to the county community colleges either through billing for the direct service or through a shared compensation system.

*Section: Commerce, Labor and Industry*  
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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 (C. 52:13B-6 et seq.).